



Future of manufacturing **Reconnect –** **Value chain case study**

[Born globals and their value chains](#)

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1. General identification of the born global enterprise and the value chain members

1.1. Description of the born global enterprise: Reconnect

Reconnect is a Dutch enterprise set up in 2013 which produces interactive media walls of different sizes for use in the health and care sector. These media walls are installed in the walls of de-escalation rooms used for patients with mental health problems. Through the touch screens a patient is able to communicate with the outside world in a safe and interactive way. Creating a more soothing, personalised environment for patients while they recover their calm has been shown to reduce seclusion time by up to 50%.

Reconnect developed the GRASP software together with specific hardware to create these media wall solutions. It manufactures two main categories of products in which the GRASP software is programmed and can be accessed, namely the communication wall ‘COWall’ and the communication windows ‘CoWin-46’ and the ‘CoWin-32’.

The [software platform GRASP](#) is described as a ‘comprehensive software platform that provides access to a personalised environment and is fully externally controlled. It has been designed for people that are either not able or not allowed to fully access all the options that modern multimedia offers’. The GRASP software interface allows patients and health managers to access various applications through icon-based user interfaces. The software enables authorised people to personalise the content to the patients in question; in this respect, the amount and type of applications, which a patient can access, are selected and controlled by the authorised individuals using a special app. This app can be installed on mobile devices such as tablets or mobile phones.

Reconnect also provides a number of services. One is the GRASP Community, wherein users of the GRASP platform can get updates and support for their GRASP software. Users are also encouraged to create their own applications to add to the platform, and Reconnect also provides the option of developing applications recommended or suggested by [users](#).

Besides the GRASP Community, Reconnect provides consultancy services on designing the interiors of mental health care institutions and the de-escalation rooms within them. Due to the experience of the CEOs (Cor Datema and Erik Kuijpers) in the medical sector, and especially mental health and psychiatric fields, the enterprise is able to provide more holistic [insights and advice](#) on how to best design healthcare environments.

Development of the product and establishment of the enterprise

The idea to set up the enterprise Reconnect arose from a project in the area of mental health care which was being carried out by the owners while they were working at Philips. This three-year pilot project, which ran from 2009 to 2012, was conducted together with the Technical University of Eindhoven. The pilot project looked at the role which technology could play in improving the approach used in helping mental health patients who needed to be put into de-escalation rooms. At the end of the pilot, Philips did not wish to pursue the project further. Both current owners of Reconnect however, were willing to expand the pilot idea further and leave the company to start-up Reconnect. Philips agreed to let them continue independently through setting up their own enterprise.

Erik Kuijpers has sectoral experience as a caregiver and nurse in the mental healthcare sector, specifically in psychiatric and forensic health care areas, and Cor Datema has a technical development background. Together with Juriaan Eisink, who also worked for Philips at that time and who was also involved in the pilot project, the three developed the GRASP software to be used in the communication walls and windows.

As of spring 2017, Reconnect employs, next to the founders, Juriaan Eisink, who is involved in the maintenance of the software and who carries out general ICT activities for the enterprise. Furthermore, Reconnect has two more employees, one for accounting and one for marketing activities. The two

owners work full-time on a permanent contract basis, and the other three employees work on part-time contracts also on a permanent basis. All of the employees in the company have the Dutch nationality.

1.2. Description of global value chain member: Telerex (Dutch-Belgian company) and Zytronic (UK)

The hardware (touch screens) that Reconnect is using is manufactured by Zytronic. This hardware has to be bought via Telerex, which has the sole distribution rights for Zytronic products in the Netherlands and Belgium.

Telerex is distributor for electronic products and for components used in consumer products, and their main client group are ‘Original Equipment Manufacturers’ (OEMs). The products distributed include power supplies, displays, printer modules, card readers, as well as touch screens. Telerex also advises clients as to the best products or components to use in their work or applications. It imports products from different countries such as Taiwan and the UK.

Telerex has two main locations: one in Antwerp (Belgium) and one in Breda (the Netherlands). The company is a family company which started in 1970. As of 2017, Telerex has separate companies incorporated in a holding structure with international presence, including companies in France and Taiwan. Telerex mainly serves the Benelux region as its national market. The enterprise has developed and grown in a steady manner since its foundation, and the number of employees evolved from 60 in 1970 to 170 in 2017. Due to a new vision for the organisation and the transition to a holding set-up, the company has experienced a higher economic and job growth since 2012.

1.3. Description of global value chain member: Britplas (UK)

Britplas acts as an informal promotion and sales channel by promoting Reconnect products together with its own products. Britplas is based in the UK, and is producing and selling commercial windows for a broad variety of applications. The main markets for Britplas are the healthcare sector, the education sector and other sectors such as the construction sector which use glass and large scale windows. The main clients for the products are the National Health Service (NHS) in the UK, as well as private hospitals and different construction companies. Britplas also operates on the international market, but this refers to only 10% of their overall turnover. In 2016, for example, the company designed and installed the windows for a hospital in the USA and 12 hospitals in Australia.

The company has grown steadily since its inception in 2006. During the first five years of existence, the company doubled in size annually, after which the progress reached a plateau. In 2016, the company generated 14 million British pounds (€15.9 million) and is expected to generate 20 million British pounds (€22.8 million) in 2017. Around 100 employees are working at Britplas at their location in Warrington.

2. Internationalisation activities of the interviewed born global enterprise

2.1. Internationalisation activities of the company and start year

From the start, Reconnect's internationalisation activities include the research and development of its products, the manufacturing of its products, and the sales and promotion of the products.

Important parts of the products of Reconnect are the touch screens, which are developed in close cooperation with Zytronic. The cooperation started already in the pre-start-up phase.

Since the start, Reconnect also has a relation with Britplas, which supports promotion and sales in the UK.

Besides these structural international activities with Britplas and Zytronic in the UK, Reconnect does not have structural working relationships with other international companies.

2.2. Importance of internationalisation activities for the company and main served markets

The products sold by Reconnect are applicable to a relatively specific, technical area of mental and psychiatric healthcare, where the clients consist of institutions offering mental and psychiatric care and treatment. This is quite a specific niche area within healthcare and therefore, given the limited size of the domestic market in the Netherlands, Reconnect's international activities are fundamental to their business viability and to have a market that is large enough for the sales of their product. Therefore, Reconnect has focussed on the international, more specific the European, market since the start.

For the further research and development of their products, Reconnect closely cooperates with Zytronic, Telerex and Britplas. The informal cooperation between Reconnect and the British company Britplas has been and continues to be important in helping Reconnect to connect with clients in the UK.

In the first years, Reconnect mainly focused on European countries, such as Germany, France, Luxembourg, Belgium, the UK and Switzerland. As of 2017, Reconnect is trying to expand its activities to non-European countries with an initial focus on Canada. At present, the UK is the biggest export market, followed by Germany. These two countries are front-runners in the field of mental health care.

2.3. Reasons to go international and specific target market selection

Reconnect has operated in the international market since the beginning. In the start-up phase, Reconnect inventoried the number of de-escalation rooms available in the Netherlands and quickly came to the conclusion that the enterprise would only be viable if they focus on the international market. This became even more apparent when considering the existence of potential competitors. The business plan of the enterprise was developed by the founders, with support from the enterprise support organisation Bright Move (see section 6.2 for further information), and this business plan was internationally orientated from the very beginning.

The reasons for focussing the international activities on the UK when Reconnect started were that the production and promotion partners were located here, and because the UK is at the forefront of the medical health field.

2.4. Main obstacles/challenges to engage in internationalisation activities and solutions adopted by the enterprise

In setting up its international activities, notably the sales of its product, Reconnect experienced a number of barriers and obstacles. These revolved around certification and product requirements, administrative requirements relating to the enterprise itself abroad, and different national business cultures, especially regarding the issue of a client making down payments on orders.

An important problem for Reconnect is the variety in tests that were required to show that the products fulfil the relevant safety regulations. Different countries, especially outside of Europe, have different product requirements for different types of products, and these requirements tend to be more complex for electronic products. This leads to extra time and costs to get the appropriate certifications and to adhere to the relevant administrative product requirements required in a country before the product can be put on the market. From the perspective of healthcare and healing in psychiatry, the UK is at the forefront, but from a bureaucratic perspective, this was quite administratively heavy. The ISO certification is acceptable for most countries surrounding the Netherlands, but the UK requires additional certification. Additional tests were needed to actually sell the product, even after having gained initial access to the market through the first certification test. Similarly, when Reconnect wanted to have their products tested for selling in the USA, there were some delays in getting the samples of the products into the USA due to regulations and other administrative issues, which meant extra costs and time. In Germany, in contrast, the Dutch test and certification were considered as sufficient.

Another instance of administrative burden that Reconnect encountered was that certain administrative requirements and issues arose once a business deal was already underway. For example, other administrative documents such as further documentation identifying the company are required. Acquisition of these documents and the lead-time related may hamper timely delivery of the products since the production process cannot be started. Another example of administrative requirements that proved a challenge took place in a business transaction with the British National Health Service (NHS). Reconnect had to complete a specific registration of the enterprise as a legitimate, official enterprise to be able to do business with the NHS.

Another challenge with operating internationally are the differences in business culture. In the Netherlands, Belgium and Germany for example, it is quite common to make deposits or to pay instalments of the total sales amount at the beginning of a transaction. In Germany, there are slightly more rules regarding down payments, but generally this business habit of providing larger down payments is also more commonplace. Reconnect experienced some more difficulty in communicating the importance of these down payments on orders to UK clients. It seems that while in the Netherlands a first down payment of around 40% is normal, this is not the norm in the UK. There, a down payment on an order typically only goes to a maximum amount of 25% of the order value, and the NHS specifically has the policy of paying after delivery. These differences in business culture were a real challenge because as a start-up enterprise, Reconnect had little financial buffer, and money was needed to start-up the production process and pre-pay their suppliers.

Most of the obstacles and challenges related to internationalisation were solved on an ad hoc basis. Often it was a matter of simply complying with the administrative and product certification requirements of the country in which they wanted to do business. For instance, Reconnect made sure to get the relevant certification needed for the UK, or went through the red tape required to be able to send the demo versions of the products to the USA for potential sales. When confronted with the different business cultures, specifically the issue of receiving a larger down payment for the orders, Reconnect negotiated with the NHS and indicated that this payment was important to get the production process going.

Reconnect indicates that such issues are likely to come up when doing business abroad, but that more information on the requirements for exporting products would be useful. As a relatively young enterprise, Reconnect informs itself on the different requirements and business cultures of a country it wants to export to, but it has less resources to do this sort of research as thoroughly as larger enterprises. Consequently, some issues only come up once the actual sales promotion or exporting activities have started, leading to ad hoc solutions to the challenges encountered.

3. Global value chains of the born global enterprise

3.1. Identification of global value chain(s) in which the interviewed enterprise participates

Recornect has one global value chain with international partners, comprising activities in different fields such as product research and development, manufacturing and the promotion and sales of its products. The key global value chain partners are described in more detail in the following section and in section 4.

3.2. Main roles/tasks of the born global enterprise and its partners, fields of activity and governance issues

Zytronic was closely involved from the start in further researching and developing the touch screens, which are used in Recornect's communication walls and communication windows. Telerex is the distributor for Zytronic in the Netherlands and Belgium and as such the role of Telerex has been to facilitate the communication between Recornect and Zytronic. Telerex's main role in the global value chain for Recornect is to distribute the products manufactured by Zytronic and it therefore plays a role mainly in passing along orders for Recornect's products to Zytronic; Zytronic then manufactures the required components for the products. Britplas has an informal working relationship with Recornect. Britplas acts as an informal promotion and sales channel for Recornect by promoting Recornect products together with its own products.

4. Cooperation between the born global and its selected international partners in value chains

4.1. Brief history of the cooperation(s) and reasons for initiating these cooperation(s)

As Britplas develops high-level safety glass, it was invited to the Netherlands for further talks. Reconnect demonstrated how the de-escalation rooms used in mental health care treatment were currently furnished, and what their proposed solution and product was planned to look like. Britplas saw a potential for Reconnect in the UK, together with Britplas' own products. As part of its sales activities, Britplas visited many Psychiatric Intensive Care Units in the UK, where they could eventually introduce Reconnect products. Britplas for example installed prototypes of the Reconnect products in the Britplas premises in the UK to showcase the product of Reconnect to potential clients. This was a win-win situation in that Britplas gained the reputation for being an innovative company in the area of mental health care, which in 2013 was a newer branch of activity for the company. Reconnect in turn was able to showcase their own product in the UK, which is a country at the forefront of psychiatric and mental health care in Europe, and therefore constituted an important market for Reconnect to get into.

The collaboration with Zytronic and consequently TelereX came about through market research and technical evaluation. Reconnect wanted specific characteristics and technical specifications for the touch screens they used for their communication windows and walls. Reconnect, especially Mr. Datema who has the technical profession background, did market research into various potential companies across Europe, and requested samples from various manufacturers including Zytronic. Ultimately, the touch screens produced by Zytronic in the UK showed to be of the best quality for Reconnect's purposes. Upon approaching Zytronic for a collaboration, it became clear that TelereX had sole distribution rights for any of Zytronic products being exported to Belgium and the Netherlands. As such, Reconnect had to approach TelereX to ultimately be able to do business with Zytronic. Reconnect had to consider this carefully as TelereX would also need to be paid a percentage as a commission. The products of Zytronic were however so superior to others they had come across that Reconnect did not feel they had a choice in the matter and entered into a business arrangement.

4.2. Roles/tasks/activities carried out by the born global and the selected partner(s) within the value chain and role of ICT and logistics services in sustaining the cooperation

Zytronic was closely involved with Reconnect in further researching and developing the nature of the touch screens, which are used in Reconnect's communication walls and communication windows. At the start of the cooperation, product requirements and schematics were sent back and forth. Their main issue was developing a touch screen, which is both very sensitive and robust, given that they are used in different products all aiming at the psychiatric and mental health sector; in the de-escalation rooms for instance, where people can get violent or volatile it is of crucial importance that the screens do not break. It was also crucial that the screens can be produced in both larger sizes for the communication walls and in smaller sizes for the communication windows. Following the research and development of the screens for use in Reconnect's products, Zytronic became the manufacturer and also the supplier of key components of the communication windows and walls.

Britplas acts as an informal promotion and marketing channel for Reconnect by promoting Reconnect products together with its own products. Given the innovative and cutting-edge nature of the Reconnect products in the field of psychiatry, having close ties with the enterprise reflects well on Britplas and gives it the reputation of also being innovative and up to date regarding the latest trends. Britplas also puts Reconnect in touch with potential clients if they come across interested parties in their own promotion and sales activities. Britplas also houses a demo of the Reconnect communication wall and communication windows to showcase the products for potential clients. Finally, Britplas is an

established and thriving company according to both Reconnect and Britplas interviewees. As such, Britplas has been and continues to be willing to allow Reconnect to share their promotional stands at events and seminars as these can be expensive to participate in for a young enterprise. Both Reconnect and Britplas consider this general, informal arrangement to be a win-win collaboration for by both enterprises.

ICT is and has been very important in the cooperation with both global value chain partners. Especially in the development stage, the exchanging of ideas was done to a very large extent using e-mail. This communication tool was extremely important given the specific and technical nature of the product as it enabled drawings, sketches, with exact component sizes, lengths and materials to be exchanged quickly, examined and sent back. E-mailing also allowed for explicit instructions and agreements to be made which could be consulted again at a later stage. The drawings and product sketches were crucial in the design stage as confirmations were needed from Reconnect, Telerex, and Zytronic to be able to precisely develop pilot versions of different components. The use of e-mails simplified and shortened the collaborative process for such a precise product. How long exactly this process would have taken without ICT such as e-mailing is unclear, but Reconnect indicates that this has a highly significant added value regarding the speed with which the research and development of the Reconnect products could take place.

4.3. Governance issues and formalisation of the cooperation

As of 2017, Reconnect is at a stage where, given its growth, it needs to start formalising certain internal business processes to make the business more efficient. In the Netherlands, for example, the Chambers of Commerce provides such support to enterprises and as such, the Chambers were approached to help Reconnect make a strengths and weaknesses analysis of the enterprise's current position.

Some of the key elements suggested by the analysis provided by the Chambers of Commerce included formalising several processes that had been informal during the start-up phase of the enterprise. These included establishing and applying formal 'learning loops' to improve business operations, establishing a new customer relations management (CRM) system, a new ticket system for complaints for delivery issues, a good hour-registration system for working time of staff, maintaining a good balance between hours and costs made, and updating outdated accounting programmes.

This formalisation phase also required reflecting and evaluating on questions of the enterprise's future strategy. This involved reflecting on whether more or different business partners would be needed in the coming years, and how to generally scale-up Reconnect's activities. Regarding the cooperation with value chain partners, the cooperation with Britplas is highly informal and will not be formalised in the near future. As described, Reconnect and Britplas both indicate that the current relationship is mutually beneficial. If Reconnect continues to grow and expand however, Reconnect indicates the relationship may become more formalised.

In the pre-start phase, there was a close collaboration in research and development between Reconnect and Zytronic and Telerex of appropriate touch screens. There was informal, back and forth discussions regarding feedback on the products and their specifications. Since the start of the enterprise, the collaboration has become more formalised as Zytronic and Telerex are now part of the manufacturing process and receive orders for production from Reconnect. While larger orders are preferable from a revenue perspective, Zytronic does have a limit on its productive capacity; larger orders may take longer to deliver as a result.

4.4. Evolution of the cooperation over time

The collaboration between Zytronic and Reconnect was already very close in the pre start-ups phase as they were discussing the design of the product component through face to face meetings (in the UK or the Netherlands) once or twice a month, e-mailing and phone calls. Once the product was finalised and the screens were produced by Zytronic, the communication became less intense and more recurring based on orders received for products.

The specific durability and sensitivity of the touch screens were designed and are particular features of Reconnect's products. Zytronic is specialised in manufacturing these screens and as such is not easily replaceable as an international partner. Therefore, it is of mutual benefit to maintain a good working relationship over time.

There has been no real change in the working relationship between Reconnect and Britplas. The two enterprises have a good informal working relationship, with support being offered. Theoretically, plenty of other companies could carry out promotion and sales activities as Britplas does, but the fact that Britplas does this for free is quite unique. Additionally, Britplas knows the Reconnect products very well. They are therefore able to explain in detail what the Reconnect products entail and what makes them innovative and cutting edge in the field. Britplas is present and interested in all mental health areas and monitors the latest developments; they can therefore provide a good and thorough pitch for Reconnect.

4.5. Results of the international cooperation for the different enterprises

For Reconnect, one of the main results of the international cooperation with Zytronic and Telerex has been the development of unique touch screens of various sizes with enough durability and sensitivity to be used in Reconnect's products. Both Reconnect and Zytronic were involved in developing the screens together and as such, there has been learning and knowledge sharing amidst the two enterprises. For Telerex, as the distributor and thus slightly less involved in the research and development process, the main outcome of the cooperation has been a deepening of knowledge and expertise and an increase in sales.

The cooperation with Britplas has led to promotion and sales being conducted in the UK. The informal cooperation in the start-up phase also involved some consulting from Britplas on the development of the Reconnect enterprise and products, but its main role consisted of putting Reconnect into contact with potential clients. As indicated earlier, knowing and promoting a product which is up to date and which incorporates the latest innovations in the field has a positive impact on Britplas' reputation. It is difficult to estimate the added value of the collaboration in economic and employment terms.

Reconnect and its products, made possible by the international collaborations as described above, has grown to become an innovative, export driven enterprise. This was evidenced in 2016, when Reconnect won the third MKB Export Award, an award for SMEs who perform particularly well. The competition and the Export Award are an initiative made possible by the industry association [MKB Nederland](#) (SMEs in the Netherlands), TNT and the Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland, RVO), in cooperation with the language institute Regine Coeli. The aim of the award is to encourage entrepreneurs to export and expand their international activities. Reconnect won the MKB Export Award due to the international potential of the enterprise and its products. The innovative de-escalation rooms and the personalised care they allow were seen as excellent aspects constituting a service for which the market is likely to keep growing.

The Dutch Chamber of Commerce also strives to encourage innovation and does so, amongst others, through the [SME Innovation Top 100 list](#), or 'MKB Innovatie Top 100'. Under this initiative, the jury examines, selects and compiles a list of the 100 innovative enterprises in the Netherlands to improve their visibility, and to have their practices inspire other organisations. Reconnect came in at 25th place out of the 100 companies in 2016 due to the impact of their product on mental health care and their international activities.

Reconnect has also won other innovation- and export-related [awards](#) at smaller conferences and events, demonstrating that the product is innovative and cutting edge in its field.

5. Main obstacles/challenges to engage in international cooperation activities

5.1. External/internal-to-the company barriers/obstacles

Recornect did not report any major obstacles or barriers regarding the cooperation with the global value chain partners. The global value chain partners Zytronic and its distributor Telerex, and Britplas all indicate that the cooperation runs smoothly and none of the enterprises report any major challenges. One minor challenge cited by Recornect is that Zytronic's production capacity is limited when it comes to preparing and delivering larger orders. This sometimes puts pressure on the production and delivery time of the products. However, Recornect indicates that it incorporates a margin for error with regards to delivery and that product delivery is generally quite punctual. In cases of larger orders, a longer delivery time is taken into consideration and communicated to clients to give Zytronic time to manufacture the touch screens in time.

At the start of the cooperation, Recornect also encountered the issue that the preferred supplier, Zytronic, could only export to the Netherlands and Belgium via the distributor Telerex. This meant for example that the products became more expensive due to the commission charged by Telerex. This showed to be in the end not a very large obstacle.

5.2. Solutions adopted by enterprise to solve/face these obstacles/challenges

As described in section 5.1, the obstacles and challenges with cooperating with the international partners were very limited and were easily solved.

6. External sources of support as regards internationalisation and international cooperation

6.1. Main identified needs for external support

Already from the start Recornect focussed on an international market and the enterprise needed external support for getting the financial resources required, mapping and investigating what requirements the enterprise had to fulfil to be able to export, and support in actually setting up the enterprise. Gaining the financial resources needed was one of the main challenges.

Investigating and mapping out the requirements for a Dutch enterprise to sell its products abroad was also an area in which Recornect needed external support. The product requirements and certification requirements, tax systems and business cultures vary across countries and knowing what sort of activities and preparation was required for each country was and remains a key area of focus when exporting.

By 2017, Recornect is in a transition phase between a start-up and a scale-up enterprise. As such current needs for support relate to formalising the enterprise and its international activities, and developing a longer term strategy for the future.

6.2. Use of external support by the enterprises

Already at the start, Recornect made use of various types of external policy support schemes. The enterprise is situated in the Dutch city of Eindhoven, which with the presence of Philips and the Technical University of Eindhoven has become one of the most innovation and technologically strong regions in the Netherlands. There are various support systems available which are tailored towards more innovative and technical enterprises. Given the size of the Dutch market most of this type of enterprise have to operate internationally from the start, and therefore internationalisation is one of the aspects that is automatically included in the support.

The Chamber of Commerce in Eindhoven was supportive according to Recornect in helping them to develop a business plan and providing general information on steps to take for their business.

Brainport also provided important support to Recornect during its start-up phase. Brainport is an innovation and business collaboration network that brings together enterprises, research institutes and government institutions in the southeast region of the Netherlands. This innovation hub is unique to Eindhoven and constitutes a cooperation between companies and organisations in Eindhoven, as well as 21 municipal governments in the region. According to Recornect, working in the Brainport area allows enterprises to connect very easily with each other, leading to exchange of ideas and practices, and general learning.

Via the Brainport hub, enterprises can access different kinds of support and organisations, which aim to help enterprises. One of such organisations is Bright Move, which focuses on helping individuals with innovative ideas who want to start a business. Bright Move provides support in developing a business plan and given the organisation's technical focus, it is specialised in evaluating technical and innovative ideas, and helping transform them into business plans. This last step is important in gaining financing because, according to Recornect, the technical nature of the business concept means it is less easy to explain to potential investors why certain financing is needed. Therefore, having an organisation with technical expertise which can transform the idea into a sound business plan, which is understandable to investors or financial institutions, is important in gaining financing. In the case of Recornect, Next Move helped to ensure the financing by the Rabobank, one of the Netherlands' major banks. The involvement of these institutions helped refine and set-up the enterprise as an internationally orientated SME from its outset.

The Brabant Development Agency (BOM) is an economic development agency for the southern Dutch province of Brabant. BOM 'provides knowledge, capital, talent, market and facilities to ambitious entrepreneurs with growth potential who focus on finding solutions to economic and social issues. By doing this, BOM contributes to the sustainable development of Brabant's economy'. BOM has a

support instrument in which enterprises who wish to investigate foreign markets receive a knowledge voucher of €2,500 (BOM, 2017b). This voucher is made available by the Enterprise Agency for the Netherlands, the RVO (Rijksdienst voor Ondernemend Nederland), which is an agency affiliated with the Dutch Ministry of Economic Affairs, that implements the business support schemes of the national government. Recornect made use of this knowledge voucher when entering the German market to help map the German market.

Eindhoven also has another platform for cooperation between businesses and municipal governments, which promotes the regional interests for Eindhoven and its enterprises at the national level. This is known as the SRE, the Cooperation relation for the Region of Eindhoven ('Samenwerkingsverband Regio Eindhoven'). This platform connects enterprises and government bodies, and also provides business development subsidies. When Recornect developed their first product, they received a subsidy of some €12,000 via the SRE, which helped to reduce the production costs.

As of 2017, Recornect is in a transition phase between start-up and scale-up. They are being supported in this by the Chambers of Commerce via the Enterprise Europe Network of the European Commission. The Chamber receives a subsidy to help enterprises to start-up and scale-up. Enterprises receive a questionnaire, and step by step, a plan is made on how different improvement activities can be carried out.

No external sources of support or financing or policy instruments have been used by Britplas or Terelox in their cooperation with Recornect or internationalisation of their enterprises in general.

6.3. Assessment of this external policy support

The main needs which Recornect had in terms of external policy support centred on gaining access to finance, help in developing a business plan, mapping of foreign markets for exports, and more recently, helping the enterprise to grow and scale-up. Recornect was able to make use of measures that introduced more financial means to the enterprise, as well as external support measures which supported Recornect in areas such as developing business plans, refining the business idea and being put into contact with other useful institutions, or being directed to other useful measures worked very well.

According to Recornect, the pace of development of the enterprise was helped by the supportive business environment and the measures available in the Netherlands, and in Eindhoven especially. As mentioned, Eindhoven is quite an innovative region and there are many measures in place to stimulate and support innovative companies. Brainport, BOM, Next Move formed useful measures. The Chamber of Commerce was also helpful, and the national enterprise agency, the RVO, as well.

From an administration perspective, Recornect indicates that the Netherlands has a good business environment and supports businesses conducting international activities. As an example of a constructive business environment, the Dutch tax authority was very supportive. The tax authority paid a visit to the enterprise, in connection with the various tax rebates which Recornect makes use of. The tax authority wanted to investigate what sort of organisation Recornect is, what they do, and once they had an impression, they were very supportive. According to Recornect, it was an open and investigative approach and this was a very pleasant, supportive interaction.

Recornect indicates that the financing element was a major concern at the time of starting the enterprise. Banks in the Netherlands are somewhat reluctant to provide credit in particular to start-ups and small enterprises and this means that looking for alternative investment is a necessity. In some cases the manufacturing of the products came under pressure at times due to limited liquidity, which may well have been remedied with better available external support in terms of financing.

Additionally, more detailed information about foreign markets and what sort of administrative and regulatory requirements needed to be adhered to in order to be able to export to different countries and different regions within those countries would have been useful and would have saved the enterprise time in terms of investigating these requirements beforehand.

7. Concluding remarks

7.1. Future plans regarding internationalisation and international cooperation

Recornect is working to make a standard approach for the furnishing of de-escalation rooms in the mental health care sector. Recornect is constantly looking for new national markets to export to. Accordingly, it visits potential clients, presents the products and brings along product demos and sample products to these meetings.

As of 2017, Recornect is trying to set up collaborations in Canada and Monaco. The negotiations are still in their early stages.

Recornect's international partners indicate that given the good working relationships and highly innovative products being produced by Recornect, they will keep a close eye on future developments which could be profitable to them and Recornect.

Although the products are qualified as excellent, the price remains an obstacle.

7.2. Lessons learned and conclusions

One of the main lessons learned by Recornect is that it is important to continue communicating with potential candidates during the search process for new partners and clients. Networking with existing partners and clients helps to generate new sales leads.

One of Recornect's founders, Erik Kuijpers, discovered that in terms of acquisition, his point of departure when approaching new clients is a success factor. Instead of selling a product, the rationale with which potential clients are approached is more of a problem solving perspective centred on providing solutions to issues which potential clients are having, as opposed to having a discussion centred on selling Recornect's products. When the nature of the client discussion is more technical and centred on finding solutions, a common understanding is established together with a mutually beneficial point of departure.

Recornect sees the European Union and the internal market as a very important contributing factor to the success of the company so far in terms of setting up international manufacturing and sales channels. The speed with which their enterprise developed is to a very large extent due to the fact that the EU has removed many obstacles to international business. Payments to and from foreign countries are also made much easier and this saves a lot of time.

ICT tools such as e-mail and telephoning, skypeing, etc. are very helpful when it comes to communicating, coordinating, quickly sending and receiving documentation between international partners.

Although Recornect was able to make use of public support measures to help gaining financing, in general, banks are not forthcoming and financing is probably one of the key obstacle for SMEs and start-ups.

The role of the external support in developing a good business plan for Recornect was an important factor contributing to Recornect's start and consequent growth. Additionally, the value of being in the region of Eindhoven helped Recornect develop. The region contains more technical and innovative companies, and a technical university, meaning that this region is also more of a hub for technologically innovative enterprises. The available public support measures are tailored more to enterprises like Recornect which need to operate internationally from the start.

According to the value chain partners, some of the key success factors in the cooperation with Recornect center on the combination of having technically strong products with the expertise from the psychiatric and mental health fields. This combination of expertise developed within and at the initiative of Recornect has been a key driving force in the cooperation.

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