La Libre Enterprise

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SMEs in the Spotlight

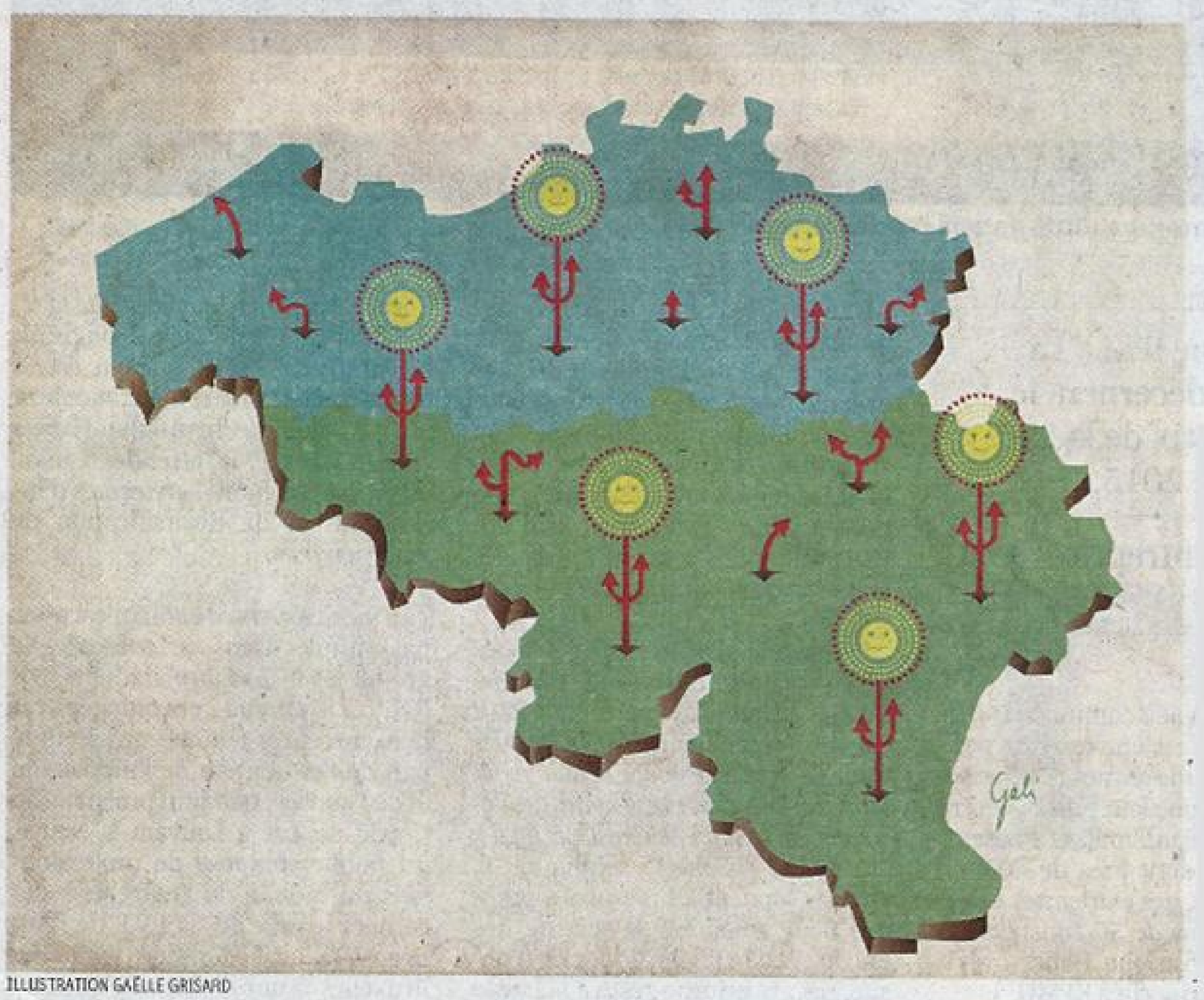

ILLUSTRATION GAËLLE GRISARD

It's well known: Belgium is a land of SMEs. Yet starting a business and growing it is often an uphill battle. To honour the entrepreneurial spirit of those who take the innovation gamble, the IPM group ("La Libre", "DH"…) will present the 2015 Company of the Year award on 4 June. **pp. 2-3**

At a Glance

One Jury, Four Finalists

Selection The 2015 SME of the Year award unfolds in four phases. After a call for entries, "La Libre's" business desk selected around a dozen applications from some twenty files, based on a set of criteria (company headcount, turnover, solvency...). A jury then took over: it met on Wednesday 20 May at the offices of the IPM group ("La Libre", "DH", DH Radio...). Made up of members from professional bodies, the public sector, academia and experts, as well as past Excellence Award winners, this jury chose the four finalists presented in these pages. Join us on 4 June for the announcement of the 2015 Company of the Year.

The Number

69.1%

THE 5-YEAR SURVIVAL RATE

According to a study recently carried out by Graydon, the five-year survival rate for new businesses stands at 69.1%. That rate is higher in Flanders than in Wallonia and Brussels.

▶ The IPM group ("La Libre"...) will present the 2015 SME of the Year award on 4 June.

▶ Four companies are in the running.

It's a common truism: Belgium is a land of small and medium-sized enterprises, with an estimated 900,000 to a million of them nationwide, nearly 60% of them in Flanders. "99% of Belgian companies have fewer than 50 employees," confirms Christophe Habets, a company auditor at KPMG. The number of these SMEs has only grown over the past decade. According to figures compiled by Graydon, just over 81,000 new companies were founded in our country last year alone. Yet starting or running an SME remains a high-wire act. While the economic climate has improved somewhat, the obstacles to success remain numerous. What are the keys to success? A solid business plan grounded in thorough market research, sharp expertise, professional management and sufficient financial resources. But that isn't always enough... A 2012 study shows that half of our SMEs were founded less than ten years ago. And only 3% of them were over 50 years old! More recently, another study by a consultancy confirmed the vulnerability of part of our SME fabric: an estimated 30% of Walloon SMEs are at risk due to insufficient solvency. And yet, according to Olivier Willockx, managing director of Beci, the mood among SME bosses is actually somewhat better. "Our last survey was eight months ago. My sense is that entrepreneurs' morale is a little better than it was five or six months ago," he explains. What measures would help improve the fortunes of our businesses? Olivier Willockx doesn't hesitate: the priority remains lowering labour costs and the tax burden. "For every euro paid out in salary, an employer today pays three once all charges are included. That's the single most punishing factor for SMEs, and one their owners find utterly incomprehensible. In Canada, very small businesses pay a 9% tax on profits. In Belgium, that figure runs at around 24 to 28%," he adds. Six months ago, KPMG surveyed several hundred SMEs across the country. "Asked what they saw as the major challenges they will face going forward, these SMEs named as their top three the complexity of legislation (28%), then the tax and para-fiscal burden (16%), and finally access to bank loans and financing (10%)," adds Christophe Habets (KPMG). SMEs are also, he says, waiting for "incentives" for innovation and for diversifying their activities. Running an SME is therefore no easy life. Against this backdrop, the IPM group ("La Libre", "DH", DH Radio...) aims to encourage the men and women who take the risk of entrepreneurship, innovation and boldness. On 4 June, at the Cercle du Lac in Louvain-la-Neuve, an audience of business professionals will present the "Wallonia-Brussels Federation SME of the Year 2015" award to a company "that has shown excellence by developing a major initiative geared toward boosting its competitiveness in its market." The award is part of the 9th SME Excellence Day. A jury has selected the four finalists, who will now go to a public vote on 4 June. They are Pulsar Consulting, Aedes, Forever Products and, lastly, SA de Vente des Equipements Trane. Four SMEs that prove entrepreneurial drive can move mountains... V.S.

Pulsar Consultings

An IT Player Moving Forward

PULSAR CONSULTINGS

Innovation. The Pulsar Consulting adventure began in Wavre in 1998. Four entrepreneurs decided to set up their own company focused on tailor-made IT services. “Custom-built work is probably the hardest job in IT in terms of cost and deadlines,” explains Tudor Ivanov, engineer and CEO of the company. Pulsar Consulting must meet the specifications of clients across sectors as different as aerospace, industrial logistics, transport, healthcare, electronics and telecoms. In the early 2000s, the company also began offering clients consultancy and software maintenance services. But the 2008-2009 crisis hit Pulsar Consulting hard. Some contracts were not renewed – the case with Belgacom, which let go of the 12 Pulsar Consulting developers then working within the telecom operator. Offshore management of certain IT needs was then in vogue: in India, Ireland and Romania in Belgacom’s case. Headcount fell from 28 to 20 people, and turnover dropped from €3.3 million to a current €2.5 million. But after this more difficult period, Pulsar Consulting has moved forward again. By betting, as Tudor Ivanov explains, on “an expanded service offering” and on the “Product Matrix” model, which allows certain generically developed software to be offered to multiple clients. This shift, through licence sales and associated services, helps improve the company’s margins. And it allows for an optimistic outlook: last year, two people were hired. That will again be the case this year. “Taking a cautious view, we expect our headcount to run at around 30 people by 2017/2018,” adds Tudor Ivanov. (V.S.)