Anamarija Delić, MSc

Josip Juraj Strossmayer University in Osijek, Faculty of Economics in Osijek

Gajev trg 7, Osijek

Phone: +385 31 224 426 Fax: +385 31 224 438

E-mail address: <u>adelic@efos.hr</u>

Mirela Alpeza, PhD

Josip Juraj Strossmayer University in Osijek, Faculty of Economics in Osijek

Gajev trg 7, Osijek

Phone: +385 31 224 426 Fax: +385 31 224 438

E-mail address: malpeza@efos.hr

Sunčica Oberman Peterka, PhD

Josip Juraj Strossmayer University in Osijek, Faculty of Economics in Osijek

Gajev trg 7, Osijek

Phone: +385 31 224 426 Fax: +385 31 224 438

E-mail address: <u>suncica@efos.hr</u>

ROLE OF ENTREPRENEURSHIP SUPPORT INSTITUTIONS IN DEVELOPMENT OF THE ECONOMY OF EASTERN CROATIA – CASE OF CENTRE FOR ENTREPRENEURSHIP OSIJEK

ABSTRACT

Destroyed industry and infrastructure and high unemployment rate are the main characteristics of economy of Eastern Croatia after 1995. War events, which have significantly affected this part of Croatia, have left a large and indelible mark on the economy, whose recovery has demanded new knowledge, skills and approaches. High unemployment rate, and restructuring destruction and of large systems were incentive for an increasing number of people to solve their subsistence through self-employment. In their attempts to find entrepreneurial ideas, and start entrepreneurial ventures, they came across numerous obstacles, greatest among which were lack of information and entrepreneurial knowledge. Start-up entrepreneurs lacked one of the most important factors for quality and successful start of entrepreneurial career - entrepreneurial environment. Entrepreneurial environment is an environment that ensures access to sources of funding, favourable government policies and programmes, and access to professional services. In that situation, establishment of Centre for Entrepreneurship Osijek, which was among the first entrepreneurial centres that were established in Croatia, seemed as a logical step in fostering economic development of the region.

Centre for Entrepreneurship Osijek was founded in 1977, as a non-governmental organisation, with the aim to promote entrepreneurial behaviour and provide information to all future and current entrepreneurs, related to start-up and development

of entrepreneurial ventures. Today, after 15 years of existence, the Centre has become a reference point of Osijek's entrepreneurial infrastructure, the oldest centre for entrepreneurship in Croatia, Centre which entrepreneurs still visit every day.

Through the case of Centre for Entrepreneurship Osijek, programmes and activities it carries out, and work on encouraging entrepreneurship in Eastern Croatia, this paper will attempt to show the importance of supporting institutions in the development of entrepreneurial environment. By analysing the number of users of services of Centre for Entrepreneurship Osijek, collaboration and networking with other supporting institutions, and institutions of local self-government (Association of Croatian Institutions for Promotion of Entrepreneurship - UHIPP, Business Incubator BIOS ltd., Croatian Employment Service, Regional Office Osijek, Office for Economy of the City of Osijek, Agency for Development of Osijek-Baranja County, etc.), will show the scope of activities of this organisation.

The main objective of this paper is to underscore the importance of supporting institutions in fostering entrepreneurship, that is, development of an enabling and supportive environment, and its importance for starting new, and the growth and development of existing small and medium-sized enterprises in Eastern Croatia.

Key words: Business support organization, Business support services, Entrepreneurial environment, Small and medium-sized enterprises

ABSTRACT

Uništena industrija i infrastruktura, te visoka stopa nezaposlenosti, glavna su obilježja gospodarstva Istočne Hrvatske nakon 1995. godine. Ratna zbivanja koja su izrazito pogodila ovaj dio Hrvatske ostavila su veliki i neizbrisiv trag na gospodarstvu, čiji je oporavak zahtijevao nova znanja, vještine i pristupe. Visoka stopa nezaposlenosti, te restrukturiranje i propast velikih sustava, bili su poticaj sve većem broju ljudi na rješavanje svoje egzistencije kroz samozapošljavanje. U svojim pokušajima pronalaska poduzetničke ideje, te pokretanju poduzetničkog pothvata nailazili su na brojne prepreke, među kojima su najveće bile nedostatak informacija i poduzetničkih znanja. Poduzetnicima početnicima nedostajao je jedan od najbitnijih čimbenika za kvalitetan i siguran početak poduzetničke karijere - poduzetničko okruženje. Poduzetničko okruženje jest okruženje koje osigurava pristup izvorima financiranja, povoljne vladine politike i programe, te pristupe profesionalnim uslugama. U toj situaciji, osnivanje Centra za poduzetništvo Osijek, koji je bio među prvim poduzetničkim centrima koji su osnovani u Hrvatskoj, činio se kao logičan korak u poticanju razvoja gospodarstva ove regije.

Centar za poduzetništvo u Osijeku osnovan je 1997. godine kao nevladina organizacija, s ciljem promoviranja poduzetničkog ponašanja i pružanja informacija svim budućim i trenutnim poduzetnicima, vezanih uz pokretanje i razvoj poduzetničkih pothvata. Danas, nakon 15 godina postojanja, Centar je postao referentna točka osječke poduzetničke infrastrukture, najstariji centar za poduzetništvo u Hrvatskoj, Centar u koji poduzetnici svakodnevno i dalje dolaze. Kroz slučaj osječkog Centra za poduzetništvo, programa i aktivnosti koje provodi, te rada na poticanju poduzetništva Istočne Hrvatske, u ovom će se radu pokušati prikazati značaj potpornih institucija u razvoju poduzetničkog okruženja. Analizom broja korisnika usluga Centra za poduzetništvo Osijek, suradnje i

umreženosti s ostalim potpornim institucijama, te institucijama lokalne samouprave (Poduzetnički inkubator BIOS d.d., Hrvatski zavod za zapošljavanje, Područni ured Osijek, Ured za gospodarstvo grada Osijeka, Agencija za razvoj Osječko-baranjske županije itd.), prikazat će se doseg aktivnosti ove organizacije.

Osnovni cilj ovoga rada je ukazati na značaj potpornih institucija u poticanju poduzetništva, odnosno razvoju poticajnog i podržavajućeg okruženja za pokretanje novih, te rast i razvoj postojećih malih i srednjih poduzeća na području Istočne Hrvatske.

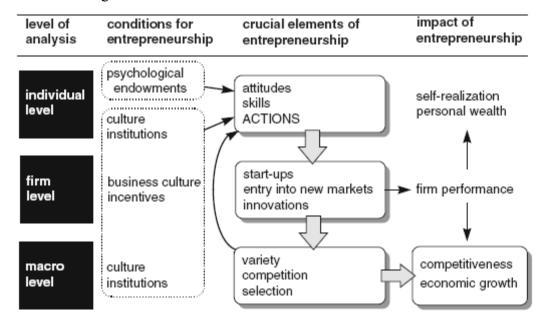
Key words: poduzetničke potporne institucije, usluge potpornih institucija, poduzetničko okruženje, mala i srednja poduzeća

1. Influence of entrepreneurship support institutions on economic development

Correlation between the economic development of an economy and the level of entrepreneurial activity has been the subject of study of many researchers for some time (Carlsson, 1992; Acs, 1996; Watson et al., 1998; Wennekers et al, 1999; Audretsch et al, 2002;). Regardless whether conducted at the level of individual industries, region, or at the national level, the common conclusion of all research is that those countries which have increased (or experienced) a higher level of entrepreneurial activity, enjoy greater economic growth at the same time. In doing so, as a very important conclusion of these studies, entrepreneurial environment is especially pointed out as the basis for developing and stimulating entrepreneurial activity. Entrepreneurial environment includes access to sources of financing, favourable government policies and programmes, and access to professional services. But, in order for entrepreneurial environment to be stimulating for entrepreneurial activities, research (Audretsch et al, 2002) indicate the necessity of the interconnectedness of all the elements of entrepreneurial environment for knowledge transfer, creation of new products and services (innovation), as well as greater competitiveness of the small and medium-sized enterprise sector.

Research on the connection of the level of entrepreneurial activity and economic development, which was conducted by Audretsch et al (2002), start from the model in which economic growth is based on the conditions for development of entrepreneurship, level of entrepreneurial activity (attitudes, starting entrepreneurial ventures, innovations, entering new markets, and competition and selection among the started entrepreneurial ventures), as well as their mutual relationship, which leads to self-realization and personal wealth, innovativeness, competitiveness and ultimately to economic growth. In doing so, these researchers define the conditions for development of entrepreneurship at three levels – personal, cultural, and institutional level.

Figure 1 Model of research of the connection between development of entrepreneurship and economic growth



Source: Audretsch, D.B., Carree, M.A., van Steel, A.J., Thurik, A.R. (2002), Impeded industrial restructuring: The growth penalty, Kyklos, 55.

The institutional level, necessary for stimulating entrepreneurial activity, is observed at the company, but also at the macro level - at the level of individual economies. In doing so, Audretsch et al (2002) point out that the importance of institutional support is also reflected in the level of encouraging the individual to pursue personal ambitions through entrepreneurial venture, as well as in determining the barriers in that process, that is, removal thereof. Therefore, according to these studies, the role of support institutions in encouraging entrepreneurial activity and economic growth is extremely important.

Researching the factors of successful development of small and medium-sized enterprises, Watson et al (1998) also emphasize the importance of institutional support. They have summed up the results of their research in an analytical model, where institutional support is observed through the prism of institutions for stimulating entrepreneurship. These institutions are an essential and extremely important element of entrepreneurs' external environment, on which both the survival and further development of enterprises are based.

The world's largest study of entrepreneurship, Global Entrepreneurship Monitor (GEM), also ties the level of entrepreneurial activity of an economy to the level of development of entrepreneurial environment, which consists of social, political and cultural context (investment in education, social norms and behaviours related to personal independence, level of democracy of the country, as well as entrepreneurs' perceptions), general conditions (openness of the national economy, government's role, efficiency of financial markets and the labour market, rule of law, level of investment in research and development, quality and power of physical infrastructure, management competencies),

conditions of entrepreneurial activity (availability of financial resources for starting new entrepreneurial ventures, programmes for encouraging new entrepreneurial ventures, access to professional services), entrepreneurial opportunities (existence of market opportunities), entrepreneurial capacity, business volatility and national economic growth. Correlation between the level of entrepreneurial activity and economic growth in this model is shown through mutually dependant variables.

Although access to professional services is considered one of the most important functions of support institutions, these institutions also facilitate access to sources of funding, enable transfer of knowledge and skills necessary for successful launching of entrepreneurial ventures, provide information necessary for making all the important decisions related to staring a business or planning growth and development of a business. Precisely these services of support institutions are the most important for entrepreneurs in the phase of entrepreneurial venture start-up.

The importance of these services is confirmed by research of Watson et al (1998), who proved that the rate of unsuccessful start-up companies is greater among those entrepreneurs who have not used professional services of professional institutions. The research demonstrated the importance of getting advice and knowledge related to writing and using a business plan, market research, and communication and promotion of the business. In doing so, authors point out that professional services of counselling, informing, transfer of knowledge and skills must be customized for the target group of small and medium-sized enterprises i.e., these services must be adapted to the life-cycle stage of enterprise development, which strengthens the conditions for development of entrepreneurship at the mezzo level – company level. Networking of both companies (especially large and small) and support institutions themselves is especially important at this level. Networking contributes to better company performance, exchanging of knowledge and experience, greater competitiveness, and, ultimately, to economic development of the economy. However, networking at the institutional level is also required in order to achieve the same goals that companies have – higher quality product or service, exchanging of knowledge and experience, which is particularly significant in the development of educational programmes. Development of educational programmes and the transfer of knowledge and skills also contribute to creation of entrepreneurial culture, which represents one of prerequisites for the development of entrepreneurship at the macro level – level of economy of a country. At the macro level, creating conditions for development of the small and medium-sized enterprise sector requires a coherent policy, which will encompass all the elements of entrepreneurial environment.

Looking at the conditions for development of entrepreneurship at the level of a country, it can be concluded that there are various measures, programmes and institutions whose task is to encourage development of the small and medium-sized enterprise sector. Numerous programmes and projects, according to research by Buble and Kružić (2006), are focused on: creating positive entrepreneurial climate, building entrepreneurial infrastructure, education and professional assistance to entrepreneurs, technological development, innovation and new production programmes, and encouraging entrepreneurial target groups. Support institutions are irreplaceable in informing the

target group, collecting data and information related to specific programmes and projects, and generally in promoting programmes and projects, objective of which is to stimulate development of the small and medium-sized enterprise sector from the macro level. Activities of business support institutions are manifested both at the mezzo level (through networking with companies, mutual exchange of information, as well as through networking with institutions of local government and self-government), at the macro level (through networking with regional offices of government institutions, but also directly with creators of government programmes and projects (employment offices, ministries, etc.). Networking, both with companies and government institutions and among themselves, significantly affects the quality of services offered by support institutions, as well as the quality of programmes and projects that are created at the state level. Therefore, business support institutions play an indispensable role in creating stimulating entrepreneurial environment i.e., stimulating economic development of the economy.

On the market of the Republic of Croatia, as in most countries of the European Union, business support institutions play an important role in implementing programmes and projects which aim to stimulate development of the small and medium-enterprise sector. Along with the Ministry of Entrepreneurship and Crafts, the Croatian Agency for SMEs and the Croatian Bank for Reconstruction and Development, network of support institutions in the Republic of Croatia, according to Ministry of Entrepreneurship and Crafts data, consists of 92 institutions (regional development agencies, centres for entrepreneurship, business incubators and technology parks)¹. This network of support institutions covers the entire Republic of Croatia and they are thus available to any current or future entrepreneur. They differ among themselves by type of registration, founders, method of financing, but also by types of services offered to end users. But, their common goals is to encourage entrepreneurial activity in their environment, through educational programmes, counselling, informing and connecting entrepreneurs.

The method of work of these institutions will be shown on the example of the Centre for Entrepreneurship Osijek, one of the oldest business support institutions in the Republic of Croatia, as well as the level of their impact on all levels of encouraging entrepreneurial activity – micro (personal level of the entrepreneur), mezzo (company level) and macro (state level), which directly affects strengthening of the economic development of Osijek-Baranja County in which the Centre operates.

_

¹ http://www.minpo.hr/default.aspx?id=83, downloaded on 17.04.2012

2. Role of entrepreneurship support institutions in development of the economy of Eastern Croatia – case of Centre for Entrepreneurship Osijek

High unemployment rate, as the consequence of war devastation of Eastern Slavonia during the Homeland War (1991-1995), because of which large manufacturing companies from this area were almost completely destroyed, destroyed infrastructure, and a large part of the territory still under UN administration, was the picture of Eastern Slavonia at the start of 1997. The solution of this situation, especially the high unemployment rate, could not be achieved through humanitarian aid, but it was necessary to enable the realization of fundamental human rights – the right to work. This economy, which, on top of all that, still had to undergo the process of privatisation from public to private ownership, lacked institutions, information, sources of funding, and knowledge and skills necessary for self-employment of a large number of unemployed people. In such conditions, a group of citizens (professors from the Josip Juraj Strossmayer University and entrepreneurs from Osijek-Baranja County) decided to start working on creating institutional support in processes of launching entrepreneurial ventures. Institutional support was to be achieved by linking university, business sector and local authorities in the institution of entrepreneurial centre. Although the demand for services of such an institution existed, and its establishment was more than a necessary solution of the then situation, Professor Slavica Singer, the initiator of this idea was not met with understanding and support - neither by academic community, nor local authorities. Nevertheless, in the spring of 1997, in accordance with the Associations Act, a group of enthusiasts founded the Centre for Entrepreneurship Osijek. The new support institution, one of the first of its kind in Croatia, lacked the knowledge of institutional management, activities and services that are essential to entrepreneurs, as well as financial resources for its work. Small Business Development Center (SBDC) at University of Wisconsin, Madison, USA was as used as benchmark, and financial support for the work of the organisation was provided by the Open Society Institute Croatia. The mission of the Centre for Entrepreneurship Osijek was "to promote entrepreneurial spirit by providing mutually beneficial relationships between the academic and the business community, through the exchange of ideas, information and knowledge required to develop and maintain new and existing small and medium-sized enterprises and to promote and support economic development of Croatia (by focusing on problems of economic recovery of Eastern Croatia)". In the beginning, the Centre was registered for operation in the area of Eastern Croatia, but since the process of sharing knowledge and information is also required at the institutional level, Centre was re-registered for work at entire territory of the Republic of Croatia the next year. Work of the Centre for Entrepreneurship was envisioned as a "one-stop-shop", that is, as a place where it is possible to obtain a complete service (information, transfer of knowledge and skills, networking) through the "one-to-one" approach, i.e., through recognizing the individual needs of entrepreneurs for which solutions have to be found (Lauc, 2004).

The first activities of the Centre were educational in nature, but prior to the commencement of seminars, trainers who were supposed to teach adults, future

² http://www.poduzetnistvo.org/centar/misija.html, downloaded on 17.04.2012

entrepreneurs, needed to be trained themselves. Although the process of training people from the academic community was well conceived, it was rather difficult in practice to prepare faculty professors to work with entrepreneurs. Majority of experienced professors gave up the project because they were unable to adapt to the new target group, which demanded concrete examples and solutions, and involvement in the education process.

Among the first seminars, as well as activities of the Centre, was education on business planning of potential clients of the Savings and Loan Cooperative (today Credit Union) NOA at the end of 1997, mostly farmers from Vukovar, which was under UN administration at the time. After this education, centre started collaboration with the Croatian Employment Service, Regional Office Osijek, which was implementing a programme for self-employment through crediting business ventures of unemployed persons, where one of the conditions was attending a seminar on business planning. After the first, successfully implemented seminars, Centre began to conduct other seminars and trainings, related to taxes, accounting and legislation, which were an upgrade to consulting services for future entrepreneurs. Column "Be more successful in business" by Professor Slavica Singer, Chairwoman of the Board of the Centre published in local daily newspaper "Glas Slavonije" greatly contributed to development of entrepreneurial culture and visibility of the Centre. By the end of 2002, the Centre had developed a wide range of educational programmes, tailored to each stage of life-cycle of small and mediumsized enterprises: Star your own business (composed according to the methodology of the International Labour Organization – ILO), GRAB-IT, How to become a successful entrepreneur, Grow your business, and Franchise from A to Z, with which counselling of entrepreneurs who want to enter the world of entrepreneurship through a franchise or looking to expand their business through a franchise was connected, and a separate organisational unit was created – The Franchise Center.

In the period from October 1997 until today, Centre for Entrepreneurship Osijek has held more than 220 seminars, at which 3,875 attendants were educated. Throughout the years, number of entrepreneurs using Centre's services – counselling, informing or participation in educational programmes has been continuously increasing (Figure 2).

BROJ PODUZETNIKA U PERIODU 1998 - 2011. GODINE (savjetovanje, informiranje i edukacija u CZP) 2000 1865 1786 1677 1712 1800 1600 1400 1200 1000 834 ■ BROJ 734

Figure 2: Number of entrepreneurs using services of the Centre for Entrepreneurship Osijek from 1998 to 2011

Source: Records of the Centre for Entrepreneurship Osijek, 2012

602

587

454

800

600

400

200

216

Centre's educational programmes, always based on the best international experience (International Labour Organization, Durham Business School from United Kingdom, Curtin Business School from Australia, and Business Innovation Programs from Norway), were not implemented only in Croatia. Trainers of the Centre for Entrepreneurship Osijek have also conducted seminars in neighbouring countries – Bosnia and Herzegovina (Sarajevo, Banja Luka and Mostar), and in Serbia (Subotica and Požega).

1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011

In addition to educational programmes, the Centre has worked intensively on networking of entrepreneurs, through the forum of small and medium-sized entrepreneurs and the forum of family businesses. Forums always consisted of a short comment on current entrepreneurial issues through lectures of guest speakers, and the greater part of event was dedicated to networking of entrepreneurs. Centre has focused part of its activities on connecting with other support institutions, with which it exchanged "best practices" in promoting entrepreneurship. On the initiative of Technology Park Zagreb, Business Incubator Porin from Rijeka and Centre for Entrepreneurship Osijek, Croatian Institutions for Promotion of Entrepreneurship Association (UHIPP) was founded in 2000, whose objective was to team up in order to protect and promote common economic, information, technical, scientific and professional interests and goals related to promoting the development of the small and medium-sized enterprise sector. For some time UHIPP truly acted as an umbrella institution that protected the interests of it members, but in 2004 members failed to reach an agreement on future activities of the association and it was disbanded.

PODUZETNIKA

Since its inception, Centre for Entrepreneurship Osijek was focused on strengthening the network of support institutions in Croatia, helping with its knowledge and experience in establishing new institutions – Dubrovnik Centre for Entrepreneurship, Pula Centre for Entrepreneurship and Civil Organization for Society Development GORD from Dalj. But, the biggest project of establishing new institutions was the project that Centre has implemented in collaboration with the City of Osijek – project of Business Incubator BIOS. Within the project, Centre has provided consultant assistance in organisation of operations and a part of financial resources, while the City provided financial resources for the start of incubator's operations (Medić, 2004). Today, Centre and BIOS are two closely related organisations, whose activities are complementary, with the aim of providing a complete information and service to entrepreneurs – at one location.

According to a study on the visibility of support institutions, which was conducted among entrepreneurs from Osijek in 2005, Centre for Entrepreneurship Osijek was the most visible institution, whose services were used by 1/3 of the respondents from the sample.

Table 1 Recognisability of business support institutions and programmes of the City of Osijek

Institution	Percentage of respondents who are familiar with the work of the institution	Percentage of respondents who are not familiar with the work of the institution
Centre for Entrepreneurship	88.04 %	11.96 %
Osijek		
Business Incubator BIOS	85.42 %	14.58 %
Ltd.		
Programmes of the City of	21.72 %	78.28 %
Osijek		

Source: City of Osijek, Administrative Department of Economy, Business Incubator BIOS, Centre for Entrepreneurship Osijek and Audeo, First step to entrepreneurship: Study conducted in the area of City of Osijek, December 2005

Exchange of knowledge and skills, together with building entrepreneurial culture have always been important activities of the Centre that also took place through publishing activity, which the Centre entered by translating 4 books: How to start a business with less than \$1000 (parts I and II), Business plan and Plan of marketing, which were produced in collaboration with small publishing house Jakubin i sin Ltd. By strengthening own capacities and collecting locally specific experiences and examples of good entrepreneurial ventures, Centre's own publications were produced: First step to entrepreneurship: Entrepreneurial guide, Investment guide of Osijek-Baranja County, Franchise – 20 most sought after answers, and Design and verify your business idea: Guide for all who are thinking about entering entrepreneurship.

Collaboration with the SMEs and Entrepreneurship Policy Center (CEPOR) from Zagreb, think tank organisation focused on the issues of the small and medium-sized enterprise sector, has enabled exchange of experiences and proposals for stimulating the

development of entrepreneurial environment at the national level. Through organization of round tables, educational programmes, preparation of strategic documents, CEPOR "transforms" the experience of local support institutions (Regional Development Agency REDEA, Istrian Development Agency IDA, and Centre for Entrepreneurship Osijek) into policy documents and communicates with creators of government policies (relevant ministries) related to stimulating development of the small and medium-sized enterprise sector. In this way experiences and knowledge of support institutions "in the field" can be translated into legislative proposals, and programmes and projects for stimulating small and medium-sized enterprises, which are implemented at the national level.

With the aim of fostering entrepreneurial culture, Centre has always been associated with the academic community, but collaboration with the Business Innovation Programs from Norway (BIP) has enabled completing of the vertical of entrepreneurial programmes that already exist within the UNESCO Chair in Entrepreneurship of the Josip Juraj Strossmayer University in Osijek (undergraduate, graduate, specialist and doctoral level of studies in entrepreneurship)³. The programme that was developed by the Centre for Entrepreneurship in collaboration with Norwegian BIP is designed for entrepreneurial education at secondary level, and 10 secondary schools from Eastern Slavonia were involved in it. Along with education of teachers and students, student enterprise fairs were held each year, at which students had opportunity to present to the wider public their business ideas, business plans, teams, as well as products or services that students have designed within their student enterprises.

Centre for Entrepreneurship Osijek is today located within the Business Incubator BIOS Ltd., and it actively works on devising and implementing programmes and projects aimed at fostering entrepreneurship – educational programmes, counselling and consulting services, informing entrepreneurs, and strengthening entrepreneurial culture. Networking with the academic community (primarily with the Faculty of Economics in Osijek), units of local self-government and other support institutions make the Osijek Centre one of the best known and most successful business support institutions in the Republic of Croatia, often referred to as "the Osijek case" – and an example to follow.

3. Conclusion

Economic development of a country or region is highly correlated with the level of entrepreneurial activity, and the level of entrepreneurial activity depends on the extent to which the environment in which entrepreneurial ventures are created supports their development. Since 1997, Centre for Entrepreneurship Osijek has been actively working on creating the prerequisites for the emergence and development of entrepreneurial ventures in Eastern Croatia, through providing information, transfer of knowledge, development of skills, and facilitating the process of networking of entrepreneurs. In its approach Osijek's Centre recognises the importance of adjusting its products and services to different developmental stages of companies, and applies an individualised approach in identifying entrepreneurs' problems and needs. This approach is particularly manifested

_

³ www.ices.hr, downloaded on 18.04.2012

in the creation of products and services that make the Centre unique in Croatia (Grow your business, Center for Franchise, etc.), and it is in accordance with the recommendations of researchers dealing with the analysis of importance of access to professional services for success of entrepreneurs, and advocate the necessity of profiling professional counselling services at the company level (mezzo level).

The capacity to build a network of contacts with the key stakeholders from the environment has special importance for successful development of organisations – both companies and institutions that provide support to their development. For years, Osijek Centre has been providing a platform for exchange of information and knowledge among entrepreneurs, and it also actively applies this approach in its work, through networking with businesses, local authorities, regional offices of government institutions, creators of government policies and programmes, and other institutions for fostering entrepreneurship in Croatia. Centre for Entrepreneurship Osijek has built particular recognisability and visibility by starting initiatives for the exchange of knowledge and information among business support institutions in Croatia (establishment of UHIPP, participating in establishment of centres for entrepreneurship in other parts of Croatia).

However, the best indicator of successfulness of the Centre in providing quality professional services and support to entrepreneurs is the data on the growing number of users of Centre's services since its inception until today, which makes it, as a business support institution, an important factor for the development of entrepreneurial environment and the economy of Eastern Croatia in general.

Literature:

Asc, Z. J. (1996): *Small firms and economic growth* in Admiraal, P. H.: Small Business in the Modern Economy, Blackwell, Oxford

Audretsch, D.B., Carree, M.A., van Steel, A.J., Thurik, A.R. (2002): *Impeded industrial restructuring: The growth penalty*, Kyklos, Vol 55, No 1:81-97

Buble, M., Kružić, D. (2006), *Poduzetništvo*, RRIF, Split

Carlsson, B. (1992): *The rise of small business; causes and consequences* in Adams, W. J., Singular Europe, Economy and Policy of European Community After 1992, University of Michigan Press

Watson, K., Hogarth-Scott, S., Wilson, N. (1998): *Small business start-ups: success factors and support implications*, International Journal of Entrepreneurial Behaviour & Research, Vol. 4, No. 3:217-238

Wennekers, S., Thurik, R. (1999): Linking Entrepreneurship and Economic Growth, Small Business Economics 13:27-55

Prvi korak u poduzetništvo: Istraživanje na području grada Osijeka (2005), Grad Osijek, Upravni odjel za gospodarstvo, Poduzetnički inkubator BIOS, Centar za poduzetništvo Osijek, Audeo

Lauc, B. (2004): *Tržište usluga za poticanje poduzetništva u Hrvatskoj*, Sveučilište Josipa Jurja Strossmayera u Osijeku, Ekonomski fakultet u Osijeku, master theses

Medić, I. (2004): *Institucionalna potpora Start-up poduzetničkim pothvatima na području grada Osijeka – slučaj poduzetnički inkubator Osijek*, Sveučilište Josipa Jurja Strossmayera u Osijeku, Ekonomski fakultet u Osijeku, master theses

http://www.fransiza.hr/Fransiza-20_odgovora.pdf, downloaded 17.04.2012. http://www.minpo.hr/default.aspx?id=83, downloaded 17.04.2012. http://www.poduzetnistvo.org/centar/misija.html, downloaded 17.04.2012. http://www.gemhrvatska.org/metodologija.html, downloaded 17.04.2012. www.ices.hr, downloaded, 18.04.2012.