



# Small Defence Industry Alliance

(SDIA – [www.sdia-EU.com](http://www.sdia-EU.com))

*Small and medium enterprises represent the backbone of Europe's economic frame. Small businesses are key to support competitiveness, innovation and job creation.*

*Create the conditions to enable small and medium businesses to reach their full potential, without unduly affecting the few resources available, it is a SDIA obligation*

## Small Defence Industry Alliance

The Small Defence Industry Alliance (SDIA) has been created to respond to the needs for internationalization of the Italian SMEs and Academia operating in the defence, security, and dual use domain.

SDIA's mission is to facilitate the process of internationalization of its members, by providing information regarding procurement and R&D financing opportunities at NATO/EU level. SDIA makes it possible for its members to promote their capabilities with international prime contractors and institutions, assisting them in building networks and consortia, and in participating to tenders and research calls.

SDIA allows to share experiences and skills and take advantage of experts who have had extensive international experience. SDIA intends to expand, in time, its geographic presence to create synergies with other European small enterprises (and not) to increase the market opportunities for its members

## Small Businesses in the Defence, Security, and Dual-Use Industry

Small and medium-sized enterprises (SMEs) play an important role in the world economy, and contribute substantially to wealth, output, and employment.

However, throughout Europe, small and medium enterprises operate in a highly competitive environment characterized by scarcity of financial resources, administrative hurdles, and shortage of qualified human capital.

Small businesses in the field of defence, security, and dual-use, are today competing in a market-driven global supply chain where decreasing national budgets are forcing the industry to restructure to overcome the challenges posed by declining margins and fewer procurement opportunities.

Small businesses in the field of defence, security, and dual-use, are now competing in a global supply chain driven by the market in which the reduction of the national budgets are forcing the industry to quickly adapt themselves to overcome the challenges posed by the increased complexity and fewer procurement opportunities. In addition, although since long time qualified organizations and associations operate, not always the return of membership fees is seen as a real opportunity and / or benefit. And sometimes the information received from these organizations are not timely and / or complete or even adapt to SME.

SDIA fulfils the need for a "Low Cost Alliance" that does not have to pay salaries to Presidents, General Secretaries, clerks etc, but which, by sharing information, obtain directly results.

## A new model for SME: internationalization

The dependence of European SMEs on their domestic market is hampering their prospects for growth. This is also true in the defence, security, and dual-use ecosystem, where the national market does not show robust signs of recovery. In addition, very often, only multinational and cross-border programs can yield the economies of scale necessary to ensure an adequate return on capital invested.

Very few small businesses have the resources and the expertise to respond to the new challenges presented by the evolution of the market, and many of them can only act as subcontractors for a single larger domestic enterprise.

Recent studies by the European Union have identified among the main barriers to internationalization for SMEs:

- The lack of working capital to finance exports
- The difficulty of identifying foreign business opportunities
- The inability to contact potential overseas customers
- The difficulty of obtaining reliable foreign representation
- Lack of management time
- Lack of sufficient or properly trained staff

## Small Defence Industry Alliance (Europe)

Following its "European Vision", SDIA has his principal office in Brussels, and it is active also with the Italian, Portuguese, Polish and Belgian Chapters