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The AFT Framework for EU Market Readiness

A methodology paper on decision-grade SME readiness assessment for the European Union single market

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Preface

I spent several years at the OECD, working on private sector competitiveness, European Union enlargement, and the policy environment for small and medium sized enterprises. That work looks at the question from one side: whether the conditions of the single market are in place.

Then I changed seats. As an adviser to firms preparing to enter the European Union, I saw the same question from the other side: not whether the conditions exist, but whether a particular firm is equipped to use them. The two are not the same question, and the second question had fewer structured answers.

What I observed, repeatedly, was that **preparation shapes the outcome**, and that preparation is often the least structured part of the process. Firms with capital can exhaust their runway on the wrong things. Firms with good products can stall because they cannot produce the documentation a counterparty expects before any commercial engagement begins. The gap is not always knowledge or funding. Often, it is sequencing, and the absence of a way to assess readiness before commitments are made.

This methodology is the structured answer I built for that gap. This paper sets it out: its design, its reasoning and its boundaries, for readers who want to understand how it works.

It is an honest reading. That is the point of it.

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Paris, June 2026

Abstract

The AFT EU Market Readiness Instrument is a **decision grade diagnostic framework** for small and medium sized enterprises considering entry into the European Union single market. It assesses whether a firm is ready to move towards EU market entry, where its main blockers sit, and what evidence must be produced before resources are committed.

The instrument reads readiness across **seven independent capabilities**, calibrated to sector context through NACE Rev. 2.1. It treats confidence not as a perception score, but as **evidence capacity:** what a firm can demonstrate within an operationally meaningful window. The assessment resolves to one of three categorical verdicts: **Go, Conditional Go or Hold.**

The methodology operates at the entity level. It assesses whether an individual firm is equipped to enter and operate within the single market, a layer distinct from policy level frameworks that assess market, regulatory or institutional conditions. The same architecture can also be read at cohort level for programme design, prioritisation and monitoring.

This paper describes the framework's structure and reasoning. It does not disclose calibration parameters, which remain protected. The instrument assesses **readiness and risk**. It **does not predict commercial success.**

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Section 1: Introduction

Every year, a large number of small and medium-sized enterprises decide to enter the European Union. Most underestimate what entry requires. The single market is one legal and economic project, but it is **not one operational environment**. Across its member states a common framework holds, yet enforcement cultures, procurement rhythms and regulatory expectations differ, and a firm meets those differences one country at a time. In my experience advising firms through this process, good preparation often matters more than ambition, funding or product quality alone. The firms that enter well tend to be those that **prepare in the right order**.

This paper sets out the methodology behind the AFT EU Market Readiness Instrument. The instrument assesses whether a firm is prepared for that entry and **resolves to a decision rather than to a report**. The assessment also has a practical effect: by working through the questions, a firm sees what it still needs to put in place.

1.1 What this paper is

This is a methodology paper. It explains the structure of the AFT Framework, the reasoning behind its design choices, and the boundaries of what the public version discloses. It is not the instrument itself, and it is not a user manual. The paper is derived from a fuller internal methodology reference deposited in May 2026. It discloses the framework's structure and rationale, while keeping calibration parameters, including thresholds, weighting mechanics and confidence multipliers, protected as trade secrets.

1.2 Who it is for

The paper is written for three readers:

Reader	What they need from the paper
Institutional reviewer	Understand whether the methodology can be read alongside SME policy, development or chamber work.
Methodology reader	See how the capability structure, sector calibration, evidence weighting and verdict logic fit together.
Adviser	Understand what the instrument assesses, and what remains for legal, compliance, finance or commercial judgement.

The paper is written so that each of these readers can follow it without the others' background.

1.3 How the paper is structured

The paper first defines the instrument's purpose, positioning and scope. It then sets out the methodological core: the seven-capability framework, NACE Rev. 2.1 sector calibration, dual-register design, evidence-weighted assessment and verdict logic. The final section explains how the same architecture can be read at cohort level for institutional use.

1.4 The register of the reading

The instrument is designed to produce a **clear reading, not a promotional one**. It identifies where a firm appears ready, where evidence is missing, and where further preparation is needed before resources are committed. Some findings may confirm what the firm already knows; others may reveal gaps that have not yet been made explicit. The value of the assessment lies in making those gaps visible early, while they can still be addressed.

This paper describes the method behind that reading.

Figure 1. The four-step logic of the AFT Framework

The seven capabilities are interpreted in sector context, weighted by evidence, and resolved to a single categorical verdict.

Section 2: Purpose, Positioning and Scope

2.1 The problem this addresses

An SME considering entry into the European Union single market faces a hard decision. The Single Market provides a common legal and economic framework, but the firm does not experience it as one uniform operating environment. Enforcement cultures, administrative practices, procurement expectations and regulatory interpretation still differ across Member States.

A firm therefore has to judge several things at once: whether there is demand, who owns the expansion, whether the legal structure works, whether the budget is real, what compliance requires, how operations will run, and how customers will be reached. Many firms make that judgement without a structured way to hold these dimensions together.

The tools available to them usually fall into two categories. Generic readiness checklists apply similar questions to every firm and sector, and therefore miss part of the operational reality a specific business will face. Regulatory-area assessments go deep on one domain, such as data protection, product compliance or tax, but they do not resolve the wider entry decision.

The gap is a **decision-grade instrument**: one that holds the dimensions together, calibrates them to the firm's sector, and resolves to a decision the firm and its advisers can act on.

2.2 What the instrument is

The AFT Global EU Market Readiness Instrument is a decision-grade diagnostic tool for SMEs considering entry into one or more EU Member States. It is an evidence-weighted, sector-calibrated framework for assessing EU market readiness before resources are committed.

The instrument produces a categorical strategic readiness verdict : *Go, Conditional Go* or *Hold*, accompanied by a capability profile, a sequenced resolution plan and an evidence roadmap. The assessment is anchored to NACE Rev. 2.1, the European Union statistical classification of economic activities.

The **methodology** rests on **five components**:

- **The AFT 7-Capability Framework**, which defines the dimensions of readiness.
- **Sector calibration**, which adjusts the reading to the firm's NACE Rev. 2.1 sector.
- **Dual-register design**, which makes the material legible to both reviewers and practitioners.
- **Evidence-Weighted Assessment**, which tests what a firm can demonstrate, not only what it claims.
- **Verdict logic**, which resolves the assessment into a managerial decision.

2.3 Where it sits: the entity layer

The instrument operates at the **entity level**. It assesses whether an individual firm is equipped to enter and operate within the EU single market.

This is distinct from the **policy level**, where institutional frameworks assess whether regulatory, administrative and support conditions are in place at country or regional level. The two layers are complementary. Policy frameworks measure the environment. The AFT instrument measures whether a specific firm is ready to operate within that environment.

The distinction matters. The AFT instrument and policy-level frameworks differ in their subject matter, respondent and unit of analysis: firm readiness versus ecosystem conditions, the SME versus the policy or statistical apparatus, and the entity versus the country or region.

They share a discipline of structured, evidence-based assessment, but they do not assess the same object. The AFT instrument is not a smaller version of a policy index. It is an instrument for a different question.

2.4 Two reading levels of the same instrument

The same architecture can be read at two levels. (1) **At the entity level**, the instrument gives an individual SME a structured reading of its readiness before committing resources to EU market entry. (2) **At the cohort level**, the same framework can be read across a group of firms by an institution, chamber, agency or programme operator. This supports programme design, prioritisation, monitoring and comparison across firms, sectors or cohorts.

The institutional reading is described in Section 8. The point to establish here is that it is the same instrument read at a different level of aggregation, not a separate methodology.

2.5 Scope: readiness, not success

The instrument's scope is bounded by a deliberate distinction. **The instrument assesses readiness and risk; it does not predict commercial success.** It does not forecast post-entry performance, revenue outcomes, or competitive positioning; its role is decision support before market entry. Commercial success depends on factors the instrument cannot and should not try to predict: timing, competition, execution quality, relationships, pricing and market response.

The instrument therefore stays on the readiness side of the line. It asks whether the firm has the structure, evidence and sequencing needed to enter responsibly. That boundary is what makes the methodology suitable for institutional use: it makes a disciplined claim that can be examined, rather than a commercial promise that cannot be guaranteed.

2.6 Boundaries and limits

Four limits frame the appropriate use of the instrument:

- **It supports decisions**; **it does not replace professional advice**. The instrument provides structured orientation. It does not substitute for legal, tax, regulatory, financial or commercial advice on the specific position of a specific firm.
- **Calibration evolves with regulation**. EU rules and market expectations change. The framework is maintained under version discipline, but any published version should be read as current to its stated version date.
- **Sector interpretation still requires judgement**. NACE Rev. 2.1 anchors the sector orientation, but mapping a firm's actual activity to the right sector profile still requires expert judgement.
- **Assessment quality depends on evidence quality**. The instrument tests the quality of the inputs it receives, but a firm that cannot provide reliable evidence will receive a less dependable reading. The methodology is designed to surface that, not to hide it.

The instrument is also designed for repeated use. A first assessment often surfaces what the firm has not yet examined. A later assessment can show whether evidence has improved, blockers have been resolved, and the firm's self-reading has become more reliable. This longitudinal use is part of the design, but it should be read as a readiness-tracking function, not as a guarantee of progression.

Naming these limits is part of the methodology. A decision-grade instrument is more useful when it is clear about what it can assess, and what it deliberately leaves outside its scope.

Section 3: The Seven-Capability Framework

3.1 The framework as the structural backbone

The AFT Framework reads EU market readiness through **seven capabilities**. Each capability is scored separately, assigned a severity level, and interpreted against the firm's sector context.

This is a methodological choice. The framework does not present readiness as a single public score, and it does **not** treat the seven capabilities as **interchangeable inputs**. A firm may be strong in one area and weak in another. The point of the framework is to keep those differences visible, rather than to average them away.

The rest of the methodology rests on this structure. Sector calibration, evidence weighting, resolution sequencing and verdict logic all build on the seven capability readings. If the capability structure changes, the rest of the assessment changes with it.

3.2 The seven capabilities

Code	Capability	Working definition
MKT	Market Validation	Demand evidence, value proposition fit, and pricing validation in the target EU market(s).
LED	Leadership and Accountability	Named EU owner, defined objectives, country selection rationale, and execution plan with accountability.
LEG	Legal and Structural Readiness	Intellectual property ownership, corporate documentation, contractual frameworks, and cross-border data flows.
FIN	Financial and Budget Readiness	Ring-fenced budget, runway, cost-to-serve modelling, and budget documentation.
COM	Compliance Pathway	Regulatory hypothesis, sectoral obligations, security baseline, contingency planning, incident response.
OPS	Operating Readiness	Delivery and logistics flow, Incoterms, landed cost, service levels, customer onboarding.
GTM	Go-to-Market Model	Sales channels, seller-of-record arrangement, returns and localisation, partner relationships, lead handling.

For a practitioner, the seven capabilities translate into seven operational questions:

- **Market Validation**: is there evidence that the EU market wants the offer, at the price proposed?
- **Leadership and Accountability**: who owns EU entry, with what authority and against what plan?
- **Legal and Structural Readiness**: what legal and corporate foundations does the entry rest on?
- **Financial and Budget Readiness**: is the budget committed, modelled and documented?
- **Compliance Pathway**: what regulatory baseline must be cleared before market entry?

- **Operating Readiness**: can the firm deliver, fulfil and support the offer to EU expectations?
- **Go-to-Market Model**: how will customers find, reach and buy the offer?

The seven capabilities are intended to cover the practical surface of EU market entry without collapsing distinct issues into one score. A firm can be strong on Market Validation and weak on Legal and Structural Readiness, or strong on Compliance Pathway and weak on Go-to-Market Model. The framework treats each combination as a distinct diagnostic state.

3.3 How the framework was reached

The seven-capability decomposition was reached through iterative reduction rather than from a fixed academic starting point. The early architecture used multi-dimensional clusters with up to two levels of division (capability → sub-dimension). That structure captured detail, but it made the assessment harder to read and harder to carry through to a decision.

The reduction followed a practical rule: too little structure distorts the problem, while too much structure overwhelms the reader. The framework needed to preserve the main distinctions that matter in EU market entry, while remaining usable for SME owners, advisers and institutional reviewers.

The current seven capability structure emerged as the level at which the assessment remained both substantive and navigable. It is consistent with the principle of basic-level categorisation, where categories carry useful diagnostic information without excessive cognitive effort. The framework was not derived from that literature, however. The literature supports the choice; the structure itself came from operational iteration.

The defensibility of the framework does not rest on the number seven as a formal rule. It rests on whether the seven capabilities are distinct enough, and complete enough, to support a decision-grade reading of EU market readiness.

3.4 Independence as a methodological commitment

The framework treats each capability as an independent diagnostic axis. A firm that is strong on Market Validation but weak on Legal and Structural Readiness is not simply “partly ready”. It is unready in a specific way, and that specific weakness must remain visible.

This is why the framework does not rely on a public composite readiness score. Composite scores can make the reader focus on the aggregate and discount the structure beneath it. In this methodology, capability readings remain separate. **Strength in one capability does not cancel out a critical gap in another.**

The verdict logic does combine capability readings internally, together with severity and evidence logic, to assign a categorical outcome: Go, Conditional Go or Hold. However, the public output is not an aggregate score that the reader must interpret alone. It is a decision signal supported by visible capability readings.

3.5 Resolution sequencing

The capabilities are **independent in diagnosis, but not in remediation**. The framework therefore uses a resolution sequence: gaps should be addressed in an order that reflects their dependency structure.

Leadership and Accountability and Legal and Structural Readiness are addressed first. An SME cannot reliably execute the other capabilities without a named owner, a clear structural pathway and the contractual foundations required for entry.

Financial and Budget Readiness and Compliance Pathway are addressed second. Budget and regulatory baseline need to be established before operational and commercial work can rest on solid ground.

Market Validation, Operating Readiness and Go-to-Market Model are addressed third. These capabilities can be developed in parallel with the earlier tiers, but their conclusions are less reliable when the foundations are absent.

This sequence is not an operational schedule. Within a given tier, the order of work will depend on the firm, the sector and the target market. Across tiers, the framework holds the dependency discipline.

3.6 What the framework does and does not claim

The seven-capability framework is offered as a working architecture: a structured, decision-grade orientation for SMEs considering EU market entry, refined through iteration and held under documented version discipline. It does not claim to be the only valid decomposition of EU market readiness, and it is a tool for decision-makers, not a comprehensive theory of SME internationalisation.

Section 4: NACE Rev. 2.1 Alignment and Sector Calibration

4.1 Statistical classification as the anchor

The AFT Framework anchors its sector orientation on **NACE Rev. 2.1**, the Statistical Classification of Economic Activities in the European Union. NACE Rev. 2.1 is the current European statistical classification for economic activity and replaces NACE Rev. 2.

This matters for three reasons. First, it links the AFT sector reading to a classification structure used by Eurostat, the European Commission, the OECD and national statistical institutes. Secondly, it gives the framework a current sector reference that reflects changes in the European economy, including the reorganisation of information, communication and digital activities. Thirdly, it makes the sector orientation verifiable against a public classification rather than purely bespoke advisory judgement.

NACE is used here as a **classification anchor** for sector orientation. It is **not a substitute for legal qualification**, and it does not determine regulatory obligations for a specific

entity. Those obligations arise from the relevant legal instruments and Member State implementation. NACE provides the sector reference layer within which the assessment is interpreted.

4.2 The twenty-two section structure under Rev. 2.1

NACE Rev. 2.1 organises economic activities into sections, divisions, groups and classes. At the top level, it contains twenty two sections:

- **Section A**: Agriculture, forestry and fishing
- **Section B**: Mining and quarrying
- **Section C**: Manufacturing
- **Section D**: Electricity, gas, steam and air conditioning supply
- **Section E**: Water supply; sewerage, waste management and remediation activities
- **Section F**: Construction
- **Section G**: Wholesale and retail trade
- **Section H**: Transportation and storage
- **Section I**: Accommodation and food service activities
- **Section J**: Publishing, broadcasting, and content production and distribution activities
- **Section K**: Telecommunication, computer programming, consulting, computing infrastructure and other information service activities
- **Section L**: Financial and insurance activities
- **Section M**: Real estate activities
- **Section N**: Professional, scientific and technical activities
- **Section O**: Administrative and support service activities
- **Section P**: Public administration and defence; compulsory social security
- **Section Q**: Education
- **Section R**: Human health and social work activities
- **Section S**: Arts, sports and recreation
- **Section T**: Other service activities
- **Section U**: Activities of households as employers and undifferentiated goods- and service-producing activities of households for own use
- **Section V**: Activities of extraterritorial organisations and bodies

The AFT Framework operates at section level by default. It moves to division, group or class level where sector heterogeneity warrants finer treatment and where content has been authored at that depth.

The framework uses the current Rev. 2.1 letter assignments throughout. This is important because NACE Rev. 2.1 introduced structural changes from NACE Rev. 2, including the split of the former information and communication section into more specific categories for publishing, broadcasting, content production, telecommunications, computer programming and information services. Where the framework refers to a sector by letter, that letter is the Rev. 2.1 letter unless explicitly stated otherwise.

4.3 Differential thresholds across sectors

A core discipline of the AFT Framework is that **capability thresholds are not uniform across sectors**. The same weakness does not carry the same consequence in every activity.

The rationale is operational. In a regulated sector, an incomplete licensing or compliance position may prevent market entry altogether. In a less regulated activity, an equivalent

weakness may be recoverable through normal operating learning. Similarly, an operating model gap in a medical device, food, finance or accommodation activity is not equivalent to an operating model gap in a lower risk service activity. The framework therefore calibrates capability thresholds against the operational consequence of failure in the relevant sector. Where the cost of failure is severe or difficult to reverse, the framework applies stricter thresholds. Where the cost is more recoverable, the threshold can be less restrictive. This differs from readiness approaches that apply the same interpretation across all sectors. Sector calibration helps avoid two errors: giving a false Go where a gap should block entry, and giving a false Hold where the gap is material but manageable.

Detailed calibration parameters and threshold values are not disclosed in the public version of the methodology.

4.4 Granularity below the section level where sector heterogeneity warrants

NACE Rev. 2.1 provides finer classification below the section level through divisions, groups and classes. The AFT Framework treats this granularity as conditional.

Where a section contains activities with materially different regulatory, commercial or operational profiles, the framework can operate below section level. Where a section is more homogeneous, section level orientation may be sufficient.

In practice, depth varies by sector. Some areas require finer treatment because the operating realities inside the same broad section differ substantially. Others can be assessed at the section level without losing decision relevant information. The framework does not seek uniform class level depth across all twenty two sections. It seeks the level of granularity that the sector profile actually warrants and that the authored content supports.

Section V is a foreseeable misclassification risk. Firms sometimes work with or for international organisations without being international organisations, EU institutions or extraterritorial bodies themselves. The framework therefore includes a boundary verification step before treating a respondent as a Section V entity.

4.5 Content depth across the framework

The framework's orientation is supported by structured sector content authored against the AFT capability framework, with coverage spanning all twenty-two Rev. 2.1 sections. Coverage extends from section-level orientation to division or class-level operational specifics where sector heterogeneity warrants and where content has been authored. The current documented version, completed on 4 May 2026, provides coverage across all twenty two sections, with deeper treatment where sector heterogeneity warrants and where content has been authored.

The content base supports assessment at scale rather than per-engagement authoring. An SME running the assessment receives sector-specific content drawn from the pre-authored framework; the assessment does not improvise sector context at the time of use. This separation between framework content (authored in advance, documented under version

control, dated) and assessment session (executed at the time of use, time-stamped, archived) supports the framework's use as a structured assessment reference. Updates follow scheduled refresh cycles under documented version control.

Section 5: Dual-Register Design

5.1 The two-reader assumption

A structured assessment is rarely read by one audience only. An institutional or methodology reviewer reads for structure: how the framework is organised, which capabilities are assessed, what evidence is recognised and where the decision points sit. A practitioner reads for action: what needs work, what evidence is missing and what should happen next.

Both readings matter. A document written only for the reviewer can feel abstract to the firm. A document written only for the practitioner can feel too light for institutional scrutiny. The AFT Framework is therefore designed to serve both readers without producing two separate outputs.

5.2 The pattern

Each substantive content element carries two layers:

- **A structural label**, which names the category or content block in language a reviewer can recognise.
- **An action line,** which translates the same content into an operational implication for the practitioner.

The two layers are presented together. For example, a capability may appear as: Compliance Pathway: the regulatory baseline to clear before market entry. The **structural label** identifies the capability under assessment. The **action line** explains why it matters operationally. The reviewer can see the framework. The practitioner can see the implication.

This convention is used across capability headings, sector context and action sequences. It is not a style choice only. It is part of how the framework reduces the distance between assessment and action.

5.3 Why the pattern matters

Decision grade material should not require the reader to translate structure into action alone. If a firm has to decode the framework first, then infer what it means operationally, the assessment has added friction at the point where clarity is needed.

The dual register pattern reduces that friction. It keeps the structure visible for institutional review, while making the operational implication clear for the firm and its advisers. The

design is consistent with the broader concern of the cognitive load literature,[1] although it was developed through practical drafting and use rather than derived from that literature.

The claim is modest: the dual register does not validate the methodology. It makes the methodology easier to read and use.

5.4 Consistency as a structural signal

The same convention is used across the digital assessment output, the PDF dossier and the methodology surface. This consistency matters because readers encounter the same logic in each format: structural labels for orientation, action lines for practical interpretation. The result is a framework that reads as authored under common rules, rather than as a collection of separate advisory notes.

Section 6: Evidence-Weighted Assessment

In this framework, evidence means concrete, reviewable artefacts: documents, records, contracts, accounts, certifications, or operational outputs that a third party could examine and assess. A statement of intent or a self-declaration is not evidence on its own, however accurately it describes the firm's position.

6.1 The foundational assumption

The Evidence-Weighted Assessment™ layer rests on a single assumption: a structured instrument can assess the structure of a firm's readiness, but it cannot validate real-world execution. This remains true whether the assessment is supported by rules, automation, AI assisted drafting or human review. EU market entry requires interaction with banks, legal structures, operational partners, regulators, customers and advisers. These interactions cannot be fully verified inside an automated assessment.

The AFT Framework therefore does not attempt full automation. It treats evidence validation, including human review where required, as part of the methodology. Where a conventional readiness questionnaire records what a respondent claims, the AFT instrument records **what a respondent can demonstrably produce**, and adjusts the assessment accordingly.

6.2 Confidence reframed as evidence-production capacity

Each capability assessment includes a confidence question. The question is not a perceptual self-rating along the lines of "how confident are you, on a scale of zero to five". A perceptual scale captures how a respondent feels about an answer. It does not test what sits behind it.

The AFT confidence question is framed instead as an operational test of evidence-production capacity:

> ***Can you produce the required evidence within 72 hours?***

[1]Sweller, J. (1988), “Cognitive Load During Problem Solving: Effects on Learning”, Cognitive Science, Vol. 12, No. 2, pp. 257 to 285.

This question shifts the assessment **from confidence to proof**. Instead of recording the respondent's self perception, it records the respondent's capacity to substantiate a claim within an operationally meaningful window.

6.3 The 72-hour rule

The 72 hour threshold is a practical filter. It is short enough to exclude aspirational claims, long enough to allow existing materials to be assembled, and meaningful in the context of EU market entry, where partner conversations, due diligence requests and regulatory preparation often operate on multi day cycles. The threshold is calibrated from advisory practice observation, not from a formal empirical study; its purpose is to create a practical evidence test that is demanding without being artificial.

The threshold helps distinguish three states that a traditional confidence scale can blur together:

- **Known but unprepared.** The respondent understands the requirement, but cannot produce the evidence within the operational window.
- **Partially prepared.** The respondent has begun to assemble the evidence, but has not closed it within an operationally relevant timeframe.
- **Not understood.** The respondent does not yet recognise what evidence is required, irrespective of how confident the respondent feels.

If evidence cannot be produced within an operational window, the assessment treats it as **not yet decision-ready**. The reason may be incompleteness, unavailability or lack of understanding. In each case, the implication for the readiness reading is the same: the claim is not yet evidenced.

6.4 The five-tier scale

The confidence question resolves to a five-tier scale. Each tier carries an operational meaning.

Tier	Label	Operational meaning
5	**Operationalised**	Already available; embedded in the firm's operations.
4	**Producible**	Producible within 72 hours from existing materials and processes.
3	**Asserted**	Claimed but not demonstrably producible within 72 hours.
2	**Partial**	Some evidence available but materially incomplete.
1	**Uncertain**	Respondent cannot characterise the evidence; effectively a guess.

The important threshold sits **between Asserted and Producible**. A claim that cannot be substantiated within 72 hours is treated as an assertion, not as evidence.

6.5 How this differs from a traditional confidence rating

Traditional confidence ratings capture how the respondent feels about an answer. That can be useful, but it is not the same as operational readiness. A respondent can feel confident about a claim that cannot be substantiated, and uncertain about a claim that is already well evidenced.

The 72 hour framing replaces feeling with a practical test. In principle, the signal can be checked: a third party can ask for the evidence and see whether the firm can produce it. This is what allows the confidence signal to function as an input to the assessment, rather than as a soft self report layered on top of it.

6.6 Readiness and confidence read together

The instrument generates two readings for each capability: a **readiness reading and an evidence capacity reading.** Read together, they show whether the firm's self reading is coherent. Four interpretive cases arise from the pairing:

Pattern	Readiness × Confidence	Interpretation
Strong readiness	High × High	Solid; the capability is both built and provable.
Fragile readiness	High × Low	Promising but unproven; the readiness claim is not yet supported by operational evidence.
Possible misreading	Low × High	Critical; the respondent may be confident in evidence that does not satisfy the capability requirement.
Critical gap	Low × Low	Needs the most attention; both the readiness and the recognition of the gap are absent.

One particularly important case is possible misreading. A firm may be confident that it has evidence, while the evidence does not actually satisfy the capability requirement. The assessment surfaces that mismatch and treats it as a readiness issue, not just a low score.

The pairing also reflects the framework's treatment of overstatement. High readiness with low evidence capacity is treated more cautiously than low readiness with high evidence capacity. The first pattern may lead a firm to proceed on claims it cannot substantiate. The second usually points to conservatism or under-recognition of existing preparation. For a readiness instrument, these **are not equivalent risks**.

6.7 What translates into the scoring engine, and what stays private

The **five-tier evidence reading** translates into the scoring engine through **three mechanisms**:

- Confidence multipliers applied to capability readiness scores;
- an asymmetric penalty for high readiness reported with low evidence capacity;
- a band-cap safety net that prevents confidence weighting from collapsing a capability by more than one readiness band.

The detailed parameters of these mechanisms are not disclosed in the public version of the methodology. This includes multiplier values, penalty coefficients and band cap thresholds. What the reader sees is a single confidence adjusted readiness reading per capability. Evidence weighting is applied internally and resolves to one clear reading, not to a set of competing numbers. The verdict logic uses the confidence adjusted readiness scores rather than the raw scores. The evidence weighting is therefore consequential: it can change the capability reading and the verdict the framework reaches. **It is a structural layer, not a presentational one.**

Section 7: The Strategic Readiness Verdict

7.1 Three verdicts

The instrument produces a categorical strategic readiness verdict: **Go, Conditional Go or Hold.** The verdict is the **principal decision output**. The seven capability readings, the resolution sequence, the evidence checklist and the sector narrative support the verdict. They are **not alternative outputs** that the reader must reconcile against it. Each verdict maps to a practical managerial decision:

Verdict	Managerial meaning
Go	Sufficient readiness; entry can proceed subject to standard execution risk.
Conditional Go	Entry is possible with managed risk; remediation of named gaps is required.
Hold	Critical gaps prevent entry; remediation must precede further action.

The three labels were revised during the development of the instrument. An earlier version used Go / Not Yet / No Go. Reviewers read Not Yet as ambiguous and No Go as too final. The labels were therefore changed to Go / Conditional Go / Hold.

The change matters. Conditional Go signals that entry may proceed if named conditions are addressed. Hold signals that the decision should wait, without implying that the path is closed. The decision logic remained the same. The register changed.

7.2 A sequence, not a single threshold

The verdict is produced by a decision sequence, not by a single threshold. The order of evaluation is part of the methodology because some gaps should not be averaged away by strength elsewhere. The sequence evaluates readiness in three steps:

1. **Hard blockers:** certain baseline elements are treated as non negotiable. If one is absent, the verdict is Hold, regardless of the rest of the profile.
2. **Gate floor:** each capability is held to a critical weakness floor. If any capability falls below that floor, the firm cannot receive a Go, even if other capabilities are strong.
3. **Readiness band**: once hard blockers are cleared and the gate floor is satisfied, a sector calibrated reading places the firm in a verdict band.

The sequence matters because EU readiness is not only a matter of overall strength. A firm can be strong across several capabilities and still face a gap that prevents responsible entry. The verdict logic is designed to surface that structure, rather than dissolve it into an average.

7.3 Hard blockers and the gate principle

Two mechanisms enforce the sequence: hard blockers and the gate floor. A **hard blocker** is a baseline element whose absence is decisive. Some prerequisites cannot be offset by strength elsewhere. When a hard blocker is triggered, the verdict is **Hold**. The public methodology discloses the principle, not the specific elements designated as hard blockers. The **gate floor** applies the same discipline across the seven capabilities. Each capability has a critical weakness level below which the framework will not return a **Go**. This prevents the combined readiness reading from masking a single structural gap.

Gates are not uniform. They are:

- **Sector dependent:** a gate that is decisive in one sector may be irrelevant in another.
- **Context sensitive:** a gate may depend on country selection, customer type or operating model.
- **Operationally grounded:** gates are derived from recurring failure modes observed in market entry, not from theoretical risk modelling alone.

A simple illustration is the inability to open a bank account in the target country. Without operational banking, sustained local commercial activity is severely constrained, even if the firm is strong in strategy, legal preparation or market validation. An averaged readiness score could understate that failure. The gate principle is designed to prevent that.

7.4 Conservative calibration and the asymmetric cost of error

A readiness threshold is a design choice. It is **not a mathematical truth**. At the boundary, the question is not only “what is the precise readiness level?” It is also “which error should the instrument avoid most?”

The two errors do not carry the same cost:

- **False Hold:** the instrument tells a firm to prepare further when it could perhaps have proceeded. The cost is additional preparation time. It is usually recoverable.
- **False Go:** the instrument tells a firm to proceed when it is not ready. The cost is exposure to market entry risk during implementation, when correction is slower, more expensive and sometimes difficult to reverse.

Because these errors are not symmetric, the **calibration** is deliberately conservative. The framework prefers to tell a firm to prepare further than to return an **unconditional Go** when material readiness gaps remain.

This does not mean that the threshold is prohibitive. The **unconditional Go** threshold is set to be conservative without closing the path to firms that are genuinely ready. The

calibration reflects the purpose of the instrument: to support responsible market entry decisions, **not to maximise positive verdicts**.

7.5 What the verdict discloses, and what stays private

The public methodology discloses the verdict structure: three categorical verdicts, a decision sequence, hard blockers, a gate floor, sector calibrated readiness bands and a conservative calibration based on the asymmetric cost of error.

The specific calibration values are not disclosed. This includes the threshold values separating the verdict bands, the gate floor levels and the question codes designated as hard blockers. These parameters form part of the protected calibration layer.

What the reader sees in an assessment is the categorical verdict and the seven capability readings that support it. The combined reading that places the firm in a verdict band is computed internally. It is not displayed as a competing aggregate score.

The verdict is decision grade because it resolves the assessment to a clear categorical output, supported by visible capability readings, rather than leaving the reader to interpret a composite score alone.

Section 8: The Cohort Reading and Institutional Use

8.1 The cohort reading

The same scored architecture can be read at two levels:

- At the **entity level**, the instrument helps an individual SME understand whether it is ready to move towards EU market entry, where its blockers sit, and what evidence is missing.
- At the **cohort level**, the same architecture can be read across a group of firms. This gives institutions and programme operators a structured view of readiness patterns across a population: which gaps repeat, which gaps are severe, and where support should be sequenced.

The two readings share the same methodological core. The capability framework, evidence weighting, sector calibration and verdict logic remain the same. What changes is the unit of analysis: one firm at entity level, a group of firms at cohort level. This continuity matters. The institution is not reading a separate framework from the one experienced by participating firms. It is reading the same methodology at a different level of aggregation.

8.2 Capacity-building applications

The cohort reading supports institutional capacity-building work in four principal modalities.

Programme design. An institution designing an SME readiness intervention can use the seven capability framework to identify which capabilities are weakest in the target

population, and how those weaknesses vary by sector. This helps define which topics to cover, which evidence to request, and where specialist support may be required.

Programme prioritisation. An institution allocating limited resources can identify where readiness gaps are both widespread and material. The cohort reading uses two signals: the prevalence of a gap across the population, and the severity of the gap where it appears. This avoids overreacting to a rare but severe issue, or overinvesting in a common but minor gap.

Programme monitoring. An institution can apply the methodology at successive points and read changes in capability readiness across the cohort. This provides a structured monitoring signal. It describes change in readiness state, but it does not replace formal impact evaluation.

Structured comparison. Because the framework, evidence logic and NACE Rev. 2.1 sector calibration are stable across assessments, institutions can compare cohorts across sectors, countries, programme rounds or partner initiatives.

8.3 The Cohort Readiness Report

The formal institutional deliverable is the **Cohort Readiness Report**. It is available for institutional engagements where AFT Global assesses a defined group of firms under the same methodology. It is produced from a group of entity level assessments and reports at cohort level, not at the level of any individual firm.

Depending on the engagement, identifiable firm level data is aggregated, anonymised or excluded. The purpose is not to disclose individual **advisory** conclusions to the institution. It is to show **cohort level readiness patterns** that can inform **programme design, prioritisation and reporting.**

The report follows the same methodology as the individual assessment: seven capabilities, evidence weighted scoring, NACE Rev. 2.1 sector calibration and verdict logic. Its added layer is aggregation, especially the reading of gaps by prevalence and severity.

Commercial arrangements for the Cohort Readiness Report are defined separately in AFT Global's commercial framework. They are outside the scope of this methodology paper.

8.4 Alignment with the institutional indicator ecosystem

The methodology is designed to be readable within the institutional indicator ecosystem. It is not an official statistical instrument, and it has not been endorsed or adopted by the institutions referenced below. The point is more limited: the framework is structured so that institutional readers can locate it alongside analytical frameworks they already know.

Two design choices support this. First, the sector taxonomy is anchored to NACE Rev. 2.1, the European Union classification of economic activities. Secondly, the cohort indicators are organised around capabilities that can be read alongside established SME policy and competitiveness frameworks.

AFT capability	Corresponds broadly to
Financial and Budget Readiness	Access to finance for SMEs
Go-to-Market Model	SME internationalisation
Compliance Pathway	Standards, technical regulations and regulatory readiness
Operating Readiness	Operational environment and business support services

The correspondence is one of **analytical territory, not identical measurement**. Policy frameworks usually assess the environment in which firms operate. The AFT methodology assesses whether firms are ready to operate within that environment. This distinction is important. The alignment reflects AFT Global's methodological design choice. It is not a claim of endorsement, adoption or institutional reference by the OECD, the European Commission or any other body named in this paper.

8.5 Boundaries on institutional use

The cohort reading follows the same scope discipline as the entity reading, and adds four institutional boundaries.

- **It does not predict programme outcomes.** Cohort indicators describe a readiness state. They do not forecast future commercial or developmental outcomes.
- **It does not replace official statistics.** The methodology produces analytical readings calibrated to NACE Rev. 2.1. It does not produce authoritative national or supranational statistics.
- **It does not substitute for impact evaluation.** A change in readiness indicators can inform an evaluation, but formal impact evaluation remains a separate exercise.
- **It does not provide firm specific advisory conclusions through the institutional channel.** The Cohort Readiness Report aggregates across firms. Advisory engagement with an individual firm belongs to the entity level engagement structure.

These boundaries protect the appropriate use of the methodology. The cohort reading is designed to help institutions target and sequence support more effectively, not to replace their statistical, evaluation or advisory functions.

Closing

The AFT Framework for EU Market Readiness was built from a practical question: is this firm ready to enter the European Union market, and what should be resolved before resources are committed?

This paper has set out the method behind that question: seven capabilities, sector context, evidence capacity and verdict logic. The structure and reasoning are disclosed; the calibration parameters remain protected.

The framework does not predict commercial success. **It makes preparation visible before market entry begins.**

It is a disciplined instrument **built from practice, and improved through use.**

Glossary

This glossary defines the terms a reader of this paper needs. It does not reproduce the full terminology of the instrument. Where a term is set out more fully in the body of the paper, the relevant section is noted.

72-hour rule. The operational test at the core of the Evidence-Weighted Assessment: whether a firm can produce the evidence behind a claim within seventy-two hours of a reasonable request. The window is short enough to exclude aspirational claims and long enough to allow pre-existing materials to be assembled. It replaces a perceptual confidence rating with a falsifiable operational one. (Section 6.3)

AFT 7-Capability Framework™. The structural framework that expresses EU market readiness as the joint outcome of seven independent capabilities, each separately assessed and kept visible rather than presented as a single public composite score. (Section 3)

Asymmetric penalty. A feature of the confidence weighting: a firm reporting high readiness with low evidence-production capacity, the overstatement direction, is treated more cautiously than a firm reporting low readiness with high capacity, the conservative direction, because the two directions of error do not carry equal operational cost. (Section 6.6)

Band-cap safety net. A constraint within the confidence weighting that prevents the evidence adjustment from moving a capability by more than one readiness band, so that the weighting refines a reading rather than overturning it. (Section 6.7)

Capability. One of the seven independent dimensions of EU market readiness assessed by the framework. Each capability is scored on its own diagnostic axis and is not substitutable for another. (Section 3)

Capacity-building reading. The use of the framework at cohort level by institutions and programme operators, to inform programme design, prioritisation, monitoring, and structured comparison across a population of firms. (Section 8.2)

Cohort level. The reading level at which the same scored architecture is applied across a population of firms, rather than to a single firm. Contrast with entity level. (Sections 2.4, 8.1)

Cohort Readiness Report™. The formal institutional deliverable of the methodology, produced from a cohort of entity-level assessments and reported at population level, with the individual firms aggregated or anonymised. (Section 8.3)

Confidence weighting. The mechanism by which the five-tier evidence reading adjusts a firm's capability readiness scores before the verdict is reached. The detailed parameters are not disclosed in the public version of the methodology. (Section 6.7)

Decision-grade. The standard the instrument is built to: it resolves to a decision a firm and its advisers can act on, rather than to a report the reader must still synthesise.

Decision sequence. The strict, ordered set of steps by which the verdict is reached: hard blockers first, then the gate floor, then the sector-calibrated readiness band. A failure at an earlier step takes precedence over a stronger reading at a later one. (Section 7.2)

Differential thresholds. The discipline of setting capability thresholds that vary by sector, calibrated to the operational consequence of failure in that capability for that sector, rather than applying one uniform threshold across all sectors. (Section 4.3)

Dual-register design. The structural discipline of carrying two co-located layers on each content element: a methodological label for the reviewer and an action-oriented line for the practitioner, so that the material serves both readers without diluting either. (Section 5)

Entity level. The reading level at which the instrument assesses whether an individual firm is equipped to enter and operate within the EU single market. Contrast with cohort level, and with the policy level. (Section 2.3)

Evidence checklist and evidence roadmap. The diagnostic outputs that set out the evidence a firm should prepare, sequenced and phased. They support the verdict rather than competing with it.

Evidence-production capacity. What a firm can demonstrably produce within an operationally

meaningful window, as distinct from how confident it feels about a claim. The Evidence-Weighted Assessment measures this rather than perceptual self-rating. (Section 6.2)

Evidence-Weighted Assessment™. The scoring layer that reframes confidence as evidence-production capacity, tests it through the 72-hour rule, and adjusts the capability readings accordingly. (Section 6)

Five-tier evidence scale. The scale to which the confidence question resolves: Uncertain, Partial, Asserted, Producible, Operationalised. Each tier carries an operational meaning rather than a perceptual one. The pivot is between Asserted, a claim that cannot be substantiated within the window, and Producible, one that can. (Section 6.4)

Gate floor. The rule that a sufficiently low score on any single capability prevents a Go verdict, regardless of how strong the other capabilities are. It protects each capability against being averaged away. The level at which the floor is set is not disclosed in the public version of the methodology. (Section 7.3)

Hard blocker. A baseline element so fundamental that its absence forecloses readiness on its own and forces a Hold verdict, regardless of the firm's strength elsewhere. The specific elements designated as hard blockers are part of the protected calibration layer. (Section 7.3)

NACE Rev. 2.1. The Statistical Classification of Economic Activities in the European Community, Revision 2 Update 1, published by Eurostat. It organises economic activity into twenty-two sections, A through V. The framework anchors its sector orientation to this classification. (Section 4)

Policy level. The measurement layer at which established institutional frameworks assess whether policy, regulatory and institutional conditions are in place at country or regional level. Distinct from, and complementary to, the entity level at which the AFT instrument operates. (Section 2.3)

Resolution sequence. The ordered plan by which a firm should address its capability gaps, reflecting the dependency structure of EU market entry, so that foundational capabilities are remediated before the capabilities that depend on them. (Sections 3.5, 7)

Sector calibration. The anchoring of capability interpretation and sector context to the firm's NACE Rev. 2.1 sector, so that the assessment reads against the firm's actual sector rather than against a generic template. (Section 4)

The seven capabilities. Market Validation (MKT), Leadership and Accountability (LED), Legal and Structural Readiness (LEG), Financial and Budget Readiness (FIN), Compliance Pathway (COM), Operating Readiness (OPS), and Go-to-Market Model (GTM). Set out in full in Section 3.

Strategic readiness verdict. The categorical decision output of the instrument: Go, sufficient readiness, entry can proceed subject to standard execution risk; Conditional Go, entry possible with managed risk, named gaps must be remediated; or Hold, critical gaps prevent entry, remediation must come first. (Section 7)

References

References are grouped by type of source: statistical and policy frameworks, regulatory instruments, legal framework, and methodological references.

Statistical and policy frameworks

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Commission Delegated Regulation (EU) 2025/471 of 2/9/2024 amending Delegated Regulation (EU) 2023/137 as regards the application of the statistical classification of economic activities NACE Revision 2 update 1.

Regulation (EU) 2017/745 of the European Parliament and of the Council of 5 April 2017 on medical devices.

Legal framework

Code de la propriété intellectuelle (France), Articles L.111-1 et seq. concerning copyright.

Code de la propriété intellectuelle (France), Articles L.341-1 to L.343-7 concerning database producer rights.

Code de la propriété intellectuelle (France), Articles L.151-1 to L.154-1 concerning trade secrets.

Code de la propriété intellectuelle (France), Articles L.711-1 et seq. concerning trademarks.

Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases.

Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know how and business information against their unlawful acquisition, use and disclosure.

Methodological references

Rosch, E. (1976), "Basic Objects in Natural Categories", *Cognitive Psychology*, Vol. 8, No. 3, pp. 382 to 439.

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The framework's calibration parameters are maintained as trade secrets. These include, without limitation, threshold values, weighting mechanics, confidence multipliers, penalty coefficients, gate floor values and hard blocker codes.

They are not disclosed in this paper. The paper discloses the framework's structure and reasoning at the level needed to understand and assess the methodology. It does not disclose the protected calibration layer.

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This protection concerns the structured selection, verification and presentation of sector content used to support the framework's calibration and outputs.

Anteriority

The methodology underlying this paper is recorded as AFT Framework for EU Market Readiness v3.3 in a dated evidentiary deposit through the e-Soleau service of the Institut national de la propriété industrielle, INPI, France, reference **DSO2026016594, dated 6 May 2026**.

The e-Soleau deposit establishes a dated record of the deposited content. It does not replace other forms of intellectual property protection. This paper is the public methodology paper derived from that internal reference.

Scope of this paper

This paper is a methodological reference. It explains how the AFT Framework for EU Market Readiness is built, and why.

It does not constitute legal, tax, regulatory, financial or commercial advice. It does not provide regulatory clearance, certification or a forecast of commercial prospects for any individual firm. The boundaries of what the instrument assesses are set out in Section 2.

Suggested citation: AFT Global (2026), *The AFT Framework for EU Market Readiness: A Methodology Paper*, AFT Global, Paris.

About AFT Global

AFT Global is an independent advisory consultancy based in Paris. It works with European and non European firms preparing to enter the European Union single market, and with institutions working on SME readiness and competitiveness. The AFT Framework for EU Market Readiness is its core methodological instrument.

About the author

Ali Fuad Turgut is the founder of AFT Global. His professional background includes prior work at the Organisation for Economic Co operation and Development (OECD), with a research and analytical focus on private sector competitiveness, European Union enlargement and small and medium sized enterprise policy.

The methodology set out in this paper draws on that experience and on his subsequent advisory practice with firms considering EU market entry.

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