

# Digitalisation challenges and opportunities for SMEs and the role of clusters

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**99.8%**  
...are SMEs

**24,530,050**  
**Enterprises**  
**in Europe**

**142 million**  
Employees  
**2/3 work in**  
**SMEs**

**93.1%**  
**SMEs are**  
***Micro***

**1/2**  
...in Micro  
and Small  
**SMEs**



**SMEs are the backbone of the EU  
Economy**

# Who we are

## Voice of crafts and SMEs in Europe



SMEUnited is the association of Crafts and SMEs in Europe



Mission: shaping Europe for SMEs and shaping SMEs for Europe



Represent the interest of SMEs towards European Institutions



Recognised employers' organisation and European Social Partner



Non-for-profit and non-partisan

# Who we represent

Voice of crafts and SMEs in Europe

Around 70 member organisations

Over 30 countries

More than 12 million enterprises

Around 55 million employees

## What we do



Regulatory  
monitoring



Advocacy  
& lobbying



Capacity  
building



Projects





**77 %**  
have a  
*website*

**26 %**  
... pay to  
*advertise  
online*

**97 %**  
of **SMEs**  
*access Internet*

**25 %**  
...buy *Cloud  
Computing*

**47 %**  
*use social media*



# European SMEs in the Digital Economy

# SMEs and digitalisation....

Large companies are more digitalised than SMEs.

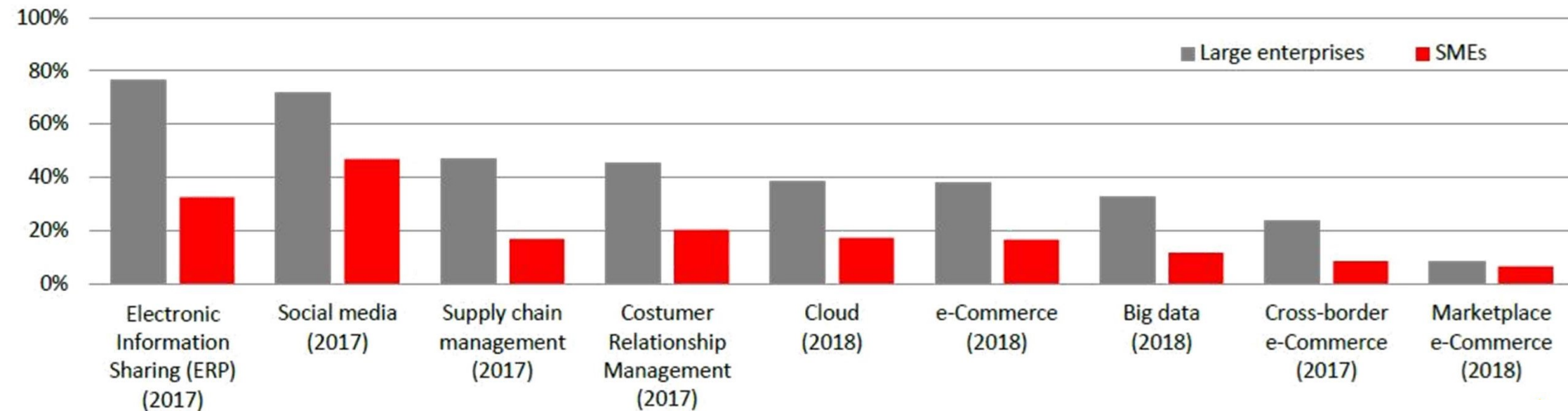
There are still many areas for SMEs, where opportunities for digitalisation can be exploited.



Around 60% of large industries and 90% of SMEs consider themselves lagging behind in digital innovation.

Also strong digitalisation discrepancies between sectors and countries.

Adoption of digital technologies, EU (% enterprises)



Source: Eurostat

**DESI Report 2019 – Integration of Digital Technology**

DESI 2019: <https://ec.europa.eu/digital-single-market/en/desi>

# SMEs and digitalisation....

Digital transformation changes the way companies are operating and bringing value to customers.

Among 24 million SMEs in Europe, in digitalisation some are:

**“front-runners”** who are developing new technologies,

**“followers”** who are used to the more traditional system, but are adapting to the digital transformation

**“overwhelmed”**, lagging behind - by the radical developments and need guidance to adapt and survive / prisoners of their business model.

heterogeneity  
of SMEs

## SMEs are not homogenous

- Internal capacity
- Resources

Microenterprises vs. medium-sized companies

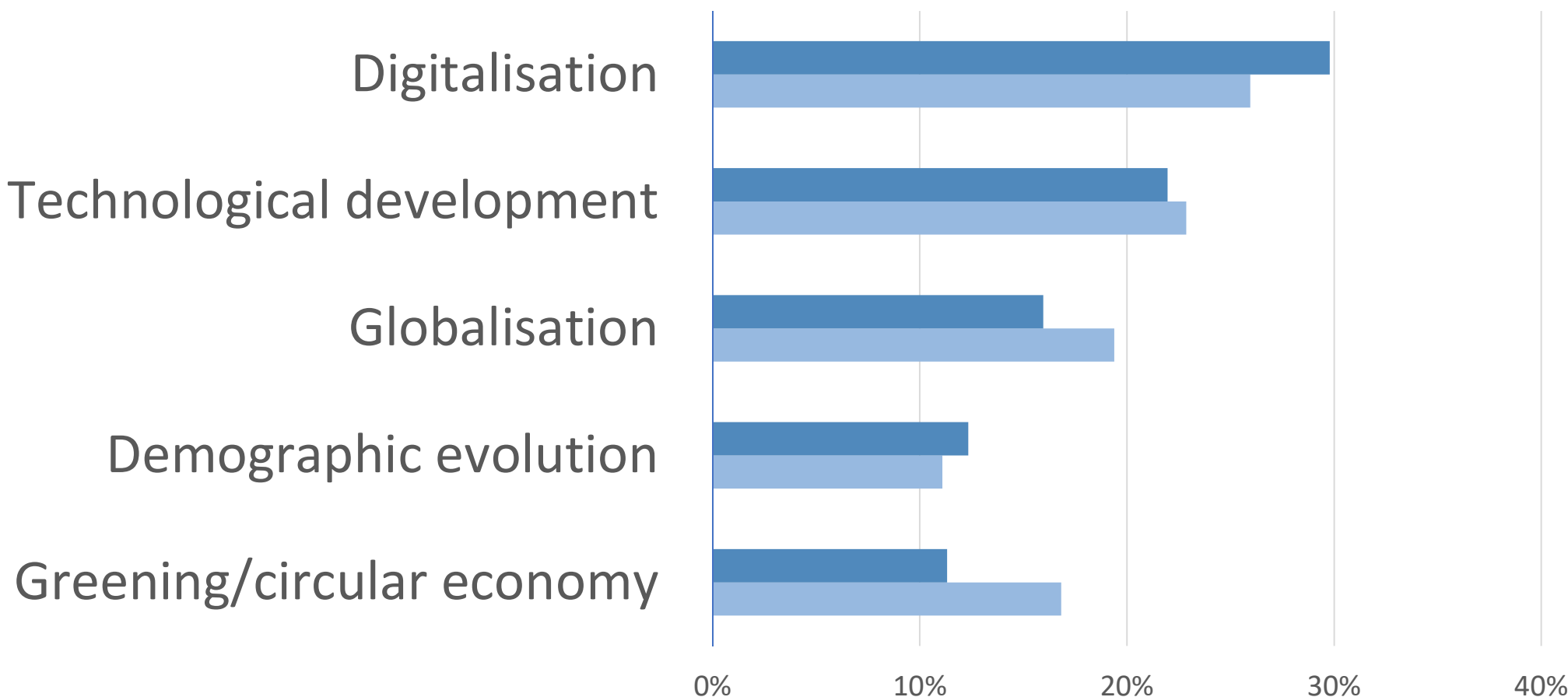
## Challenges are different

SMEs need different support measures according to their level of digitalisation and size

# Digitalisation: the biggest challenge for SMEs

■ What are the biggest challenges?

■ Does the EU need to intervene?





# SMEs digitalise when....

- **Appropriate infrastructure in place**

Reliable telecommunication networks (also in rural areas), e-government solutions.

- **Digital skills development**

Skills forecasts, education and training systems adapted to labour market needs, engaging social partners in the design of training offers (especially when EU-funded), and encouraging continuous learning.

- **Standardisation in ICT**

Standardisation help with technology development and compliance. For SME creators open doors to international markets.

# SMEs digitalise when....

- **Capacity building / access to digital knowhow**

Information in one place.

Involvement of organisations representing SMEs at all levels.

Awareness raising, tailored information, guidance on different available instruments & solutions.

- **Financial support**

Support for investments in innovative solutions needed.

Majority of SMEs look for support at regional and national level.



# The sea of possibilities....



## Structural Funds:

the ERDF, the Cohesion Fund, the European Social Fund + → Operational Programmes.

....tough to navigate.

## Other funds and programmes

InvestEU Fund, Digital Europe Programme (advanced: high-performance computing, cybersecurity, advanced digital skills), Single Market Programme...

## Initiatives

Digital Innovation Hubs, European Cybersecurity Competence Network and Centre, Enterprise Europe Network, Clusters....

are reaching the tip of the iceberg.



# Best practice: Skilled Craft IT Competence Centre

ZDH – German Confederation of Skilled Crafts  
funded by – the Federal Ministry for Economic Affairs (BMWi)  
national network of competence centres.

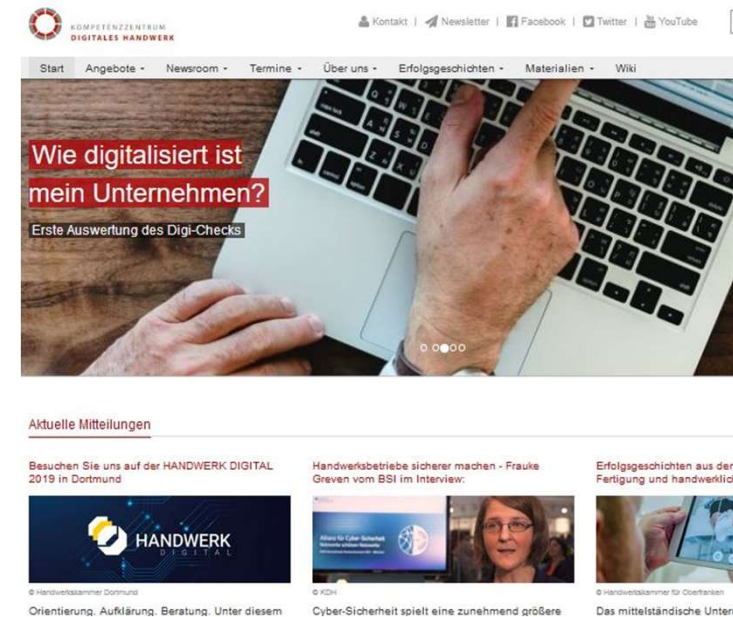
Access to **IT know-how specifically tailored** for local craft  
companies needs.

Activities: on-site walkthroughs on specific topics,  
seminars, trainings, workshops, conferences...

Example topics e.g. social media,  
more advanced: cybersecurity.

Awareness raising.

<https://handwerkdigital.de/>



# Digital disruption and SMEs

Fairness, transparency and level playing field  
for all companies



- **Market balance - platforms**

Regulation promoting fairness and transparency for business users of online intermediation services.

(The Platform-to-Business Regulation).

Unilateral trading practices that are harmful for SMEs e.g. ranking, account termination, terms and conditions changes etc.

Timely and needed.

- **Equal access to and reuse of data – data economy**

Data is valuable for businesses to improve their business model and to develop new products and services.

At the moment uncertainty on who should have access to machine-generated data and on what terms. Terms and conditions determine who can use the data – SMEs in weaker position, limited or denied access to data.



# Thank you for your attention!

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