# **GOOD PRACTICES AND TOOLS FOR TRANSFERING KNOWLEDGE ON DIGITALIZATION TO SMEs**

# How can policy makers and regional developers help SMEs in their digitalization efforts?

**OVERVIEW:** The Smart SMEs project aims to find solutions E to overcome existing digitalization barriers and focuses on enterprises in natural fiber-based value chains that produce, process and apply natural fiber-based materials, both cultivated and recycled from biological waste. The project is therefore tackling the idea of sustainable transformation in the Alpine region through the bio-economy concept. The relatively low level of digitalization of SMEs in the natural fiber-based value chains in the Alpine space is the result of several

factors. There are some good practices and examples of successful SME digitalization initiatives in natural fiber-based VCs from this area; however, in some regions/countries, the number of these good practices is more limited than in others. Throughout project activities, the project partners analyzed the current level of digitalization in the following regions/countries:

The data and conclusions are derived from the report titled "WP3 Collection of good practices and existing tools", the synthesis report of the Smart SME's project co-financed by the European Parliament through the Alpine Region Preparatory Action Fund (ARPAF) (2019-2021). The SMEs included in this research refer to farmers or any form of non-government business units formed with intention of making economic activity or producing the raw material for bio-based value chains within the Alpine space.

> Baden-Württemberg (Germany) **C** Lower Austria

- () Trentino (Italy)
- Slovenia

## **MEASURING THE DIGITAL MATURITY LEVEL OF SMEs:**

Based on the Digital Maturity and Society Index (DESI), Innovation Regional Scoreboard (RIS), Digital

Transformation Scoreboard (DTS), Eurostat digital economy and OECD innovation and technology indicators, as well as indicators proposed in the scientific literature, a new methodology for assessing the digital maturity level of natural fiber-based value chains of SMEs has been established.

> The specific indicators were gathered into eight dimensions: connectivity, online presence, online activity, ICT infrastructure, ICT policy, ICT usage, human resources, and research and development (R&D) infrastructure.

### **GOVERNMENT-LEVEL** GOOD **PRACTICES FOR KNOWLEDGE TRANSFER ON DIGITALIZATION:**

One of the biggest hurdles to increase the digital maturity

level of a given region/country's SMEs is their limited access to the relevant information regarding digitalization opportunities. To deal with this challenge, regions/countries within the Alpine space developed a series of mechanisms and practices aimed at their SMEs in given value chains to help facilitate the transfer of knowledge in terms of the skills of the staff, methods, technologies and tools and new value generation from research institutions and universities to the private sector. One category of these practices encompasses different government initiatives, to which SMEs in each region have access to in terms of public schemes, aiming to enable digitalization in enterprises. More specifically, this category includes laws, public funding or subsidies that assist enterprises in implementing projects related to the digitalization.

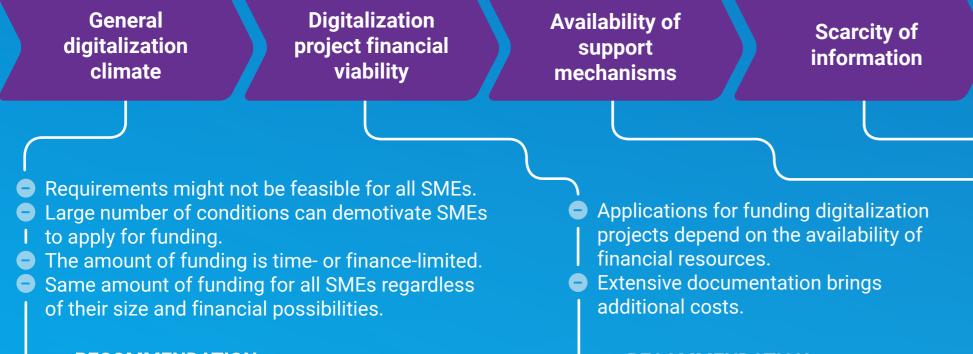
#### **BENEFITS FOR SMEs:**

• Precise definition of terms and activities equal for all participants 🖶 Higher funding process transparency Bupport for digitalization projects (financing HW and SW for digitalization) Wide range of digitalization efforts available for funding (marketing, security, ...) Generating new value through focused digitalization efforts • Increasing SMEs' income through digital transformation of their processes • Possible combinations of funding schemes



**CONSTRAINTS AND RECOMMENDATIONS:**  Government-level practices and initiatives can bring certain risks and constraints into the digitalization process of SMEs. These bottlenecks and constraints can be grouped into four categories.





#### **RECOMMENDATION:**

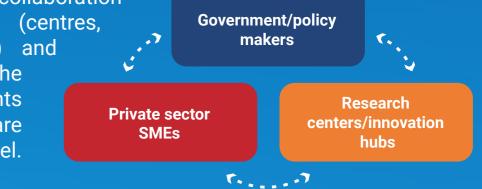
- 🕀 Requirements, conditions and criteria for receiving public funding should be defined based on the "as is" digital maturity of selected VC
- Weighted distribution of public funds among different-sized SMEs (e.g. based on the current digitalization priority)

#### **RECOMMENDATION:**

- 🔁 Encourage larger companies in investing in SMEs' digitalization to provide alternative funding mechanisms
- Continually work on establishing paperless procedures and decreasing the paperwork necessary to apply for funding (e.g. through government portals)

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Nevertheless, through the collaboration with research institutions (centres, innovation hubs, academia) and private sector SMEs, the influence of these constraints can be minimized for the welfare of SMEs' digital maturity level.



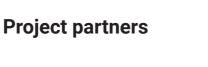
Knowledge gaps of SMEs regarding bureaucratic during the funding application process. procedures can make their application invalid.

#### **RECOMMENDATION:**

- 🔁 Regularly organize workshops and similar events open for SMEs to join free-of-charge to learn about their possibilities and prepare for the process
- C Establish a contact point to help resolve questions regarding the procedures for SMEs that can be easily accessed by everyone (e.g. a platform)











**RECOMMENDATION:** 

Establish initiatives to

or consulting agencies

and SMEs and build a

support framework

strengthen the interaction

between research centres

Limited support available to SMEs





