



# Mastering the digital transformation of business support

**A Policy Learning Platform event**

**27 November 2019, Brussels**

Local and regional policymakers from all across Europe came together to share their experiences and good practices on mastering digital transformation of business support in the framework of a thematic workshop focusing on:

- The benefits and best practices of digitalizing business support services and activities
- The cross-regional challenges related to digitalisation of services and how to overcome them

Among the 36 participants, there were representatives from the following Interreg Europe projects focused on SME competitiveness: 40Ready, CYBER, DEVISE, DigiBEST, ESSPO, Future Ecom, INTRA, OSS, PURE COSMOS, Region Arts, SKILLS+, Start Easy. In addition, projects from the thematic area of Research and Innovation - BETTER, Next2Met, OSIRIS, S34Growth, Urban M - took part of the workshop and contributed to the knowledge sharing across a wide spectrum of Interreg projects. The event also welcomed keynote speakers from DG CONNECT and the Italian province of Trentino.

Besides an overview of good practices from Interreg Europe projects, the workshop provided specific insights into the state of the art in digitalised business support frameworks, including the eGovernment Action Plan 2016-2020 from the European Commission.



# Highlights

## eGovernment and digitalisation of SME support services: state of the art

- “We need digital governance to reduce administrative burden on business and citizens by making their interactions with public administration faster and efficient, more convenient, transparent and less costly.” said Alma Joy Ridderhof from the European Commission Directorate General for Communications Networks, Content and Technology (DG CONNECT). According to the EC, 62% of the EU population is already covered by cross-border eID schemes. Noteworthy policy instruments in the field of digitalisation on the EU level include:

- [eGovernment Action Plan 2016-2020](#)
- [the eIDAS regulation](#) (electronic Identification (eID), Authentication and Trust Services)
- [Tallinn Ministerial Declaration on eGovernment](#).

One of the key principles for digitalisation is the “**once only principle**”, i.e. different institutions or government levels involved in business support ask the same information only once to the SMEs. This makes interactions more efficient.

Alma Joy Ridderhof equally highlighted the “**digital by default**” principle, which implies that **public administrations should deliver services digitally as the preferred** option through e.g. a single contact point or a one-stop-shop. In this context, speeding up the implementation of the [eIDAS regulation](#), which “*brings many benefits and opportunities to SMEs by supporting the implementation of electronic signatures, seals, time stamps, delivery services and website authentication certificates*” is key on the European level.

Finally, she called for action: “*the eGovernment Action Plan ends in 2020. The EC and DG CONNECT are looking for new ideas for the next Action Plan. Reach out for the [eGovernment and Trust team at DG CONNECT](#) and contribute to the next eGovernment Action Plan!*”

- Marco Combetto, Digital Transformation Manager at Trentino Digitale Spa, presented how organisational structures of the local bodies in Trentino, Italy have been changed. According to him, EU policy is helping to give a clear direction to regional governments and the digital single market provides confidence to go forward.

He highlighted the strategic initiative of the Trentino province towards an **innovative, faster public administration** that simplifies the relationship with citizens and businesses, with the aim to create value for the territory. The objective shall be reached especially through the **digitalisation of the administration**, administrative **simplifications for businesses** and a broad Open Data policy.

The Trentino Province is thereby following the guiding principles and tools from the [eIDAS regulation](#) by implementing a unique common authentication code for users and evolving the provincial online services towards a [Single Digital Gateway](#) according to the eponymous European regulation.



## Challenges for a successful digital transformation of business support ecosystems

Throughout the day the participants discussed the main challenges for public stakeholders for a successful digitalisation of legal and administrative services for businesses (eGovernment) but also of advisory and financial services (business support).

- **Developing regional backends:** The European [eIDAS Regulation](#) is a great framework, but public administrations still need to work hard on their own backend.



- **Interoperability challenges:** a unified backbone structure is important to ensure interoperability while applying the “once only principle”. Unclear cooperation between different institutional levels can also cause cases of double funding for the same companies/projects.
- **Lack of awareness:** Although good SME support services might be readily available including easy to access platforms, SME awareness and use of these services is rather low across regions and projects. This could be a problem of marketing, mindset or service design.
- **Multiple providers:** Different government levels (municipality, region, state, EU), institutions and private initiatives offer various support services and funding to SMEs. It is difficult for SMEs to orientate. It can sometimes seem that each service provider is more concerned about its individual success in service delivery than the success of the end-users (the SMEs): this can result into a difficult coordination of the offer.
- **Supporting companies with low digital literacy:** One stop shops and other digitalised support frameworks benefit entrepreneurs who are comfortable with digital platforms. But there are many entrepreneurs who do not possess these skills. This is a reminder that in addition to digitalised services, F2F services should also be provided.
- **Impact is unclear:** Many projects and support mechanisms struggle with pin-pointing the impact of their work. Specific measures are needed to better assess the success and relevance of the services given to SMEs. Some existing digital platforms look at the increase in files submitted through the online platform as a sign of the relevance of the service. Others have looked at how after initiating their local support platform, applications from the region have been more successful in applying for national level grants. Other methods imply asking companies directly, analysing hard data (such as sales figures), conducting surveys on the online platform and doing benchmarking analysis with other similar regions without the support framework or by comparing companies that have received support services to those who have done things alone.

## Good practices

The thematic inputs provided by the Interreg Europe projects mirror the above-mentioned ingredients for unlocking the potential of digitalisation for SME support:

- [PURE COSMOS](#) project – **Online management of funding applications and grants/loans**  
[On-line grant schemes](#) (*Chiara Longo, Genova, Italy, PURE COSMOS*)

PURE COSMOS brings together two big challenges: the need to stimulate and support SMEs and the need to ease public administration bureaucracy. In the Municipality of Genoa, an “**On-line Grant Request**” platform has been set up. Companies looking for public funding can find information, send inquiries, and submit formal requests. The full circle of applications is managed through the platform. The platform uses **eIDAS** to identify companies. Initial results show that thanks to the online submission form **there are 98% less formal mistakes in grant applications**. There has also been a **significant reduction in waiting times** between application submission, approval, and grant allocation.

- [INTRA](#) project - **Online portal for SMEs – Checklist for SMEs on internationalisation readiness** (*Amna Potočnik, Maribor Development Agency, Slovenia, INTRA*)

After a thorough needs’ analysis, the Maribor Development Agency understood that most relevant tool in supporting internationalisation of local SMEs is a **digital one stop shop**. They created an export focused portal which is structured around two “guides”. The first guide is a [checklist](#) of six questions/steps which enables companies to evaluate their export potentials and export readiness.

The second guide leads the user through a **visual “labyrinth”** i.e. through the different Slovenian institutions and organisations that can assist companies on different challenges.



It is also interesting to note that while conducting the initial interviews, the project managers realized that they were not speaking the same language with the companies - “Support for internationalisation” was confusing, whereas “support for export activities” was easily understandable. This is a reminder that **terminology needs to be adapted to the local contexts and cultures. The users, i.e. the businesses, need to be placed at the centre of all developments.**

- [OSS project - Efficient access to business support Digital tool for Start-ups "My Business"](#) (Malene Aaram Vike Møre and Romsdal County Council, Norway, OSS)

The OSS project wants to build a complete ecosystem for entrepreneurs starting new businesses. In Møre and Romsdal, Norway, the OSS project has been complementary to a previously existing (since 2007) **County First Line Service** known as *Hoppid.no*. To solve existing challenges such as different quality in services, different methods of advisory services, limited resources, entrepreneurs' expectations and challenges related to the rural area of the region, the solution was to go digital. To solve the challenges a **one stop shop** called **“My Business”** has been set up. An important aspect has been the fact that **design thinking workshops** involving the users, i.e. both entrepreneurs and advisers, were used to develop the prototype. The backbone of the one stop shop relies on 7 years of experience from 13 000 business support cases and instructive videos to entrepreneurs. As the content of the platform is in English, it could easily be transferred and adjusted to other regions. If you want to browse the solution, independent from the County of Møre and Romsdal (*hoppid.no*), click this [link](#).

## Next steps

### Policy recommendations

During the workshop, be it in presentations or in the framework of group discussions, participants have highlighted specific recommendations with respect to the development of digitalisation of SME support policies and how policy makers can contribute to increase their potential. Their input covers the following aspects:

- **Raise awareness:** Often SMEs are not aware of the services available to them. In case the services offered (workshops, consulting) are beneficial to companies, then one solution could be to make attending them mandatory in the context of specific funding schemes. Another solution could be to pool resources on multiple government levels to provide larger and more attractive services to companies.
- **Involve stakeholders and end users in early phases of service development:** Involving stakeholders in the creation of platforms is important, either through interviews or (design thinking) workshops. Engaging them in the development process is also a guarantee for raising higher awareness.
- **Central frameworks are key:** In order to achieve interoperability between services offered in various regions, institutions or various stages of business development, central frameworks are needed. This should either be developed on a central level or by strong cooperation and coordination between regions. In this regard, the frameworks developed at the EU level also help to give clear and unified guidance to various regions working towards similar goals. Following the EU guideline also helps to generate trust in the systems. On the same time, the need for flexible digital platforms, enabling fast and easy adaptations to specific needs close to the point of service delivery, on local level, was also highlighted.
- **Step-by-step guidance within a one stop shop/online platform:** As one of the challenges is to deal with the confusing information overflow of various services and support framework, it might make sense to use a digital platform as a way to direct companies to those services that are most relevant to them (either by considering their development stage, eligibility or ambitions). For example,



in the case of the OSS platform in Norway, startups who join the platform have to fill in a short questionnaire in the interactive interface of the platform. This makes it easier for advisors to offer tailored recommendations and support to each company. In addition, the platform allows the advisors to make the next stages/steps visible to the company only once the first steps have been taken. This way new startups will not be overwhelmed with an influx of information all at once.

One key overarching recommendation is that digitalisation is not only about technology and the digital replication of existing processes. **Digitalisation implies a broader transformation process of the way people in the administration work and interact with businesses.** A successful digital transformation implies a thorough transformation of whole organisations and capacity building to enable people to make the best of the new opportunities offered by the digitalisation of business support.

### Potential further Policy Learning Platform activities

Several potential follow-up activities were discussed on the spot with the participants:

- Initiate a cross-project exchange on the digitalisation of SME support.
- Organise an exchange on the content of the Action Plans developed by different projects;
- Develop a cross-project overview of good practices according to a common reference framework integrating the existing approaches of different Interreg Europe projects.

Those activities could be implemented in the framework of specific online discussions. Additional support is already available for project partners, and external authorities:

- Regions looking to improve the digitalisation of their administration and business support can consider applying for a [Peer Review](#) from the Policy Learning Platform;
- The Policy Learning Platform organises regularly matchmaking sessions at the occasion of public events like e.g. the European Week of Regions and Cities.

Also bilateral follow-up activities between projects are to be considered. Several participants mentioned this opportunity on the spot.

### Useful materials

Further resources are available here:

- Interreg Europe [Good Practices](#) database and respective projects webpages
- Interreg Europe article on [The One Stop Shop as a driving force to SME smart regulation](#)
- [eGovernment Action Plan 2016-2019](#)
- [the eIDAS regulation](#)
- [Tallinn Ministerial Declaration on eGovernment](#)
- Policy brief on [Digital transformation and SMEs: what regions can do](#)

For more information related to the workshop and the presentations, please visit the [conclusions page](#), where you will find photos, attendee lists, presentations, etc.

