ART-ER
ATTRACTIVENESS RESEARCH TERRITORY

Future Ecom
Interreg Europe

European Union
European Regional Development Fund

Optimal digital strategies and technological applications for SMEs of the retail and tourism sectors in Emilia-Romagna

An Action Plan for supporting SMEs optimising the use of structural funds and the EU Investment for Growth and Jobs programme

May 2020

This Action Plan, in short 5

How this Action Plan contributes to the policy context? 7

Why we focus on the retail sector 9

A structured approach to systemic innovation 11

Scenarios for digital strategies and COVID-19 situation 13

Which actions will be implemented? 15

Reference model and structure of the action plan 15

What inspired us during the FUTURE ECOM common learning process? 16

ACTION 1: Improving financing measures supporting development and implementation of digital strategies by SMEs 18

1. The background 18

2. What inspired us during the interregional learning process? 18

2. How will the action be implemented? 19

3. Who will be involved? 20

4. What timeframe for the action? 20

5. How many costs the implementation will imply and from which funding sources? 21

ACTION 2: provide knowledge and instruments for regional stakeholders supporting SMEs' digital strategies 22

1. The background 22

2. What inspired us during the interregional learning process? 22

2. How the action will be implemented? 23

3. Who will be involved? 24

4. What timeframe for the action? 24

5. How many costs the implementation will imply and from which funding sources? 24

ACTION 3: building capacities of SMEs developing their digital strategies 25

1. The background 25

2. What inspired us during the interregional learning process? 25

2. How will the action be implemented? 25

3. Who will be involved? 26

4. What timeframe for the action? 26

5. How many costs the implementation will imply and from which funding sources? 26

ACTION 4: testing and activating services for supporting SMEs' digital strategies 27

1. The background 27

2. What inspired us during the interregional learning process? 27

2. How will the action be implemented? 27

3. Who will be involved? 29

4. What timeframe for the action? 29

5. How many costs the implementation will imply and from which funding sources? 29

Monitoring the action plan and measuring results 30

This Action Plan, in short

This Action Plan has been prepared in the framework of Future Ecom project by ART-ER Attractiveness Research Territory, the Emilia-Romagna regional agency for innovation and economic development. ART-ER is an in-house agency of the Emilia-Romagna Region, in Italy, and is partner organization of the Future Ecom partnership. Future Ecom is financed by the Interreg Europe 2014-20 programme, within specific objective 2.1. "Improving SMEs competitiveness policies".

It aims at describing the actions which will be developed, implemented, monitored and evaluated in Emilia-Romagna during the second part of the Future Ecom project in order to improve the effectiveness and the exploiting of the european funds connected with European Regional Development Fund (ERDF), and in specific the effectiveness of specific measures included in the Emilia-Romagna ERDF Regional Operational Programme (ERDF ROP) focused on or including the support to the adoption of digital technologies or digital services by SMEs as a fundamental. key factor for assuring their competitiveness in the short, medium and long term. This action plan is composed by different actions addressed to different regional actors (including, directly, SMEs) in order to develop a kind of structured approach able to support a systemic innovation within the regional context. Moreover, this action plan apply specifically to the retail regional sector, being recognized this latter as a suitable environment for testing and implement such a structured approach which will be possibly applied also to other sectors such as tourism or industry.

This Action Plan was prepared with the collaboration of the main regional stakeholders actively involved in the project development and composing the Local Stakeholder Group of Future Ecom in Emilia-Romagna

- Emilia-Romagna Region, General Direction for knowledge, labour and enterprise economy
- Confcommercio Emilia-Romagna
- Confesercenti Emilia-Romagna
- Legacoop Emilia-Romagna
- University of Parma

Many other public and private actors participated in the works of the LSG and in the preparation of this action plan. Among them:

- Managers and officers of the Emilia-Romagna Region, Dept for qualification of enterprises
- Managers and officers of the Emilia-Romagna Region, Dept for tourism, retail and sport
- Managers of the EROI platform
- Managers of the KICK-ER platform
- Liberex srl
- GFT Srl

Moreover, this action plan was prepared also with the technical support of Iscom Group Srl.

For more information about this action plan and Future Ecom activities in Emilia-Romagna, please contact the following ART-ER contact persons:

- Enrico Cancila, Head of the Economic Development and Environment Unit, enrico.cancila@art-er.it, tel. 0039 051 6450449
- Fabrizio Tollari, project manager, fabrizio.tollari@art-er.it, tel. 0039 051 6450474

How this Action Plan contributes to the policy context?

The Action Plan aims to impact on the EU Investment for Growth and Jobs programme, by the means of improving the Emilia-romagna ERDF ROP 2014-2020 financed through the European Regional Development Fund. In specific, it aims at improving the implementation of the Axis 3 "Production system competitiveness and attractiveness" of the ERDF ROP.

In order to increase competitiveness and attractiveness, Axis 3 focuses on supporting the growth of productive investments, on the internationalization of companies, on the creation of new businesses, promoting, among other things, direct incentives and support interventions for access to credit. The resources allocated to the Axis amount to € 120,473,818.

Specific objectives of the Axis 3 are:

- Creation and consolidation of micro, small and medium-sized enterprises
- Support for the introduction and effective use of ICT tools in SMEs
- Qualification and innovation of entrepreneurial activities in areas with a greater tourist vocation and growth opportunities in the cultural and creative supply chains
- Relaunch of the investment system's propensity to invest
- Support of internationalization paths
- Improvement of access to credit, through guarantee intercessions, for growth, diversification and internationalization projects

Therefore, a specific objective of Axis 3 is devoted to support the adoption of digital technologies and services by SMEs. Specific actions of Axis 3 are focused on this objective.

Action 3.5.2 "Support to ICT solutions in the production processes of SMEs, consistently with the smart specialization strategy, with particular reference to: trade electronics, cloud computing, digital manufacturing and IT security" aims at encouraging the introduction and effective use in SMEs of ICT tools in the form of advanced services and solutions. It has the objective of spreading the use of advanced ICT tools, in particular reference to the strategic aspects of the company in the areas of marketing and distribution, design and construction of production networks, internal management, through processes of process engineering and application customization, and integration of measures activated at national level. Finally, it aims at supporting SMEs projects with high impact on their organization thus promoting in an effective way innovation related to products, processes, business and networking management, having SMEs skills and technological knowledge as an important basic starting point.

All other specific actions included in Axis 3 assume the capability of SMEs to adopt digital technologies as a very important instrument for assuring their competitiveness through improving effectiveness and automation of production processes, accessing financial resources, and expanding the business to new international markets.

Therefore, action 3.5.2 and more in general Axis 3 can be considered as the reference policy instrument for this action plan. In general, Axis 3 of the Emilia-Romagna ERDF Regional Operational Programme 2014-20 aims at promoting the implementation of advanced ICT tools

within strategic aspects of local SMEs. Furthermore, the aim is to support commercialisation and distribution as well as designing and establishing manufacturing networks. The action supports corporate initiatives for implementing new processes or product innovations as well as innovative initiatives within management or changes in the organisation as a whole.

How do we envisage the improvement of this policy instrument? The main objective is to increase the number of active enterprises in the Region (also by promoting startups), obtaining at the same time a stronger competitiveness of existing enterprises also through the application of advanced ICT instruments. ICT technologies applications and related production models along the supply chain have to be a very important driver for change and increase of SMEs competitiveness, within all the different kinds of most relevant supply chains at regional level. Among them, productions that are leader at global level thanks to product innovation (i.e. ceramic tiles), productions that are very high quality and traditional (i.e. food) and need improvement in product placing or customization, productions (i.e. mechanics) with very strong connections along the supply chain (i.e. in the design phase). On the other side, regional SMEs have very high potential for ICTs based process and product improvements, design and distribution. For instance, 96% of enterprises use (mobile or fixed) broadband (compared to 94% UE), 40% buy online through web or EDI systems (compared to 38% UE). 10,2 % sell online through web or EDI systems (compared to 18% UE). There is a need for knowledge that strengthens supply chains and/or clusters in specific fields such as use of e-procurement or e-commerce platforms, reengineering of processes, new or innovative commercial and marketing strategies of SME´s. Future Ecom will contribute to the above.

Moreover, this issue is linked to the Emilia-Romagna regional innovation strategy for smart specialisation (RIS3). In specific, the RIS3 strategy of Emilia-Romagna Region has identified the strategic potentials of the region to be supported (among other things) by empowerment of the SMEs within ICT and ICT applications. The regional government is updating a reference monitoring scheme for the RIS3 strategy in collaboration with ART-ER that includes indicators for specialisation, transition, output and results.

What would be the concrete impact on these instruments? In specific, how the implementation of these actions will lead to a change in the Programme? And how the programme will be improved? This action plan is based on a model for systemic innovation including the role of the Regional government (who manages the policy instrument through a dedicated managing authority and the technical competencies of specific departments). ART-ER, who coordinates the implementation of this action plan, will work directly with the regional government competent departments (through action 1) in order to introduce practical improvements within the financing programmes for SMEs activated with ERDF ROP 2014-2020 resources. In specific, the work will be done directly on the provisions for the public calls for projects that are published by the managing authority, in order to optimize accessibility for SMEs and outcomes of the projects financed. Participation and outcomes of the calls for projects will be analysed will provide indications for further improvements in the future. A direct change in the more operational tools for the implementation of ERDF ROP will be activated.
Other actions (actions 2, 3, 4) will be for implementing the systemic approach and will provide tools for knowledge and information, training and introduction of effective innovation targeted to regional stakeholders who supporto SMEs innovation and the SMEs themselves. These actions

will indirectly support accessibility and best exploitation of the financing programmes activated by ERDF ROP.

What about the policy instruments which will be enabled for the future programming period (next operational programmes 2021 – 2027)? In specific: how we and relevant stakeholders are going to impact these programmes and what exactly you intend to do? What would be the concrete impact on the content of the programme? And how are we going to influence the drafting of the Operational Programme? Currently[1], at regional level final operations of the ERDF ROP 2014-2020 are in progress and the process for drafting the new ERDF ROP 2021-2027 is expected to start in a short time. The preparation of the new operational programme is a structured and complex process, dealing with competencies of the entire regional administration organizational structure, specific requirements defined at EU level and a dialogue with the same EU commission competent departments. According to the timing of the preparation process, the work directly experienced on the current financing programmes through this action plan will provide recommendations for defining objectives and priorities within the new programme as well as approaches and measures of the new financing operational tools. ART-ER, as a permanent technical in house agency of the regional government will provide in a continual way technical assistance to the regional administration and will use outputs from this action plan as reference tools. With the same outputs, the regional stakeholders involved in this action plan (i.e. business associations) will be able to dialogue with the regional administration and support SMEs competitiveness. Universities, technical agencies, centres of competences, experts, will use the same outputs as reference tools for integrate their activities within the regional innovation ecosystem.

Why we focus on the retail and tourism sectors

The action plan developed within Future Ecom in Emilia-romagna focuses on the retail and tourism sectors, therefore in includes a number of actions devoted to promote the capability of SMEs of these sectors to think, develop and implement short and long term digital strategies, and integrate within their supply chain the opportunities offered by digital platforms and digital applications, both related to in store applications and back end.

In Emilia-Romagna the retail and tourism sectors are certainly the most suitable economic sectors for testing and consolidating a structured approach for promoting a systemic innovation based on digital technologies and services. According to results and evaluations about the Future Ecom action plan, the same structured approach will be possibly applied also to other economic sectors, such as services, or the manufacturing sectors.

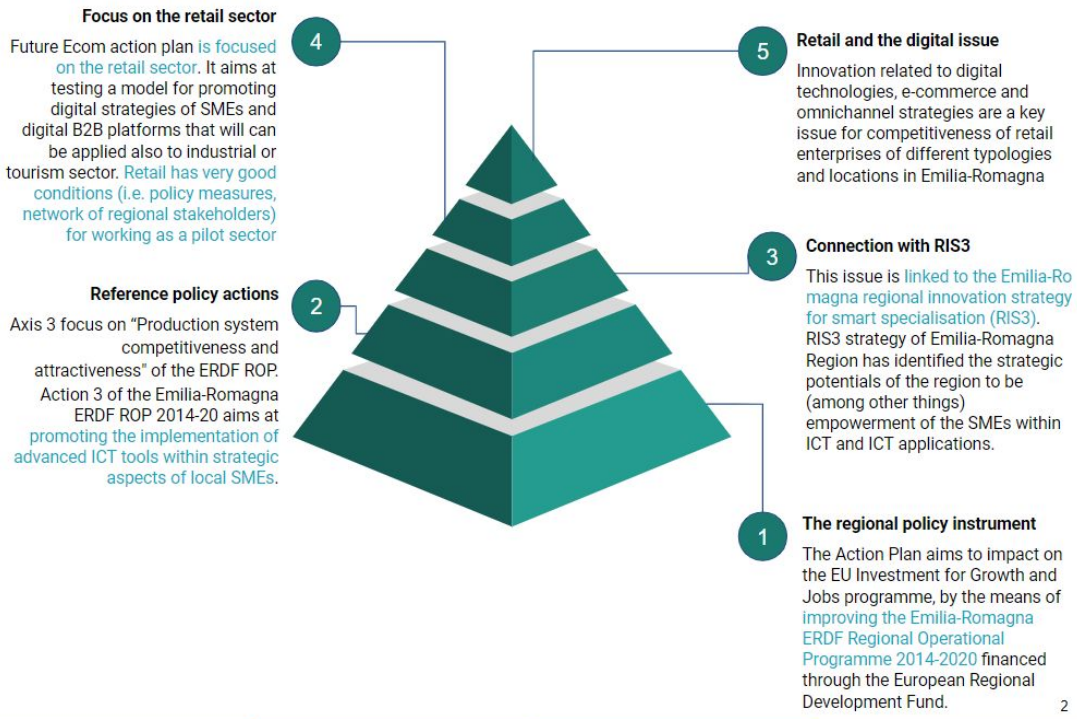
According to discussions held in the regional Local Supporting Group activated within Future Ecom, the issue of assuring the capability of SMEs to innovate and, even more, to develop a strategic view about innovation, digital technologies and digitalization of their processes plays a central role regarding the present and future competitiveness (if not even the survival) of the businesses. It is quite difficult for SMEs and entrepreneurs of the retail sector to innovate their

[1] May 2020.

business, and all stakeholders agree that innovation and a strategic vision about innovation in the retail sectors has the digital technologies and services as one of the most important enabling factors.

On the other hand, the regional systems supporting SMEs respectively of the retail sector adn the tourism sector are quite complete, including policy instruments, institutional bodies and actors, availability of technical competencies, dedicated services. In specific:

- ERDF ROP, our reference policy instruments, includes **specific actions focusing on the support to digital innovation and competitiveness which are fully applicable by SMEs of the retail sector or the tourism sector**. Moreover, the ERDF regional managing authority dedicated specific financing programmes or calls to the retail sector and the exploiting of digital opportunities, first of all digital services of digital technologies (in store or back end related) in the last few years.
- The regional government established **specific institutional bodies and funds in order to support the regional system connected with the retail sector.** In specific the Emilia-Romagna Regional law 14/1999 establishes objectives, working modalities and composition of the Regional observatory of retail and commerce. The observatory works through dedicated bodies (conference of stakeholders, technical committee) and with the technical support by ART-ER. The observatory prepares, discuss with local stakeholders and publish statistical reports, economical analysis and scenarios about retail in Emilia-Romagna and feed innovation processes through analysis and surveys, especially in specific areas, such as: ecommerce and digital technologies, urban districts and urban regeneration, networks of enterprises, sustainability of retail. With similar purposes the Regional law 7/1998 established the Regional observatory about the tourism sector.
- **Different kinds of regional stakeholders focus on the retail sector and provide support to SMEs**. First of all retail business associations provide institutional and technical support and service to SMEs of the retail sector, and promote (both in a general way and through dedicated offices of technical services) the competitiveness of the businesses. Other business associations support both retail and industrial organizations, according to their constitutional nature (i.e. cooperatives). Regional agencies (i.e. ART-ER) provide permanent assistance to the regional government for developing measures and financing programmes for retail, and directly develop innovation competence centres or services through digital platforms (including centres of competence or technological laboratories or clusters dedicated to the services innovation). The same situation is for the tourism sector.
- Many **services based on digital platforms** (applicable by SMEs of the retail sector as well the tourism sector) have been activated in the last few years and provide useful kinds of support for promoting innovation processes, funding, opportunities for business development.



A structured approach to systemic innovation

According to the conditions of the retail sector, this action plan is devoted to developing a kind of **structured approach** for promoting digital strategies and supporting innovation of SME of the retail sector through forms of **systemic innovation**.

Promoting a systemic innovation is fundamental for assuring an increased capability of the SMEs of the retail sector to adopt digital technologies and exploit B2B digital platforms and connected services, as well as develop an overall short-to-long term digital strategy for their business including all their supply chain.

The entire regional system should grow:

- SMEs should be able to develop a strategic vision about digital instruments, and be aware of the opportunities offered by them, and thus be able to exploit the best opportunities offered by the regional government and by the availability of financing programmes activated through the ERDF ROP and thus supported by ERDF resources.
- The regional government should have available the needed knowledge and technical analysis to improve effectiveness of regional financing programmes and develop recommendations for the next calls of the ERDF ROP 2014-220 as well as for the future ERDF ROP 2021-2027.
- The retail business associations should increase their capability to address associated SMEs towards the application to the regional and other financing programmes and the exploiting at the best of opportunities for financing investments in digital technologies and products/process innovation

- public and private providers of services should have a clear awareness of the SMEs' needs as well as of the general context, including public policy objectives, in which SMEs, available financial support programmes, SMEs' reference stakeholders are working in.

For this reason, the Future Ecom action plan in Emilia-Romagna aims at developing 4 different kinds of actions:

1) actions directly aimed at improving effectiveness of the reference policy instrument and connected regional financing programmes or calls. This kind of action will imply working directly with the regional government competent departments.
2) actions aimed at providing knowledge and instruments available to regional stakeholders (i.e. retail business associations") whose activity is aimed at helping SMEs for optimizing their application to the policy instrument. This action will be based on the competences of and implemented in collaboration with the regional observatory of retail and commerce.
3) actions of capacity building aimed at supporting directly the awareness and competencies of SMEs, needed both to develop their digital strategies and to be conscious of the opportunities offered by technological applications and services available. This action will be composed by training activities developed with experts and addressed directly to entrepreneurs and managers of SMEs, in collaboration with retail business associations
4) actions for collaborating with providers of digital services and managers of digital platforms in order to address their activity, identify connections with public policy objectives and monitor the results and outcomes of innovative services proposals towards SMEs which will support the visions of entrepreneurs and their capability to find financial resources and think of new business models. This action will be performed and monitored in collaboration with providers of innovative public and private services through digital platforms.

Scenarios for digital strategies and COVID-19 situation

All the action composing the action plan will be implemented the need to take into consideration different time horizons SMEs should have as a reference developing their digital strategies, implying different purposes for their investments.

In the short and very short term (next 6-8 months?), SMEs should have a clear idea of what are the critical points that should be managed urgently because they affect the capability to sell, attract customers, develop the business or survive to competition or to other issues (f.i. the general economic situation). What technologies or services the retailer should adopt in order to adequate their processes to the needs of the customers (i.e. logistics, electronic payments). Which investment should be considered as a priority.

In the short to medium term (next 2-3 years), SME should be aware about the most important investments should be developed and what changes should be made in the corporate processes in order to ensure competitiveness and sustainability of the business as influenced by the rapid changes in the reference context (i.e. the urban context where the enterprise operates or the reference merceological sector). What innovations could be part of a corporate strategy and how to express and optimize the outcomes of their innovation capabilities.

In the medium to long term, the SME should follow a strategic vision coherent with macro-trends related to the reference sector and changes expected to take place in the reference market or urban context, and support it with coherent investment in digital technologies, but also with a coherent positioning within networks, clusters, relations. For example, having clear how much e-commerce practices or a proper omnichannel strategy will train the business, or how some characteristics of the business (i.e. the environmental sustainability) will be essential for competition, and how digital technologies will be important to drive this characteristics of practices.

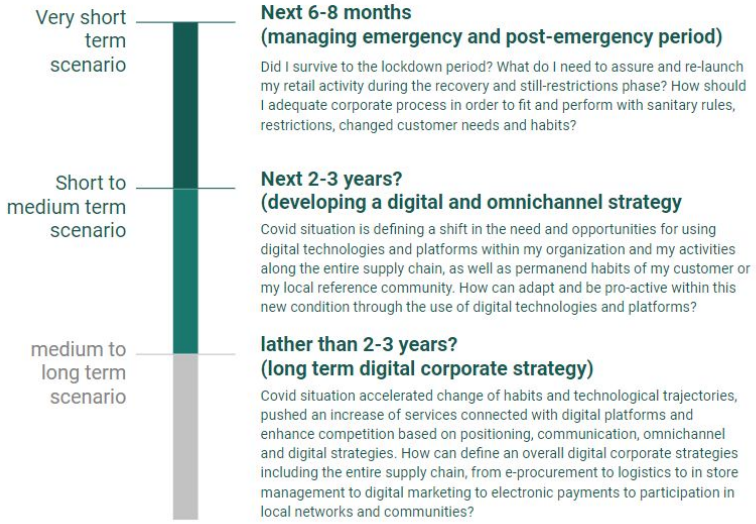
The issues the SMEs of the retail sector and the tourism sector have to face related to these 3 different scenarios have been dramatically influenced by the events of the last months (writing at July 2020) and the COVID-19 situation. The vision about the short, medium and long term competitiveness of the business the retailer needs to develop is strongly (or even essentially) related to the impacts the COVID-19 had, is having or will have in the next future on their business. Moreover, often the need for the entrepreneurs is to assure the survival (more than the competitiveness) of their business.
The questions related to the three scenarios are therefore strongly influenced by the current situation:

- In the short and very short term: Did my business survive to the lockdown period? What do I need to assure and re-launch my retail activity during the recovery and still-restrictions phase? How should I adequate corporate processes in order to fit and perform with sanitary rules, restrictions, changed customer needs and habits?
- In the short to medium term: Covid situation is defining a shift in the need and opportunities for using digital technologies and platforms within my organization and my

activities along the entire supply chain, as well as permanent habits of my customer or my local reference community. How can my business adapt and be proactive within this new condition through the use of digital technologies and platforms?

- In the medium to long term: Covid situation accelerated change of habits and technological trajectories, pushed an increase of services connected with digital platforms and enhanced competition based on positioning, communication, omnichannel and digital strategies. How can I define an overall digital corporate strategy including the entire supply chain, from e-procurement to logistics to in-store management to digital marketing to electronic payments to participation in local networks and communities?

The Future Ecom action plan is strongly addressed to help SMEs understand this issues related to COVID-19 situation and acquire capabilities to manage through the adoption of digital technologies and services the different scenarios.



Which actions will be implemented?

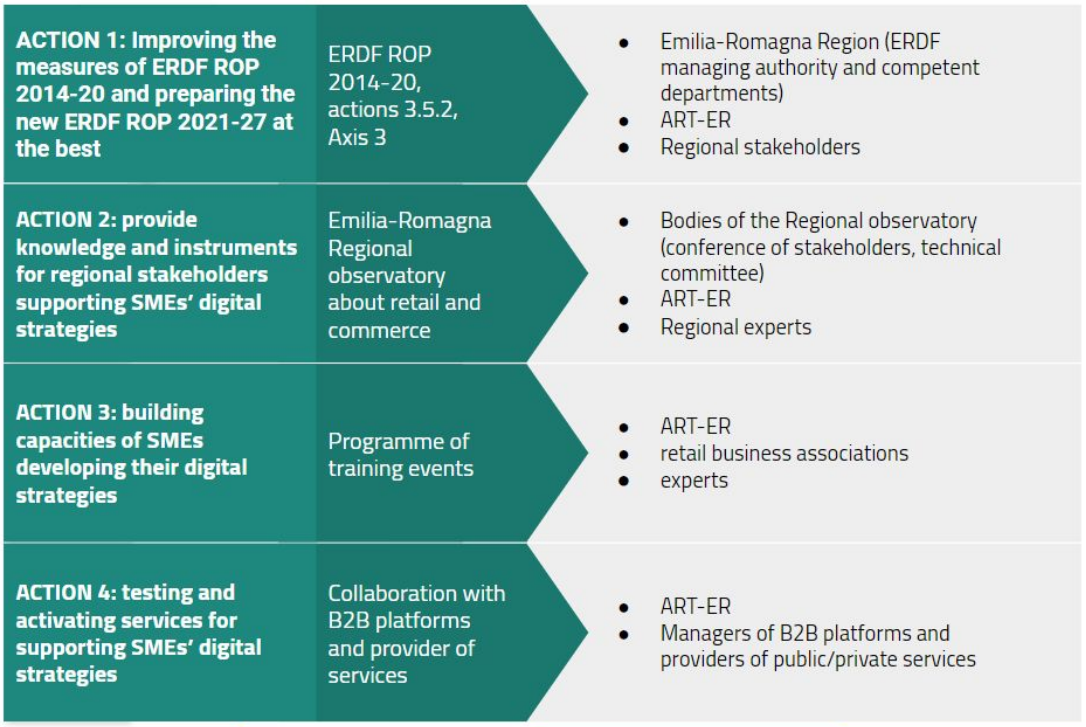
According to the idea of developing a structured approach and obtain a kind of systemic innovation in the regional context as described above, the action plan will act at four different levels:

- directly supporting the ERDF regional managing authority in order to improve the reference policy instrument and the measures for its implementation (financing programmes and calls for projects). This will be done through action 1, which implies tasks, output and word done with the competent regional departments.
- working with regional stakeholders and providers of services to SMEs applying for the policy instruments and developing their digital strategy along the supply chain. This will be done thorough action 2, which implied tasks, outputs and work done with local stakeholders and the competent regional bodies
- directly supporting SMEs and their capability to develop and implement short and long term digital strategies. This will be done through action 3, which implies training workshops and demonstrative actions, planned in collaboration with regional stakeholders and technical experts, in connection with the improvement of regional policy instruments
- Addressing and monitoring innovative digital services and the functioning of connected digital platforms, in order to support and verify the added value they can provide as included in SMEs digital strategies. This will be done through action 4, which implies different working groups and will be implemented in collaboration with universities, experts and providers of innovative digital services.

Reference model and structure of the action plan

Coherently with the four levels of action stated above, the action plan is composed by four different actions:

- ACTION 1: Improving financing measures supporting development and implementation of digital strategies by SMEs, directly working on the Axis 3 of the ERDF ROP and involving Emilia-Romagna Region (ERDF managing authority and competent departments), ART-ER, Regional stakeholders
- ACTION 2: provide knowledge and instruments for regional stakeholders supporting SMEs' digital strategies, working with the Emilia-Romagna Regional observatory about retail and commerce and involving the bodies of the observatory (conference of stakeholders, technical committee), ART-ER, technical experts
- ACTION 3: building capacities of SMEs developing their digital strategies, developing a specific programme of training events and involving ART-ER, retail business associations, technical experts
- ACTION 4: testing and activating services for supporting SMEs' digital strategies, developed in collaboration with B2B platforms and provider of services and involving ART-ER and the managers of public/private services



Each action is described with operational details (background, tasks, actors involved, timeframe, resources) in the following chapters.

What inspired us during the FUTURE ECOM common learning process?

ART-ER as a project partner and the members of the LSG group in Emilia-Romagna received very important suggestions from the exchange of knowledge, good practices, case studies with other partners and during the interregional partner meeting of phase one of the project.
All these suggestions contributed to the ideation and the preparation of this action plan both supporting the buildings of its general structure and the definition of the specific actions.

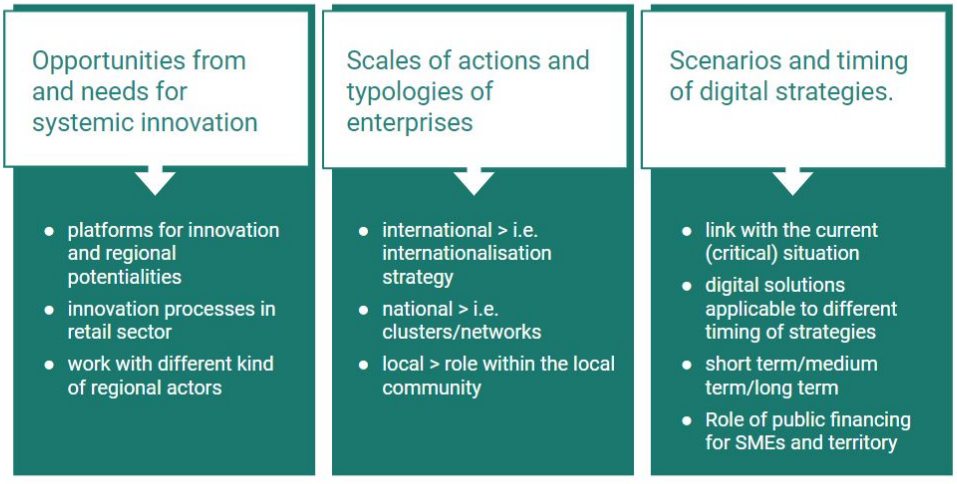
Each action schedule includes a specific paragraph the meaning of the interregional origin of the action itself and the specific suggestions acquired by the exchanges with partners.

Other than the specific actions, the learning process activated with the partners contributed to form the general structured approach:

- During each interregional partner meeting the hosting partner enabled the observing and understanding of the local ecosystem of innovation and the role played within this latter by different kinds of actors. Different partners showed their possibile different roles in promoting and addressing the local ecosystem of innovation: regional government together with the regional business development centre (Denmark), business incubator together with innovation services, cluster and services (Germany), business association together with providers of services for SME (Greece), University and its spinoff together with the municipality (UK), etc. this remarked the relevance of adopting a systemic vision

and assuring that all roles and players can grow interacting each other and make the whole system grow enabling support and services for SME and capability of these latter of developing competences and skills about digital strategies and applications.

- Different interregional partner meetings remarked the opportunity to work on different scales, to identify the most correct scale of work for different typologies of SMEs and to provide the most relevant digital instrument or services according to their scale and reference market. Some SME are devoted to international markets, and need to obtain support for internationalization. Others can improve their competitiveness participating in regional or national networks or clusters, also by the means of digital platforms and services. Others are essentially connected with their reference urban or local context and should be supported for optimising their connection within the local community and customers (i.e. last mile logistics, electronic payments, etc.). Understanding the needs of companies and the added value provided by different kinds of innovative digital services to SMEs as well as to public policy objectives at local and regional level has a primary relevance in exploiting available public and private services and resources
- Different kinds of digital services observed during the meeting applicable to the different steps of the supply chain (procurement, logistics, production, marketing etc.) are related to different possible time horizons from very short term to medium to long term. It is very important for the SMEs to develop a structured digital strategy according to the objectives and perspectives they have at the different scenarios, about urgencies (very short term), needs for innovation and fitting with the requirements stated by the reference market (short-medium term), a proper strategic vision about the future of the business (long term).
- finally, from the discussions held with partners during the last months of the first phase of the project, it was clear that the COVID-19 situation is changing dramatically the current applications and also future scenarios about the use of digital technologies, creating shifts in the technological trajectories or even the needs for new technological paradigms as well as temporary or permanent change of habits of customers and other subjects the SME works with. COVID-19 situation and SMEs urgent or long term needs related to it are to be considered now as very relevant starting points for supporting SMEs and their digital strategies.



ACTION 1: Improving financing measures supporting development and implementation of digital strategies by SMEs

1. The background

During the programming period 2014-20 the Emilia-Romagna Region developed and activated specific financing programmes supported by action 3.5.2. or, more in general, Axis 3 of ERDF ROP, aimed at promoting and exploiting the use of digital technologies and digital B2B platforms by enterprises of the retail and tourism sectors.

These specific financing programmes are built on different possible features:

- Some of them are retail and/or tourism sectors specific (e.g. in store, back end applications) while some others are open to different economic sectors (industry, services) including also retail and tourism.
- some are more generic including accessibility to basic digital services (e.g. broad band) as well as application of digital technologies while some other are specific or include exploiting of innovative services (digital platforms, cloud services) or advanced technologies in store or for back end management).

Preparatory activities and discussions held during phase of Future Ecom, remarked the need for a progressive improvement of the capability of the ERDF ROP financed measures to be based on a detailed state of the art about the accessibility to digital services and the level of innovation about digital technologies and services applied by the enterprises of the retail and tourism sectors. Financing programmes should be effective towards the need to optimize the use of available resources keeping into consideration the needs of the enterprises connected with their business environment. This latter is possibly strongly connected with the local economy. Financing programmes should be based on economic and structural features of the different kinds of territories in Emilia-Romagna (e.g. capital towns and other bigger towns, mountain areas, areas of the low po valley, coastal areas on the adriatic sea).

2. What inspired us during the interregional learning process?

Main suggestions obtained from the interregional meetings related to this action:

- during interregional meeting 1 the Coventry municipality experience suggested how a deep knowledge of the territory and competences about the state of the art of digital innovation in a local context is an important asset in order to improve the effectiveness of financing programmes, accessibility by enterprises to the opportunities offered and the exploiting of the financed measures.

- during interregional meeting 3 we learned about a proper territorial or local vocation towards innovation and competitiveness (by County of Lippe) and took suggestion about how this vocation should be reflected in the policy instrument as a whole and specific measures)
- interregional meeting 5 demonstrated the relevance for the policy instrument supporting digital competitiveness of SMEs to be connected also with other points of view (i.e. internationalization by Ministry of Foreing affairs of Denmark) and related policy instruments, in order to create a structured and coherent framework of opportunities for SMEs

2. How will the action be implemented?

ART-ER will provide technical assistance to the Emilia-Romagna Region competent department in order to make concrete improvements within specific financing programmes prepared by the Region in order to support the exploitation of digital technologies and platforms by the enterprises of the retail and tourism sectors and financed through action 3 of the ERDF ROP 2014-2020

In specific, the work will focus on two different programmes:

- one programme specifically targeted to retail companies
- one programme specifically targeted to small and micro enterprises of the tourism sector

The timing of the action is strongly connected with the timing of preparation of the calls by the regional government and defined by the administrative rules for spending resources of current ERDF ROP as well as urgent needs related to support SMEs facing the Covid-19 emergency situation and the economic impact related.

The programmes identified are:

- the programme supported by actions 3.3.2 and 3.3.4 of ERDF ROP for promoting innovation investments by micro and small enterprises of the retail sector (ref. G47 code of ATECO 2007 codification of economic activities[2]) especially focused on digital technologies and applications. The programme provides financing to SMEs for a total of 3.000.000 euros[3].
- the programme supported by the regional government budget for supporting competitiveness and innovation by micro and small enterprises of the tourism sector including adoption of ICT technologies and applications and connected with sustainability

[2] ATECO 2007 codification of economic activities is the codification adopted by the Italian national statistics institute (ISTAT) for the national statistics collections of economical data and is the national application (through specific adaptation rules) of the NACE codification developed bu Eurostat. The ATECO 2007 is the revision of the codification currently in use.

[3] The Emilia-Romagna ERDF ROP managing authority launched the programme in April 2019, through Decree of Regional Board n. 289 of April 15th 2019. The first public call for projects was open until July 24th 2019 established a maximum of 200 proposals from SMEs to be received and financed.

and deal with Covid-19 emergency situation. The programme provides financing to SMEs for a total of 3.500.000 euros[4].

The action will be jointly developed by ART-ER and the regional government competent departments and will be composed by the following tasks and outputs:

1.1. drawing of the call for projects implementing the financing measures. In specific the work will focus on the most effective modalities for introducing and integrating digital technologies, applications and services (i.e. through B2B platforms) as eligible investments within the call, keeping into consideration the objectives in terms of process and production innovation of enterprises, the territorial context and business environment of SMEs as well as the current state of the art about adoption of digital innovation.

1.2. analysis of results and outcomes of each call for projects funded ERDF ROP. Emilia-Romagna Regone and ART-ER will analyse data and information about projects financed by each financing programme through the calls for projects and will develop quantitative and qualitative evaluation about the effectiveness and further possible improvements of the measures. They also will produce specific outputs and will share the results with regional stakeholders

1.3. general review of results obtained for the retail sector and recommendations.
Emilia-Romagna Region and ART-ER will perform a general review of the outcomes of the financing programmes, the state of the art and future scenarios (very short term, short to meium term, medium to long term) according to the reference model adopted for the development of this action plan.

3. Who will be involved?

- Emilia-Romagna Region competent departments. In specific:
  - the Dept. for qualification of enterprises, competent for managing the financing programmes and related call for projects connected with the implementation of the ERDF ROP 2014-2020
  - the Dept for tourism, commerce and sport, competent for supporting the businesses and the institutional actors of the tourism, retail and commerce, sport sectors.

  will prepare the call for projects and manage the financing programmes
- ART-ER, the regional agency for economic development, innovation and research will provide technical assistance to the Emilia-Romagna Region for preparation of the calls, analysis of results and evaluation of outcomes
- Regional stakeholders will discuss the measures financed by the calls for projects as well as the outcomes of the measures.

4. What timeframe for the action?

[4] The Emilia-Romagna ERDF ROP managing authority is expected to launch the programme at the end of July 2020. The first public call for projects will be open during September and October 2020, established a maximum of 250 proposals from SMEs to be received and financed.

TASK	TIMING
1.0 Preparatory activities	January 2019-May 2020
1.1. drawing of the call for projects implementing the financing measures	January 2019-September 2020
1.2. analysis of results and outcomes of each call for projects funded ERDF ROP	June 2020-March 2022
1.3. general review of results obtained for the retail sector and recommendations.	January 2022-May 2022

5. How many costs the implementation will imply and from which funding sources?

- The Emilia-Romagna Region competent departments will participate with internal staff according to their competencies and institutional role
- ART-ER will participate with internal staff and resources from the PAR ART-ER (annual programme of work approved by the Emilia-Romagna regional government) of years 2019, 2020, 2021 and 2022
- Regional stakeholders will participate with their own resources according to their role and interest

ACTION 2: provide knowledge and instruments for regional stakeholders supporting SMEs' digital strategies

1. The background

The Emilia-Romagna Regional law 14/1999 establishes objectives, working modalities and composition of the Regional observatory of retail and commerce. The observatory works through dedicated bodies (conference of stakeholders, technical committee) and with the technical support by ART-ER.
The observatory prepares, discuss with local stakeholders and publish statistical reports, economical analysis and scenarios about retail in Emilia-Romagna and feed innovation processes through analysis and surveys, especially in specific areas, such as: ecommerce and digital technologies, urban districts and urban regeneration, networks of enterprises, sustainability of retail.

Preparatory activities and discussions held during phase of Future Ecom, remarked the relevance of the dialogue and joint work between the regional institutions, their technical agencies and the relevant regional stakeholders, notably the business associations, sectoral experts, universities and centres of competencies, networks and consortia, in order to assure the best support to SMEs for the adoption of digital technologies along the entire reference supply chain.

Institutional bodies can thus provide analysis, economic and technical data, reference models and specific studies in order to support regional stakeholders who, according to their institutional role, help SMEs applying to financing programmes and use at the best opportunities for creating and supporting their digital strategies.

2. What inspired us during the interregional learning process?

Main suggestions obtained from the interregional meetings related to this action:

- during interregional meeting 2 we learned from how the knowledge and the awareness about some relevant issues (i.e. cybersecurity by virtualab)) or new technological opportunities (ecommerce tools by Google Finland, platforms by Suppylog) is important to assure good quality of support to SMEs provided by regional stakeholders.
- during interregional meeting 5 we discussed how being aware of the state of the art of digital transformation of companies il relevant in order to design the best measures and best supporting services for SMEs, therefore how much important are analysis and studies about the issue to be shared with regional stakeholders

2. How will the action be implemented?

The regional stakeholders, notably retail business association, their technical bodies, and universities will work together under the coordination by ART-ER, in order to produce a collection of proposals for specific analysis, studies, surveys and reference models that will be able to support the role and the knowledge at regional level about digital strategies of SMEs of the retail sector, the connection between the digital strategies and competitiveness of SME operating in different territorial context and business environments (bigger towns, small and very small towns, industrialized and commercial areas, mountain areas, touristic areas etc.), the adoption of digital technologies and services, future scenarios in the short, medium, long term.
ART-ER will coordinate the preparation of a specific technical report.

Specific fields of work will be:

- adoption of e-commerce and digital marketing practices by SMEs
- innovative digital technologies for in store and back end management
- the integration of retail SMEs within their reference urban context and neighbours through digital technologies
- provisional and permanent changing attitudes of customers and the purchasing process, related to the adoption of digital technologies and services.

All these topics will be discussed considering the current emergency situation related to Covid-19 and the deep changes to the technological trajectories that can happen as a consequence of this latter.

The Regional observatory will be able to evaluate technical proposals, give feedback, and finance them according to available resources. Technical reports will be the starting point of platforms for innovation related to the different drivers listed above.

The action will be composed by the following tasks and outputs:

2.1. Working group of regional stakeholders; preparation of the technical report reporting the state of the art and the proposals discussed by the regional stakeholders; presentation of the report to the Regional Observatory of retail and commerce.

2.2. Development of studies, surveys, analysis, reports according to the report and the proposals presented, by the Regional Observatory.

2.3. General review of the outcomes remarks and knowledge developed and shared with the regional stakeholders through the observatory.

3. Who will be involved?

- Emilia-Romagna Region and the Regional observatory of retail and commerce (technical committee, conference of stakeholders) will receive the technical report and evaluate possibilities of development of analysis, studies, surveys.
- ART-ER will coordinate the working group of regional stakeholders, will provide technical assistance to the Regional observatory and will prepare the general review.
- Retail business associations, retail sector technical agencies, Universities, centres of competencies will actively participate in the working group.

4. What timeframe for the action?

TASK	TIMING
2.0 Preparatory activities	January 2019-May 2020
2.1. Working group; preparation and presentation of the technical report	June 2020- March 2021
2.2. Development of studies, surveys, analysis, reports	April 2021-March 2022
2.3. general review	March 2022-May 2022

5. How many costs the implementation will imply and from which funding sources?

- Emilia-Romagna Region and the regional observatory will be involved in the framework of their ordinary activity. Emilia-Romagna Region will use internal staff. Observatory members will participate on the basis of the institutional roles of their organization and use internal staff. Studies, surveys and analysis will be possibly financed by the Emilia-Romagna Region.
- ART-ER will participate with internal staff and resources from the PAR ART-ER (annual programme of work approved by the Emilia-Romagna regional government) of years 2019, 2020, 2021 and 2022
- Retail business associations, retail sector technical agencies, universities, centres of competencies will participate to the working group using internal resources

ACTION 3: building capacities of SMEs developing their digital strategies

1. The background

Covid-19 accelerated to need for adoption of digital technologies and exploitation of digital services by micro, small, medium enterprises of the retail sector, as well as the definition of short term and long term positioning about the use of digital opportunities and related business strategies (i.e.omnichannel strategies), according to the company reference context (big cities, small rural towns, mountain areas, etc.)

Business associations are strongly involved in providing support to SMEs, especially for surviving and recovery from the lockdown and the sanitary emergency.

2. What inspired us during the interregional learning process?

Main suggestions obtained from the interregional meetings related to this action:

- during interregional meeting 2 we learned the relevance of training SMEs towards new opportunities or trends (i.e. platforms for logistics using blockchain or matching algorithms by Kouvola Innovation and Finnhub association)
- During interregional meeting 3 we discussed the relevance of training supporting directly SMEs but who support SMEs to them (i.e. train the trainer by Arbeit 4.0 Innovationspartner and the relevance of new roles such as tutors, influencers, etc.
- Interregional meeting 4 suggested the relevance of training SMEs about new trends and digital tools related to the different parts of the supply chain (i.e. for ecommerce, customer profiling and geo-fencing) and how this can provide common solutions at local level.

2. How will the action be implemented?

The action will be composed by the following tasks and outputs:

3.1. defining the contents and the programme according to the three different scenarios (very short term, short to medium, medium to long term): a working group composed by officers of retail business associations, testimonials (i.e. local authorities), universities, experts, will meet through different workshops in order to discuss about reference criteria, issue and applications for developing the training programme

3.2. Pilot course, addressed to business associations officers, entrepreneurs, influencers. One pilot course (online) will be tested with local officers of the retail business associations, local influencers, entrepreneurs.

3.3. promotion and organization of online training laboratories. A programme of 5-6 training laboratories will be organised according to the training programme and on the basis of the results

of the pilot course.

3.4. evaluation about effectiveness and satisfaction about the laboratories. A specific questionnaire will be sent to all participants in order to obtain feedback on the course and make adjustments, and initiate a community of participants. The community of participants will be followed along the entire phase 2 of the project in order to monitor outcomes and follow ups within the enterprises of the training received.

3. Who will be involved?

- ART-ER will coordinate the working group for defining contents and structure of the training, together with experts of the retail sector
- Retail business associations will actively promote the participation of SMEs to the training and the community of participants
- retail sector technical agencies, experts, local authorities will provide their specific expertise to the training laboratories
- SMEs of the retail sector and local administrations will actively participate in the training laboratories and give feedback about the effectiveness of the courses.

4. What timeframe for the action?

TASK	TIMING
3.0 Preparatory activities	January 2019-May 2020
3.1 Defining the contents and the programme	June 2020-July 2020
3.2. Pilot course	July 2020-August 2020
3.3. promotion and organization of online training laboratories	September 2020-March 2021
3.4. evaluation of effectiveness and satisfaction about the laboratories	March 2021-May 2022

5. How many costs the implementation will imply and from which funding sources?

- ART-ER will participate with internal staff and resources from the PAR ART-ER (annual programme of work approved by the Emilia-Romagna regional government) of years 2019, 2020, 2021 and 2022
- Retail business associations will participate with internal staff according to their institutional role
- retail sector technical agencies, experts, local authorities will participate with their staff and resources provided by business associations and/or ART-ER

ACTION 4: testing and activating services for supporting SMEs' digital strategies

1. The background

Playing an active role within a local community or a network of companies, or within communities for innovation can provide a significant added value to capability of innovation and competitiveness of SMEs of the retail sector. These opportunities are enabled by B2B digital platforms and providers of services who at the same time can manage monetary or financial operations and support the network of enterprises.

In Emilia-Romagna significant experiences of private providers of services and public services related to innovative payment of financial schemes are already in place.

This action will be composed by four different sub-actions related to digital platforms for innovative services: 1) lending crowdfunding 2) credit-clearing systems 3) smart communities 4) open innovation processes

2. What inspired us during the interregional learning process?

Main suggestions obtained from the interregional meetings related to this action:

- During interregional meeting 3 we observed multiple experiences about the relevance of an effective local or regional innovation ecosystem (by Gilde, Innovation Campus Lemgo). We also learned about the strategic relevance of feeding and contributing to networks and clusters of SMEs towards innovation and digital technologies (by InnoZent OWL)
- interregional meeting 5 suggested the relevance of working with SME about their business model, and proposing new ways of thinking and designing business models of companies (by business design centre of Aalborg University), and also of listening to good practices and their experience (i.e. Gymplay)
- Interregional meeting 6 as a whole promoted the discussion between partner about new services provided through digital platforms, innovative schemes for business and local development, new forms of collaboration and co-design of innovation can provide very interesting opportunities and create new valuable forms of the innovation ecosystem.

2. How will the action be implemented?

This action will be composed by four different sub actions:

4-a. Demonstrative and monitoring action about services for supporting digital strategies of SMEs through an Open innovation approach. Open innovation approaches have a strong potential as tools for supporting effective digital strategies of SMEs. This task will organize a demonstrative

contest using the EROI-Emilia-Romagna Open Innovation platform developed by ART-ER. Different SMEs of the retail sector will be offering their situation and formulate a challenge related to the development of optimal digital and omnichannel strategies for their business case. Through the EROI platform members of the regional community of innovators will be able to propose solutions based on the open innovation concept.

4-b. Demonstrative and monitoring action about services for lending crowdfunding for SMEs through digital platforms. Digital platforms for the application to lending crowdfunding are more and more providing opportunities for SMEs or startups of single entrepreneurs to find resources needed to develop their projects, innovative products or business ideas. This is an emerging opportunity offered through digital platforms by providers of private services based on the involvement of a wide community of investors. This task will be implemented through the collaboration with KICK-ER, a regional platform managed by ART-ER and one or more major providers of services for lending crowdfunding with the aim of observing and report about the applicability and the added value provided by the platforms to SMEs and to the pursuing of public policies objectives.

4-c. Demonstrative and monitoring action about services for supporting digital smart communities. The Smart community approach is well defined under the management and technological point of view and uses digital platforms to implement business models which involve SMEs and the local community and uses tools like digital credits, electronic wallets, blockchain applications, community management. This task will analyze the experiences developed and in progress in Emilia-Romagna, and at national and international level, will provide training to local stakeholders and competent authorities, will co-design and implement activities and digital tools for supporting the development of smart communities at regional level, will promote connections between the technologies enabling smart communities and regional policy instruments.

4-d. Demonstrative and monitoring action about services based on digital complementary currencies and related local/regional communities. Complementary currencies and commercial credit circuits demonstrated over time to be quite effective tools for supporting small businesses through the participation in regional trade communities and the promotion of reciprocal trust. In recent years digital platforms for the management of commercial credit circuits proved to be very effective tools, also for supporting SMEs businesses especially during periods of economic recession. This task will involve one or more major experiences developed in Emilia-Romagna using complementary currencies and managed through digital platforms and develop a demonstrative action proving how the promotion of digital services for SMES within such communities can be effective for promoting the implementation of innovative and optimal digital strategies by enterprises in the framework of public policies objectives.

Each sub-action will follow a common scheme with the same tasks and outputs:

4.1. Description of models/instruments and discussion with the LSG group

4.2. Identification of a panel of experiences/projects/platforms in progress in Emilia-Romagna and criteria for monitoring their development

4.3. Monitoring of the different panels of experiences, projects, platforms (development, results, participation of SMEs, involvement of local communities)

4.4. Discussion and preparation of recommendations about: 1) supporting public and private services; 2) benefits for SMEs and local communities; 3) financing measures through ERDF and other funds; 4) development of innovation platform(s) dedicated to the retail industries

3. Who will be involved?

- ART-ER will coordinate the action, the working group and the preparation of outputs
- The Emilia-Romagna Region will actively participate to the working group
- Managers of B2B platforms and providers of public/private services will provide their experience and information about case studies and projects in progress
- Universities and experts will actively contribute to the working group

4. What timeframe for the action?

TASK	TIMING
4.0. Preparatory activities	January 2019-May 2020
4.1. Description of models/instruments 4.2. Identification of a panel of experiences/projects/platforms	June 2020-March 2021
4.3. Monitoring of the different panels	January 2021-May 2022
4.4. Discussion and preparation of recommendations	January 2021-May 2022

5. How many costs the implementation will imply and from which funding sources?

- ART-ER will participate with internal staff and resources from the PAR ART-ER (annual programme of work approved by the Emilia-Romagna regional government) of years 2019, 2020, 2021 and 2022
- The Emilia-Romagna Region will participate with own resources and internal staff
- Managers of B2B platforms and providers of public/private services will participate through free collaborations with ART-ER
- Universities and experts will freely participate according to their professional interests

Monitoring the action plan and measuring results

Each action will be monitored (all along during phase 2) and **evaluated** (at the end of phase 2)

The Local Support Group promoted by Future Ecom in our region (LSG) will work as a **monitoring** committee and will follow the implementation and the results of the different actions. ART-ER will define periodically meeting opportunities for LSG members in order to report and discuss the state of the implementation of the different actions. Possibly specific monitoring groups will be defined for the different actions.

Each action will be evaluated before the end of the project, considering the synergies between the different actions, together with the Local Support Group. **Evaluation** will be according to a common set of indicators defined by ART-ER and the LSG in order to describe:

- the increased capability of SME of the retail sector to develop effective digital strategies and apply digital technologies to the different steps of their supply chain.
- the increased capability of the ERDF ROP funded regional financing programmes to support the development of the most effective digital strategies by SMEs of the retail sector
- the replicability of this model of work for improving effectiveness of the ERDF ROP to the application of digital technologies by industrial SMEs and by SMEs of the tertiary and tourism sectors.