



Digital tech SMEs at the  
service of Regional Smart  
Specialisation Strategies

# DEVISE Action Plan

Dec 2020 – Nov 2022

PP6 - BAA

## CONTENTS

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1	Executive Summary .....	3
2	General information .....	4
3	Policy context .....	4
4	Action 1: support digitalization micro enterprises from tourism and hospitality business.....	5
4.1	Background .....	5
4.2	Knowledge applied from DEVISE .....	11
4.3	Action description .....	14
4.4	Timeframe and Funding .....	16
4.5	Workplan.....	18
4.6	Budget breakdown for the action.....	18
4.7	Viability and sustainability.....	18
4.8	Impact expected.....	19
4.8.1	Impact on the policy instrument addressed .....	19
4.8.2	Specific impact on the region .....	20
4.9	Monitoring activities in Phase 2.....	20
5.	Action 2: Digital Maturity Assessment Tool (Pilot Action) .....	20
5.3	Timeframe and Funding .....	24
5.4	Budget breakdown for the action.....	24
5.5	Impacts & Viability .....	25
5.6	Monitoring activities in Phase 2.....	25
	ANNEXES.....	26
	Annex 1 - List of main activities and meetings with the local stakeholders .....	26

## **1 EXECUTIVE SUMMARY**

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*For project partners producing their Action Plan in their own language please produce the sections highlighted in yellow in English, in addition to a short executive summary (you can of course produce a complete English version if you wish).*

## 2 GENERAL INFORMATION

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- **Project: DEVISE**
- **Partner organisation: Business Agency Association – PP3**
- **Country: BULGARIA**
- **NUTS2 region: СЕВЕРОИЗТОЧЕН (SEVEROIZTOCHEN)**
- **Contact person 1: Silvia Stumpf,**
- **EMAIL : vba@vba.bg**
- **TELEPHONE : +359 887 389999**

## 3 POLICY CONTEXT

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The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instrument addressed:

**Operational programme Innovation and competitiveness 2014-2020  
(Оперативна програма “Иновации и конкурентоспособност” 2014-2020)**

## **4 ACTION 1: SUPPORT DIGITALIZATION MICRO ENTERPRISES FROM TOURISM AND HOSPITALITY BUSINESS**

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### **4.1 BACKGROUND**

In the last months after the COVID-19 outbreak many financing schemes under the Bulgarian operational programmes have been cancelled to allow the managing authorities to reallocate funds for new forms of response to the crisis. This affected heavily the opportunities open to companies in Bulgaria to receive support for their digitalization.

Business agency association as partner in DEVISE project has been meanwhile reviewing good practices from DEVISE project partners' countries that could best answer the regional needs. After a very constructive and fruitful study visit in Fomento San Sebastian of staff and stakeholders (February 2020), BAA team elaborated a detailed proposal for a new funding scheme to support digitalization especially of small and micro enterprises from tourism and hospitality business based on Spanish experience. It also included elements from other good practices identified within DEVISE project. An extensive discussion has been held with more than 100 companies from the tourism business in Varna area. After a series of webinars and meetings with more than 20 chambers, associations, universities and clusters representing tourism SME's a final proposal for a new funding scheme under Bulgarian operational programme for innovation and competitiveness was elaborated and fully supported by the business. The proposal received full support also from the Ministry of tourism that has even required further steps from the operational programme managing authority. The proposal was accepted as adequate and applicable from the managing authority and the new funding procedure is about to be reviewed for possible deployment under the very next financing circle. This result is a serious and inspiring proof that interregional learning within Interreg Europe programme leads to measurable and substantial change in policies adding much needed value to the regions' development and prosperity.

The selection of this action is the result of the process started by BAA within the DEVISE project in coordination with regional multi-stakeholders group.

- **Policy context**

In Bulgaria, regional development is tackled by national operational programmes. Bulgarian Operational Programme “Innovations and Competitiveness” 2014-2020 (OPIC). OPIC aims at improving SMEs competitiveness of all sectors at local, regional and national level. OPIC’s priority axis 2 focuses on Entrepreneurship & capacity for growth of SMEs. As acknowledged by the beneficiaries of OPIC, the impact of OPIC measures on strengthening digitalization is limited compared to other sectors. It is important to be stated that the Action plan addresses the needs of digitalization of SMEs in tourist and hospitality industries but the measures that are included would also be beneficial to SMEs in Bulgaria in general, since they face common challenges.

In the next programming period the program that will replace OPIK is under elaboration. This is the Program for competitiveness and innovation in enterprises 2021-2027 (PCIE).

- **About the Action Plan**

This document provides guidance on how the best practices from the interregional cooperation will be used as development tool that will influence and improve the topic addressed by the project. It defines the nature of the actions to be performed, their timeframe, the participants, the costs (if any).

SMEs in tourism and hospitality have great difficulty in adopting and implementing digital innovations in order to increase their competitiveness. Regional policies should be targeted and accordingly support the dissemination of innovative digital solutions and new business models that would lead to productivity gains and provide access to new markets. Regions that are part of DEVISE project play an important role in the digitalisation support for the modernization of existing small and medium-sized enterprises in traditional sectors.

The proposal is based on the experience gained within the project from the process of interregional learning and was consulted with over 100 different representatives of stakeholders from the tourism industry from the region of Varna and Burgas and is supported by the VARNA CHAMBER OF TOURISTS, THE UNION OF HOTELIERS - K.K. GOLDEN SANDS, THE UNION OF OWNERS FOR THE DEVELOPMENT OF K.K. GOLDEN SANDS, VARNA ASSOCIATION OF RESTAURANTS AND HOTELIERS, VARNA ASSOCIATION OF TRAVEL AGENCIES, THE UNION OF GUIDES IN BULGARIA, THE BULGARIAN ASSOCIATION OF SOMMELIERS AND WINE APPRECIATORS, THE ASSOCIATION OF ADVERTISING AND COMMUNICATIONS IN TOURISM.

The BAA DEVISE Action plan has been started with a different content and ambitions related to traditional sectors not only to tourism. But the COVID-19 outbreak has led to the cancellation of the procedures and measures on which BAA has focused the efforts of regional multi-stakeholders and project team within DEVISE. This document is related to the same outputs from the DEVISE interregional learning process (good practices, related documents and study visits) as in the initial versions but with a different focus changed before of the pandemic effects on the tackled instrument.

The proposal is in line with the current situation, the crisis in tourism industry, the measures already taken, the planned measures as well as the strategic documents in response to the crisis at European and national level. The main reason for making the proposal for action is the understanding that digitalization has been the leading factor for tourism growth in recent months and below the pressure of the crisis with KOVID-19. The approaching end of the 2014-2020 programming period and the unfavourable one situation of the tourism industry for financing through OPIC, as far as companies from the main sectors of the tourism value chain do not appear in the priority groups of sectors in the National Strategy for the Promotion of Small and medium-sized enterprises (NSNMSP) 2014-2020 and cannot receive funding under Priority Axis 2 "Entrepreneurship and SME Growth Capacity", Investment Priority 2.2 "SME Growth Capacity", and only under Priority Axis 1 "Technological development and innovation" Investment priority 1.1 "Technological development and innovation "(Stimulating the introduction of innovations from existing ones enterprises ') require a solution to be found under the current program period available to a large number of companies in the tourism industry.

Businesses in the tourism industry cannot benefit from existing "Voucher scheme for providing information and communication services technologies (ICT services) of micro, small and medium-sized enterprises (SMEs) ', as they do not fit into the groups of activities defined in the National Strategy for the Promotion of SMEs 2014-2020 as high-tech, medium-high-tech, low - tech and medium - low - tech industrial productions or knowledge-intensive services. At the same time, digitalisation supports the integration of tourism enterprises in the digital value chain. Designing custom Digital solutions for the tourism industry offer a quick chance for SMEs to respond of the new requirements related to the coronavirus crisis and its consequences make the most of the opportunities in the digital market to increase their competitiveness by providing them with access to new business opportunities and new markets.

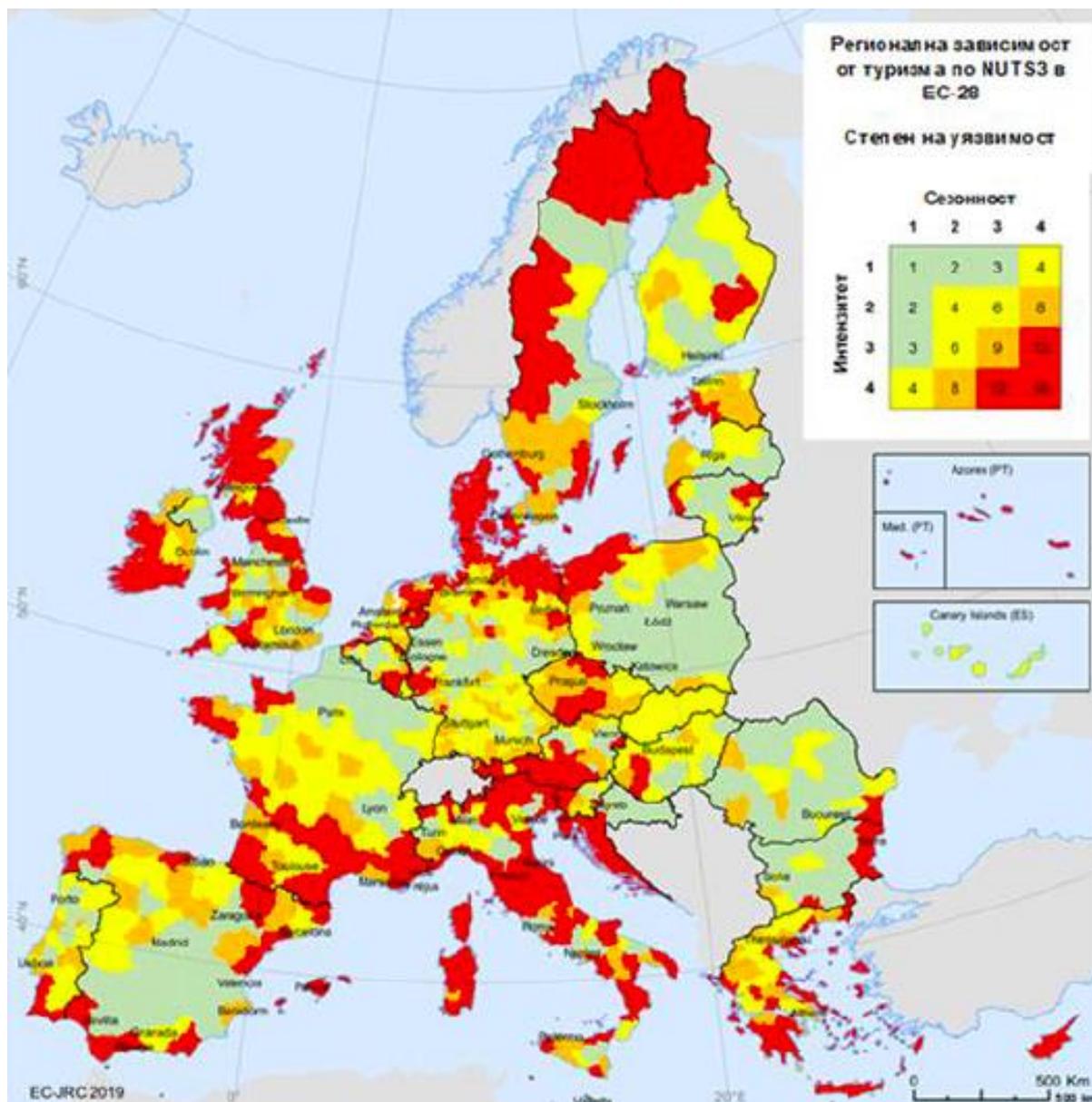
The proposal is also based on the recommendations of the European Commission from 13.05.2020 included in the COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS -

Tourism and transport in 2020 and beyond. In the Communication, the Commission provides guidance to Member States so that they can gradually restore tourism services. The EC acknowledges that "Digital technology and data will play an important role in combating the pandemic и .and will organize targeted support for local people through digital innovation centers travel companies to help them cope with the new realities of tourist season (ie robots for disinfection and cleaning, management of

crowds, intelligent reservation systems, etc.) '. Unfortunately, during the current programming period, such digital centers innovation has not yet received support to rely on their services. On the other hand, the EC calls for "Businesses and governments can also use digital solutions for planning and management purposes the tourist flow, for example in relation to the total maximum number of nights in a given region, the maximum number of visitors to cultural and cultural sites heritage or planning time to visit a museum or dinner at restaurant."

The EC emphasizes that "The above measures should give people the opportunity and confidence to travel safely. However, by themselves they will not be enough, to ensure a successful summer season. Our tourism industry is in difficult situation and needs a way out of the crisis and recovery."

Recognizing that tourism is ‘the backbone of the economy of many Member States’, the EC presents a “ Regional Vulnerability Map ”1, in which the Bulgarian the Black Sea coast is marked with a maximum degree of vulnerability.



The Communication emphasizes that in addition to those already undertaken by the Bulgarian government “actions under the Temporary Framework for State Aid Measures, adopted in March 2020 for direct grants ”2,

"... Financial assistance at EU and national level should be providing tourism businesses also to stimulate additional investments to strengthen their sustainability. To help the regions hardest hit by the crisis, Member States should develop comprehensive recovery strategies these regions on the basis of existing smart specialization and territorial strategies in the framework of cohesion policy. At first these strategies should support tourism and related enterprises services in restoring their activities through better access to finance.

This should be combined with measures to promote digitalisation, sustainability and investment in skills through the European Regional Development Fund and the European Social Fund, in order to promote sustainable tourism, mobility and economic diversification to build external resilience shocks. "

'Tourism can benefit from the transition to digital technologies, such as providing new ways to manage passenger and tourist flows, new opportunities and more choice, as well as more efficient use of the limited ones resources. Applying analysis to large data sets can lead to identifying and sharing segments based on accurate tourism profiles and help understand the trends and needs of tourists. This can enable tourism to respond without delaying changes in demand users and provide analyses based on predictive modelling. And finally, the application of blockchain technology would allow tour operators to have all available information on safe transactions. Digital tools can also be a means through which inspires people with confidence that travel and tourism can be safe. This means investing in digital skills technologies, including in the field of cybersecurity, and in the promotion of digital innovation, as well as connecting tourism businesses and participants with existing data spaces locally and regionally level (for example through ongoing work on the European data space on mobility). This is particularly important in rural and remote areas and in the most remote regions where tourism is fragmented and highly dependent on information, transport and travel accessibility. Within this transition, special attention will need to be paid to SMEs. "

Responding to the call that "the Commission will also encourage cooperation between regions to develop smart solutions for recovery in the tourist ecosystem .. "we organized a series of meetings and discussions with the tourism industry, where we presented a collection of good practices of DEVISE

project partners and JOINTLY with the listed organizations we have formulated the proposal for the action.

[Annex 1](#) includes a detailed description of this process explaining the different activities and meetings involving the local stakeholders to define the actions and outcomes resulting from them.

**Important note: this action covers a wider geographical area than Varna, in particular Varna and Burgas regions. The main reason is due to the fact that the core idea is to connect tourist and hospitality SMEs to digital technology knowledge providers beyond Varna regions boundaries but in areas with similar needs and challenges in Bulgaria.**

#### 4.2 KNOWLEDGE APPLIED FROM DEVISE

<b>Partner practice/experience (please, detail: practice name, short description and location)</b>	<b>good</b> <b>good</b> <b>short</b> <b>How this good practice/experience has contributed to the actions developed in your Action Plan (detail any transfers, full or partial of good practice)</b>
<b>DEVISE Regional Supply/Demand analysis</b>	DEVISE has provided us with the methodology to monitor and assess the current situation regarding the digital transformation of SMEs. The regional analysis has served to identify needs to cover and opportunities to explore
<b>DENDATICS grants programme good practice – FSS San Sebastian Spain</b>	Grants programme addressed to the local retail and hospitality companies for the digitalization and implementation of the TICs in the city of San Sebastián.  DENDATICS programme, launched in 2016, consists of economic grants addressed to the local retail and hospitality companies for the

<b>Partner practice/experience (please, detail: practice name, short description and location)</b>	<b>good</b> <b>good</b> <b>short</b> <b>How this good practice/experience has contributed to the actions developed in your Action Plan (detail any transfers, full or partial of good practice)</b>
	<p>digitalization and implementation of the TICs, as a tool to generate new business opportunities and to foster the abovementioned digitalization processes.</p> <p>Its objectives are:</p> <ul style="list-style-type: none"> <li>-the technological updating and digitalization of the commercial activities</li> <li>-to improve the use of the TICs</li> <li>-to increase the quality of the provided services and</li> <li>-to improve the client experience, and the efficiency of the business' management.</li> </ul>
<p><b><i>Pays de la Loire Digital Vouchers: Pays de la Loire Digital Advice and Pays de la Loire Digital Investment good practice - LAVAL MAYENNE TECHNOPOLE France</i></b></p>	<p><i>This practice aims to facilitate the use of external advisors by micro-businesses and SMEs in the Pays de la Loire region, in order to implement digital solutions, and on the other hand it aims to finance a part of the acquisition of digital equipment or tools.</i></p>
<p><b>Regional Manufacturing Digital Innovation Hub IoT-Compass (South Ostrobothnia – Finland)</b></p>	<p>The following activities are of particular relevance as Bulgaria does not have a DIH outside of Sofia</p> <ul style="list-style-type: none"> <li>- Digital Factory Academy: digital companies can learn from this as a way of making their</li> </ul>

<b>Partner practice/experience (please, detail: practice name, description and location)</b>	<b>good good short</b> <b>How this good practice/experience has contributed to the actions developed in your Action Plan (detail any transfers, full or partial of good practice)</b>
	<p>technologies and infrastructure available for companies get to learn more of digital manufacturing and industrial internet.</p> <p>- IoT Pilots: to implement company demand-driven pilots.</p>

### **4.3 ACTION DESCRIPTION**

Based on the already working procedure under OPIC "Support of micro and small companies to overcome the economic consequences of the COVID-19" and in accordance with REGULATION (EU) 2020/460 of 30 March 2020 we are aiming at achieve the support from OPIK Managing authority to launch of a new funding scheme. It will be a project selection procedure "Support for implementation of digitalization services of micro and small enterprises from the tourism industry to overcome the economic consequences of the COVID-19 pandemic under Priority Axis 2 "Entrepreneurship and SME Growth Capacity" of the Operational Program. The suggested amount for the procedure is 5 Mln Leva/5,12 Mln Eur., 8,5 Mln Leva/4,35 funding from the European Regional Development Fund, 1,5 Mln Leva/766871 Eur National co-financing.

If not achieved within this programming period, we aim at ensuring the funding scheme is launched within the new Program for competitiveness and innovation in enterprises 2021-2027 (PCIE).

To the extent that "The Coronavirus Investment Initiative gives Member States considerable flexibility to reallocate cohesion funds to ensure immediate liquidity for SMEs in the tourism sector and to help them prepare for the summer / winter season in 2020. In particular, SME working capital financing may include labor, material and operating costs, inventories and general expenses, rent and utilities. This will include the possibility of funding businesses and regional authorities to comply with public health protocols, including in the areas of cleaning, protective equipment, adaptation of public spaces, health and medical capacity, in order to receive more visitors... ", the procedure is eligible to provide funding for "labour costs, materials and operating costs, inventories and general expenses, rent" related to DIGITAL SOLUTIONS.

Indicative and non-exhaustive list of possible digital solutions (proposal for eligible activities - external services (both consultations and trainings) in the field of digitalization (excluding hardware and fixed assets):

WIFI

Online marketing and online distribution

Mobile check / checkout

Cybersecurity solutions

Increasing the security of management systems

Data analysis

IoT / mobile applications

Cloud / Cloud technologies

Location-Based Services (LBS)

SMS messaging systems

Platforms for multichannel experiences

Artificial intelligence solutions

Interactive kiosk / digital signing

Provision of devices (tablets and others)

Chatbots

Hotel management software (PMS)

Revenue management software

Customer relationship management software

CRM management)

Channel manager (software)

Booking engine for a website

Mobile applications for hotels, travel agencies

Mobile applications for digital menus and online orders

Mobile applications for destinations and additional services

Virtual concierge or receptionist

Voice assistant

Interactive screens and surfaces (rent)

Training in digital skills

Others

To support the process of digitalisation of companies, additional tools might be added to the conditions, as for example the application of a Digital Maturity Assessment Tool (DMAT), that will allow companies from traditional sectors and low-tech SMEs/industries to assess their degree of digital maturity against 8 dimensions, to receive a maturity overview and a digital vision with a plan for digital transformation presented in a personalised report.

This specific tool is planned to be deployed, piloted and tested outside of the Action suggested in this Action plan. The financing for this Digital Maturity Assessment Tool (DMAT) is sought through Interreg Europe 2014-2020 programme.

With regard to the industry itself, we refer to the definition in the Communication that "Tourism is a complex ecosystem with many actors: providers of information and services offline and online (travel offices, digital platforms, travel technology providers), travel agents and tour operators, accommodation providers, destination management organizations, tourist attractions and passenger transport activities. ")

The proposal is in response to the crisis that occurred as a result of the outbreak of KOVID-19 and is in line with the Updated National Strategy for Sustainable Tourism Development in the Republic of Bulgaria 2014-2030 and the ACTION PLAN FOR PERIOD 2017-2020 TOWARDS THE UPDATED NATIONAL STRATEGY FOR SUSTAINABLE DEVELOPMENT OF TOURISM IN THE REPUBLIC OF BULGARIA, 2014-2030

#### 4.4 TIMEFRAME AND FUNDING

*Include here the timeframe for the project funding application and set-up/implementation process. Note: this chart will be key for the reporting procedure on the indicators given in the Application Form (Number of Projects and Investments relating to your PI and other Policy Instruments)*

<b>Project/Action Investment Line/Funding Source + Amount</b>	<b>Submitted For Funding</b>	<b>Funding Decision</b>	<b>Project Start Date / End date</b>	<b>Other milestones</b>	<b>key</b>
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*(please state each source of funding)*

<p><b>"Support for the implementation of services for digitalization of micro and small enterprises from the tourism industry to overcome the economic consequences of the COVID-19 pandemic" under Priority Axis 2 "Entrepreneurship and SME Growth Capacity" of OPIC or the Program for competitiveness and innovation in enterprises 2021-2027 (PCIE)</b></p>	<p>May 2020</p>	<p>June 2021</p>	<p>September 2021 / May 2023</p>	
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#### 4.5 WORKPLAN

The project has a total lifespan of 36 months, divided into six work packages. These are summarised below:

WP	Activity	Duration	Indicative Time-plan
1	Project Management	36 months	May 2020 - May 2023
2	Implementation Phase 1 – Eligible activities, expenditures and evaluation criteria suggestion	6 months (from 1st to 6th month)	May 2020 - December 2020
3	Implementation Phase 2 – Increase of projects related to home care services	30 months (from 7th to 36 th month)	January 2021 - May 2023
4	Dissemination Activities	36 months	May 2020 - May 2023

#### 4.6 BUDGET BREAKDOWN FOR THE ACTION

Category of funding	Expenditure Amount
<b>Total amount of the grant (suggested)</b>	10 Mln Leva/5,12 Mln Eur
<b>Funding from the European Regional Development Fund</b>	8,5 Mln Leva/4,35
<b>National co-financing</b>	1,5 Mln Leva/766871 Eur

#### 4.7 VIABILITY AND SUSTAINABILITY

The procedure viability and sustainability should be tested through the application of tools that could measure how the company supported by the funding scheme is progressing towards improvement in its digital maturity as a prerequisite for a better competitiveness. Applying a common instrument for testing the progress in digitalisation is the most reliable approach for independently and objectively measuring the effectiveness of the proposed action.

A DMAT - a digital maturity assessment tool - is an online instrument to assess, improve and master the readiness of companies to go through their digital transformation journey and to measure progress, gauge maturity, and benchmark against peers in their industry/sector. BAA has elaborated a DMAT and applied for a pilot action before Interreg Europe 2014-2020 to receive support to elaborate and implement a DMAT. It is not included in the Action presented here. In case the DMAT deployment is not financed by Interreg Europe 2014-2020 pilot activities support scheme, additional opportunities will be sought.

The pilot will be based on the elaboration of a multilingual online tool that, based on a questionnaire, assesses digital maturity across 8 dimensions: strategy, culture, organisation, processes, technology, risk, innovation, customers and partners. The tool will allow companies across different industries/sectors, company sizes and geography to map in depth their degree of digital maturity and key digital development areas. It will provide them with a detailed report on their current situation and industry benchmark details with a guideline on how to achieve the digital position they are keen to reach and how to craft a future-oriented digital vision. The tool will also be linked to the regional digital innovation ecosystem in all participating regions and cities offering possible solutions to match to the needs identified. The consolidated results from the assessment will allow to measure the effectiveness of the new funding scheme realised.

#### **4.8 IMPACT EXPECTED**

The implementation of the DEVISE action plan will significantly increase the preparedness of the tourism and hospitality industry in Bulgaria to answer the growing pressure of unexpected and unanswered needs related to pandemic outbreak and the fast digital transformation of all sectors.

##### **4.8.1 Impact on the policy instrument addressed**

The improvement of policy instrument will be realized at both policy levels – management of the programme and new projects supported.

We ensure the participation of key stakeholders from the regional digital entrepreneurship ecosystem into the improvement of the policy instrument. The goal is to upscale and boost innovative digital solutions and innovative digital products where improvement of the policy instrument concerns:

1. Implementation of new projects supporting the deployment of the digital tech business as providers of solutions for the traditional industries
2. The scheme will answer the goal of BAA to support through DEVISE project new calls to improve impact on the digital business

3. For the first time companies from a specific sector will be supported – the ones from tourism and hospitality industry.

#### **4.8.2 Specific impact on the region**

The following table presents the specific impact expected if the funding scheme is implemented for different amounts:

<b>Amount of funding allocated by MA</b>	<b>Single support equal to:</b>	<b>SMEs targeted</b>	<b>Digital tech SMEs involved as providers</b>	<b>Solutions Implemented</b>
2 Mln leva	20 000 Leva	100	50	60
5 Mln Leva	50 000 Leva	100	50	80
10 Mln Leva	50 000 Leva	200	100	120

#### **4.9 MONITORING ACTIVITIES IN PHASE 2**

Using the Digital maturity assessment tool for which a request for Action plan has been made to JS the progress of companies involved in the funding scheme will be measured.

### **5. ACTION 2: DIGITAL MATURITY ASSESSMENT TOOL (PILOT ACTION)**

#### **5.1 Rationale**

BAA (PP6) along with PP2 & PP5 from the DEVISE project are collectively working to develop a pilot action entitled DMAT (Digital Maturity Assessment Tool). This online tool diagnostic / DMAT would help SMEs get a better understanding of the steps they need to take to advance their Digital Transformation, supports available to them and the investment in resources and training.

During phase 1 of the project, it was identified during the Regional Analysis and Stakeholder meetings that there was a clear need for an online Digital Maturity Assessment Tool (DMAT) that would allow SMEs to assess their current level Digitalisation. The online diagnostic / DMAT would help SMEs get a better understanding of the steps they need to take to advance their Digital Transformation, supports available to them and the investment in resources and training.

Currently there are no Digital Maturity Assessments offered by business support organisations in Bulgaria except the one elaborated by BAA. But the tool applied by BAA is a very basic one. As part of the Interregional Learning in Phase 1 of the DEVISE project, PP6 learned that other project partners like PP10 (Voka - Chamber of Commerce West Flanders) had also already tested such a tool. This Action would allow BAA to develop a similar tool while simultaneously learning from partners which have experience in developing and implementing a similar online tool.

This pilot action stems from the unanswered needs identified during the implementation of the DEVISE project across the regions partnering in the project. It is aimed to enforce the achievements from applying DEVISEs approach of matching the demand for digital solutions from SMEs with existing digital capacity from companies from Bulgaria.

## **5.2 Action description**

It is focused on DMAT - a digital maturity assessment tool - as an online instrument to assess, improve and master the readiness of companies to go through their digital transformation journey and to measure progress, gauge maturity, and benchmark against peers in their industry/sector.

The idea is to offer companies in Bulgaria a free multilingual (English, Spanish, Basque, Bulgarian) software analytic tool linked to DEVISE outputs. It builds on avoiding the major weaknesses of similar assessment instruments, enlarging the scope offered by other tools while considering the particulars of different business sectors. It will supply respondent companies with a personalised review of their

digital transformation preparedness, needs and a suggestion for a benchmarked vision and action plan.

The pilot will be based on the elaboration of a beta version of a multilingual online tool that, based on a questionnaire, assesses digital maturity across 8 dimensions: "strategy", "culture", "organisation", "processes", "technology", "risk", "innovation", "customers and partners". The partners might also add an assessment of the financial capacity of companies to invest in digital tools and solutions as well. The tool will allow 50 companies per participating partner across different low-tech and traditional industries/sectors (tourism, service sectors, transportation, construction, agriculture, low tech manufacturing and engineering, and retail and hospitality), company sizes and geography to map in depth their degree of digital maturity and key digital development areas. It will provide them with a detailed report on their current situation and industry benchmark details with a guideline on how to achieve the digital position they are keen to reach and how to craft a future-oriented digital vision. The tool will also be linked to the regional digital innovation ecosystem in 3 participating regions and cities offering possible solutions to match to the needs identified. The consolidated results from the benchmarking will also function as an overview for regional and local planning processes in participating regions and will help to test new approaches to boosting digitalisation, providing the planning authorities with evidence to underpin post-2020 policies and programmes.

The tool will be a specifically elaborated detailed online based beta version of a software, with a user-friendly interface which would not require prior training for user companies, accessible at every partner website in the participating countries' local languages and preferably integrated in a devoted web portal with specific contents oriented to the digitalization activities and actions led by partners with the selected company sectors. The respondent will select the specific sector in which the company operates. The sectors are pre-selected by partners and this pre-selection will be fine-tuned while implementing the pilot. The respondent will be guided through questions about the company digital maturity on the 8 core dimensions, which are divided into 48 sub dimensions. The answers and self-assessment of these dimensions will determine the level of digital maturity of the organisation. By answering the questions in the assessment tool, the respondent will receive an overview of the organisation's digital maturity presented in a short report, describing how well their organisation is performing compared to the cross-sector average. The report will also contain specific advice and tips, based on the results and available benchmark, on how to design a digital vision for the company and the relevant digital transformation roadmap that they could follow taking as a basis the digitalization services provided by the public partners involved in this pilot or by other key stakeholders in each region. Additional information for region-specific

availability of providers of identified needs will be included. The DMAT will help companies not only to assess their readiness for change but will also equip them with the knowledge needed for adapting them to the challenges imposed by the crisis and related to the restrictions.

<b>Main objectives</b>	<b>Value brought by action to the region</b>	<b>Partners roles and collaboration</b>
<ul style="list-style-type: none"> <li>✓ Design and Develop online Digital Maturity Assessment Tool</li> <li>✓ Sector insights and data to allow better technology and innovation planning and support;</li> <li>✓ Provide SME's with self-assessment digital tool for tech audit and expert led advice on Tech Road Map / Digital Transformation strategy;</li> <li>✓ Build repetitive success within sectors and clusters for digital/tech led agility in process and management. This will provide industry wide benefits over time through knowledge transfer and continuous improvement;</li> </ul>	<p>The main beneficiary of this Pilot action would be SMEs that complete the tool as it would help them identify how to progress their digital transformation and how to avail of supports through the new PCIE 2021-2027.</p> <p>The data and reports from the completed Digital Assessments would help BAA and other development agencies identify what type challenges and specific supports SMEs require when undergoing a Digital Transformation.</p> <ul style="list-style-type: none"> <li>●Enhancing access to, and use and quality of ICT</li> <li>●Enhancing the competitiveness of SMEs</li> </ul>	<p><u>Project Partners</u></p> <p>PP6 - Business Agency Association (BAA) Varna, Bulgaria)</p> <p>PP2 – Northern and Western Regional Assembly</p> <p>PP5 – Fomento San Sebastian, Spain</p>

### 5.3 TIMEFRAME AND FUNDING

Action / Activity	Timeframe	Decision
A full Pilot Action proposal has been submitted covering the requirements for the development of the DMAT digital diagnostic tool	December 2020 – February 2021	
PP6 to work with PP2 & PP5 and regional stakeholders to design, develop and pilot a Digital Maturity Assessment Tool in each of the participating regions.	March – November 2021	
Develop evaluation report on the Pilot Action with recommendations on the viability for long-term use and potential sources of funding.	December 2021 – May 2022	

### 5.4 BUDGET BREAKDOWN FOR THE ACTION

Category of funding	Expenditure Amount
<b>Salaries</b>	BAA salaries and resources for developing the DMAT in-house, management and collaboration activities in relation to Action 2 and common actions to DEVISE administration, monitoring and reporting €26,000
<b>Overheads</b> <i>(Estimate of pro-rata costs for management)</i>	15% of salary costs for responsible personnel €3,900
<b>Travel &amp; Subsistence</b>	Travel costs for BAA and stakeholders to attend meetings.

	TBC (Costs covered by BAA)
<b>External expertise</b>	No costs are planned for external expertise
<b>TOTAL</b>	€29,900

## 5.5 IMPACTS & VIABILITY

- This Pilot Action relates to design, development and delivery of a digital tool to support partners and client SME's to identify need and begin to scope appropriate digital solutions and technologies. Once developed and operational the tool (DMAT) will be tested with a minimum of each of the participating partner with a specific group of industries.
- The outcomes and impacts from resulting innovation and investment in new technology and digital solutions will drive competitiveness, agility and resilience within the SME base with the resulting improvement in the viability of the individual enterprise, the wider sector and the regional economy.
- Some of the viability and sustainability improvements from Action 2 will need to be considered in combination with outcomes from Action 1 and the post diagnostic and collaboration phase when the digital investment is made by the SME.
- An evaluation report will be produced by each partner region to appraise the impact of the DMAT in the region and the value it offers to SMEs that have completed it and for policy makers. The evaluation report will have a recommendation if the tool would serve as a useful tool for long-term use or if there should be any modifications to the report.

## 5.6 MONITORING ACTIVITIES IN PHASE 2

The rollout and implementation of the DMAT diagnostic tool across the partner network will be monitored by BAA and other partners and guidance and support for its integration into partner systems will be provided. Through-out the latter part of 2021 and 2022 quarterly progress and update reports on its take-up by target SME's and subsequent actions and investment will be produced and shared among DEVISE partners.

Once the results of the tests are evaluated, and if success has been shown, we will suggest to MA of PCIE to integrate it in the policy instruments addressed PCIE. The aim is to link the DMAT application into the local SMEs support funding schemes related to digitalisation as a first step. The DMAT will serve as an instrument to plan next activities in the funding schemes for digitalisation transformation as a pre-requisite at the beginning of these processes.

## ANNEXES

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### ANNEX 1 - LIST OF MAIN ACTIVITIES AND MEETINGS WITH THE LOCAL STAKEHOLDERS

Activity/meeting	Date	Stakeholders involved	Main outcomes
<b>Regional Stakeholder Group meeting</b>	Nov 2018	RMSG	DEVISE project presented to RMSG with the participation of experts from MA of OPIK (responsible of the policy instrument). It served for them to have a better idea on how the project could contribute to the improvement of the policy instrument.
<b>Regional Stakeholder Group meeting</b>	May 2019	RMSG	Presentation of the regional assessment methodology and good practices shared in the project. Commitment received from stakeholders to circulate the questionnaires to their client SMEs to perform the micro-analysis and to organise the Intersectoral networking breakfast. Stakeholders also made an initial selection of their preferred good practices.
<b>Regional assessment</b>	Dec 2018 – May 2019	RMSG	Coordination to carry out the regional assessment as follows: 1) Macro-analysis prepared by BAA; 2) Micro-analysis by BAA

Activity/meeting	Date	Stakeholders involved	Main outcomes
<b>Regional Stakeholder Group meeting</b>	May 2019	RMSG	Presentation of results of the macro-analysis by BAA. Update on micro-analysis results gathered to date. Stakeholders agreed on reinforcing the distribution of the questionnaires. Agreement on content and distribution of tasks to organise the intersectoral networking breakfast.
<b>Intersectoral networking breakfast</b>	March 2109	20 SMEs	An intersectoral networking breakfast to facilitate the dialogue between the SMEs from the digital sector and other S3 sectors in the region was held
<b>Intersectoral networking breakfast</b>	May 2019	40 Smes	An intersectoral networking breakfast to facilitate the dialogue between the SMEs from the digital sector and other S3 sectors in the region was held
<b>Regional Stakeholder Group meeting</b>	November 2019	RMSG	<p>Discussion on the actions that could be included in the action plan taking as a basis the results coming from the regional assessment and the interregional breakfasts with companies.</p> <p>It was agreed to seek for an action to create an ecosystem to support companies from traditional industries in their</p>

Activity/meeting	Date	Stakeholders involved	Main outcomes
			digital transformation. The action should allow these companies to have access to latest digital technologies like IoT, Virtual Reality, Robotics, etc. and support their integration into their processes and creation of new products and services. Furthermore, the action should provide the required mechanisms for them to access to knowledge/expertise related to digitalisation involving local or regional providers of digital products or services.
<b>Staff exchanges</b>	February 2020	BAA team and stakeholders	Several stakeholders attended the staff exchanges in FSS, San Sebastian. They served as inspiration and input to define the actions to be included within the action plan.
<b>Series of discussions with stakeholders</b>	April 2020- November 2020	BAA team and stakeholders	Consultations held with over 100 different representatives of stakeholders from the tourism industry from region of Varna and Burgas and is supported by signed letters of support from the VARNA CHAMBER OF TOURISTS, THE UNION OF HOTELIERS - K.K. GOLDEN SANDS, THE UNION OF OWNERS FOR THE DEVELOPMENT OF K.K. GOLDEN SANDS, VARNA ASSOCIATION restaurants and hotels, VARNENSKATA

Activity/meeting	Date	Stakeholders involved	Main outcomes
			Association of Travel Agents, UNION OF TOUR GUIDES IN BULGARIA BULGARIAN Association of Sommeliers and VINOTSENITELITE, ASSOCIATION OF ADVERTISING AND COMMUNICATION IN TOURISM. Other stakeholders from digital businesses were also involved.
<b>Regional Stakeholder Group meeting</b>	May 2020	RMSG	A suggestion for improvement of OPIK was approved
<b>Communication with MA of OPIK and Ministry of tourism</b>	July 2020	RMSG and stakeholders	Official suggestions for the new funding scheme were submitted to both ministries
<b>Regional Stakeholder Group meeting</b>	November 2020	RMSG	Final approval of Action plan



## **Action plan summary**

Partner: PP6 BAA

Policy instrument addressed: **Operational programme Innovation and competitiveness 2014-2020, Bulgaria or Program for competitiveness and innovation in enterprises 2021-2027 (PCIE)**

Source of inspiration from the project  (initiative/activity or good practice that inspired this action)	Action	Sub- actio ns (if any)	Relevance  (how the action contributes to improve the policy instrument(s) addressed)	Stakeholders involved	Costs	Funding sources	Timeframe
e.g. which specific aspects of the good practices mentioned inspired the action,	e.g. content of the action to be described precisely and the specific activities to be	n/a	e.g. how the outcomes of the action will lead to a change in the policy instrument? (Please see	e.g. organisations in the region who are involved in the development and implementatio	e.g. estimated costs related to the implementat	e.g. how the action will be financed . Is it through the	e.g. indicative timeline for each step foreseen when possible

<i>how they will be adapted to the context of the project partner</i>	<i>implemented (main steps)</i>		<i>section 4.3.1 of the programme manual)</i>	<i>n of the action plan and their specific role</i>		<i>policy instrument addressed?</i>	
<b>“Digital Training Programme for retail and hospitality sectors”</b> <b>Fomento, San Sebastian, Spain</b> <b>The main aspect of the practice is the focused and effective support the practice provides for the digital transformation in</b>	To develop projects' selection funding procedure “Support for implementation of digitalization services of micro and small enterprises from the tourism industry to overcome the	n/a	Implementation of new funding scheme: Aim: the policy instrument (OPIK) to provide funding within the Structural Funds based on the lessons learned from the good practices identified and	More than 20 different representatives of stakeholders from the digital business, more than 40 representatives of traditional sectors (retail, construction, food) more than 100 representatives from the tourism industry	17 000 EUR	Based on the available funding from DEVISE project, Phase 2	1. Project Management - 36 months May 2020 - May 2023 2. Implementation Phase 1 – Eligible activities, expenditures and evaluation criteria suggestion - 6 months (from

<p><b>retail, food and hospitality sectors. The main aspects of the practice that are useful for transfer are:</b></p> <p><b>1.The linkage between strategic instruments like the Smart Strategy of Fomento San Sebastián Development, Strategy of Fomento San Sebastián General Strategy and Priorities</b></p>	<p>economic consequences of the COVID-19 pandemic under Priority Axis 2 "Entrepreneurship and SME Growth Capacity" of the Operational Program.</p>		<p>explored on place. to develop project selection procedure "Support for implementation of digitalization services of micro and small enterprises from the tourism industry to overcome the economic consequences of the COVID-19</p>	<p>from the region of Varna and the following organisations: VARNA CHAMBER OF TOURISTS, THE UNION OF HOTELIERS - K.K. GOLDEN SANDS, THE UNION OF OWNERS FOR THE DEVELOPMENT OF K.K. GOLDEN SANDS, VARNA ASSOCIATION OF RESTAURANTS</p>		<p>1st to 6th month) May 2020 - December 2020 3.Implementation Phase 2 – Increase of projects related to home care services- 30 months (from 7th to 36 th month) January 2021 - May 2023 4. Dissemination Activities-36 months</p>
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<p>· <b>Innovation and Talent Strategy</b></p> <p>· <b>Digital transformation of Retail and Hospitality sectors in San Sebastián.</b></p> <p><b>2. The collaboration with local digital businesses</b></p> <p><b>3. The combination of measures - a) thematic training workshops on “digitalization” topics, b) Short training sessions dealing with specific topics,</b></p>			<p>pandemic under Priority Axis 2 “Entrepreneurship and SME Growth Capacity” of the Operational Program.</p>	<p>AND HOTELIERS, VARNA ASSOCIATION OF TRAVEL AGENCIES, THE UNION OF GUIDES IN BULGARIA, THE BULGARIAN ASSOCIATION OF SOMMELIERS AND WINE APPRECIATORS, THE ASSOCIATION OF ADVERTISING AND COMMUNICATIONS IN TOURISM.</p>		<p>May 2020 - May 2023</p>
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<p><b>and c) showroom demos of digital tools.</b></p>							
<p><b>DENDATICs Grants programme, Fomento, San Sebastian, Spain</b></p> <p><b>The main aspect is the provision of specific economic grants addressed especially to retail/hospitality companies for digitalization and ICTs</b></p>	<p>To develop projects' selection funding procedure "Support for implementation of digitalization services of micro and small enterprises from the tourism industry to</p>		<p>Implementati on of new funding scheme: Aim: the policy instrument (OPIK) to provide funding within the Structural Funds based on the lessons learned from the good practices</p>	<p>More than 20 different representatives of stakeholders from the digital business, more than 40 representatives from traditional sectors (retail, construction, food) more than 100 representatives from the</p>			

<p><b>implementation, as a tool to generate new business opportunities and foster digitalization processes. The costs covered are for tech/digital investments done for implementation of ICTs solutions developed/designed by external providers. Approved requests are granted with a max. grant of</b></p>	<p>overcome the economic consequences of the COVID-19 pandemic under Priority Axis 2 "Entrepreneurship and SME Growth Capacity" of the Operational Program.</p>		<p>identified and explored on place. to develop project selection procedure "Support for implementation of digitalization services of micro and small enterprises from the tourism industry to overcome the economic consequences of the</p>	<p>tourism industry from the region of Varna and the following organisations: VARNA CHAMBER OF TOURISTS, THE UNION OF HOTELIERS - K.K. GOLDEN SANDS, THE UNION OF OWNERS FOR THE DEVELOPMENT OF K.K. GOLDEN SANDS, VARNA ASSOCIATION OF</p>			
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<p><b>3.000€ and the existing 3 categories of eligible tech/digital investments are funded generally at 80%. Objectives of the support: tech updating and digitalization of commercial activities; to improve use of ICTs; to increase quality of services provided; and, to improve client experience and business'</b></p>			<p>COVID-19 pandemic under Priority Axis 2 "Entrepreneurship and SME Growth Capacity" of the Operational Program.</p>	<p>RESTAURANTS AND HOTELIERS, VARNA ASSOCIATION OF TRAVEL AGENCIES, THE UNION OF GUIDES IN BULGARIA, THE BULGARIAN ASSOCIATION OF SOMMELIERS AND WINE APPRECIATORS, THE ASSOCIATION OF ADVERTISING AND COMMUNICATI</p>			
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<b>management efficiency.</b>				ONS IN TOURISM.			
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РЕПУБЛИКА БЪЛГАРИЯ  
Министерство на икономиката

Изх. № 92-00-676.....

Дата 19.03.2021.....

**ДО**

**Г-ЖА СИЛВИЯ ЩУМПФ**

Председател на УС на Сдружение Бизнес Агенция

9010 Варна, ул."Презвитер Козма" №11

Към номер 92-00-676/ 04.03.2021

**ОТНОСНО:** Писмо за План за действие по проект "DEVISE - Digital tech SMEs at the service of Regional Smart Specialisation Strategies"

**УВАЖАЕМА ГОСПОЖО ЩУМПФ,**

Във връзка с получено в Главна дирекция „Европейски фондове за конкурентоспособност“ Ваше писмо с изх. номер № 20-ИЕ/01.03.2021, съдържащо информация относно Плана за действие за предложения по процедури на ОП "Иновации и конкурентоспособност" 2014 -2020 и Програма за конкурентоспособност и иновации в предприятията (ПКИП) за програмния период 2021–2027 г. в изпълнение на проект "DEVISE - Digital tech SMEs at the service of Regional Smart Specialisation Strategies", използвам възможността да Ви поздравя за финализирането на Плана, както и за изведените препоръки и предложения, насочени към подобряване на политиките за подкрепа на компаниите от областта на дигиталните технологии.

Бих искала също така да потвърдя, че Управляващият орган (УО) на Оперативна програма „Иновации и конкурентоспособност“ (ОПИК) 2014-2020 се запозна подробно с приложения към писмото окончателен вариант на Плана за действие, неговите цели, дейности и очаквани резултати.

Допълнително, по отношение на двете конкретни предложения от Плана и възможността същите да бъдат приложени по програмите, за които УО отговаря, бихме искали да Ви обърнем внимание за следното:

С цел преодоляване на негативния ефект от въвеждането на извънредното положение в страната и последвалите икономически последици от кризата УО съсредоточи всичките си усилия, ресурс и капацитет в обявяването на опростени процедури за оборотни средства в рамките на ОПИК, осигуряващи финансиране за малките и средните предприятия, засегнати от наложените ограничения във връзка с пандемията COVID-19. В предвид създалата се ситуация и това, че края на настоящия програмен период приближава, не се предвижда в рамките на Програмата да бъдат обявени нови процедури, извън тези, планирани за оборотен капитал, поради което понастоящем няма възможност предложенията от Плана да бъдат приложени по ОПИК.

По отношение на първото предложение за дигитализация на туристическия сектор, Ви информираме, че по Програмата за икономическа трансформация (ПИТ), която ще се реализира по линия на Националния план за възстановяване и устойчивост (НПВУ) на Р. България, е заложен специален фонд „Дигитализация“ с общ бюджет от 250 000 000 лв. Същият се състои от две направления: **Направление 1 „Подкрепа за дигитализация и киберсигурност“** и Направление 2 „Създаване на дигитални иновационни хъбове, обслужващи регионите в България“. По Направление 1 „Подкрепа за дигитализация и киберсигурност“ се предвижда подкрепа за първо ниво „Компютъризация“ и второ ниво „Свързаност“ на дигитализация на компаниите от **всички сектори на икономиката**, вкл. и от туристическия. Предвижда се подкрепата да бъде реализирана чрез предоставяне на ваучери на МСП за реализиране на дигиталните технологии и решения. Обхватът на ваучерите ще включва и въвеждане на мерки за осигуряване на киберсигурност като важен елемент от процеса на дигитализация на предприятията. Очаквана дата на стартиране на мерките е трето тримесечие на 2021 г. Повече информация за НПВУ и ПИТ може да бъде намерена тук <https://www.nextgeneration.bg/14> (версия 08.02.2021).

По отношение на второто предложение, за бета версия на софтуера за оценка на дигиталната зрялост на компаниите от България, така наречения „дигитален калкулатор“, същият би могло да бъде приложен в рамките на изпълнението на Плана за възстановяване и устойчивост чрез мерките по ПИТ, като обръщаме внимание, че предвиждаме те да бъдат стартирани в рамките на 2021 г. Предвид сравнително краткия времеви хоризонт, с който разполагаме и с цел да могат предприятията успешно да се възползват както от услугите на „дигиталния калкулатор“, така и от мерките за дигитализация в рамките на ПИТ, бихме подкрепили по-скорошната реализация на това предложение.

Допълнително, следва да имате предвид, че основната цел на Програмата за икономическа трансформация е предоставяне на целева подкрепа за бързо възстановяване на българските МСП в основните проблемни области, които забавят трансформацията към дигитална, ниско въглеродна и ресурсно ефективна икономика с цел преодоляване на негативните последици от икономическата криза, породена от пандемията COVID-19. ПИТ приоритетно ще подпомогне МСП **в области като дигитализация, технологична модернизация, кръгова и нисковъглеродна икономика** — области, в които резултатите на България, и по-специално на нейните малки и средни предприятия, са много под средните за ЕС. Програмата допринася за изпълнение на препоръките, отправени към България за цифровата трансформация на предприятията, повишаване на цифровите умения и запазване на конкурентоспособността и на работните места.

**Приложение:** Форма за потвърждение за запознаване с плана.

С уважение,

**ИЛИЯНА ИЛИЕВА**

Главен директор на Главна дирекция  
„Европейски фондове за конкурентоспособност“ и РУО на  
Оперативна програма „Иновации и конкурентоспособност“ 2014-2020



**РЕПУБЛИКА БЪЛГАРИЯ**  
Министерство на икономиката

The Managing Authority of the Operational Program "Innovation and Competitiveness" 2014-2020 agrees to implement the Action Plan as detailed above.

I confirm that I have the required authorisation of to do so and that the required authorisation process has been duly carried out.

Given the current situation and the fact that the current programming period is ending soon, we are not planned to announce new procedures within the Operational Program "Innovation and Competitiveness" (OPIC) 2014-2020, other than those planned for turnover capital.

Due to mentioned above it is currently not possible for the proposals from the Plan to be implemented under OPIC.

Regarding the first proposal for digitalization of the tourism sector, we would like to inform you that under the Program for Economic Transformation (PET), which will be implemented under the National Recovery and Resilience Plan (NRRP) of the Republic of Bulgaria, we have a special fund " Digitalization" with a total budget of BGN 250,000,000. This fund has two areas: Area 1" Support for digitalization and cybersecurity "and Area 2" Creation of digital innovation hubs serving the regions in Bulgaria ".

Strand 1 "Support for digitalization and cybersecurity" provides support for the first level of "Computerization" and the second level of "Connectivity" of digitalization of companies from all sectors of the economy, incl. Tourist sector. It is envisaged that the support will be implemented by providing vouchers to SMEs for the implementation of digital technologies and solutions. The scope of the vouchers will also include the introduction of measures to ensure cybersecurity as an important element of the process of digitalization of enterprises. The expected start date of the measures is the third quarter of 2021.

Regarding the second proposal, for the beta version of the software for assessment of the digital maturity of the companies from Bulgaria, the so-called "digital calculator", the same could be applied within the implementation of the NRRP through the PET measures, as we note that our plan is to launched them within 2021. Given the relatively short time horizon we have and in order for companies to successfully benefit from both the services of the "digital calculator" and the digitalization measures in within the PET, we would support the implementation of this proposal to be fulfilled as soon as possible.

On behalf of:

Managing Authority of the Operational Program  
"Innovation and Competitiveness" 2014-2020

Signed:

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Name:

ILİYANA ILIEVA

Position in Organisation:

Director General of the General Directorate  
"European Competitiveness Funds" and Head of the  
Managing authority of the Operational Program  
"Innovation and Competitiveness" 2014-2020

Date:

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