



Action plan

Part I – General information

Project: DigiBEST

Partner organisation: **Sviluppo Basilicata SpA**

Other partner organisations involved (if relevant): //

Country: **Italy**

NUTS2 region: **Basilicata**

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Part II – Policy context

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: **Development and Cohesion Fund 2014-2020**

ACTION 1

NEW DIGITALIZATION SERVICES FOR SMES: Competence Center “InchUBatori”

The background

2019 was a turning point in the field of innovation for Italy, because in addition to the efficient Ministry of Economic Development (MISE - the national ministry of the Italian government which includes industrial policy, international trade, communications and energy) and seeing the strong push to be given to the digitization of the country, the new Minister of Technological Innovation and Digital Transition (MITD) has been established (<https://innovazione.gov.it/>). The new Ministry is in fact charged with supporting the Prime Minister "for the promotion and coordination of government actions aimed at defining a unitary strategy for digital transformation and modernization of the country through digital technologies".

The innovation strategy (Three-year plan 2020-2022, <https://www.agid.gov.it/it/agenzia/piano-triennale>) prepared by the ministry in charge is rooted in the aims of the United Nations' sustainable development, whose analysis indicates the three main challenges:

- The digitalization of the company
- The innovation of the country
- The sustainable and ethical development of the whole company

Three aims that can be achieved through concrete actions: the first twenty actions (+1) for innovation and digitalization in the section “Plan of action” of the innovation strategy, represent a starting point (<https://docs.italia.it/italia/piano-triennale-ict/pianotriennale-ict-doc/it/2020-2022/index.html>).

The ministerial strategy describes a process of radical structural transformation in Italy, from digital infrastructure to public administration services, to collaboration between the public and the private sectors to generate innovation. Coordinated work to be carried out through the “directory team” established with other ministries and coordination tables with the territories (municipalities and regions), boards, central agencies, and private subjects.

The actions will be developed together with the territories (municipalities and regions) with direct support in the implementation of the digitalization projects and in the creation of projects *ad hoc* to pull innovative services into line with the needs of the area.

What about the situation in Basilicata in terms of innovation? According to the Regional Innovation Scoreboard, the Lucanian (another name of Basilicata region) innovative system, once purified from the effects of national “trend” (the indicators deriving from belonging to Italy) fits in the 129th position of the 195 European ones, in a quadrant that includes regions with a medium to low capacity for innovation. The cluster of regions that are similar in capacity for innovation include other southern regions (Campania and Puglia), Greek regions, Cantabria, Murcia, Aragona in Spain, The Azores.

The position of Basilicata is unsatisfactory though it appears to be improving: the total value of the RIS indicator increased by 23.8% between 2011 and 2019, reflecting an improvement of the innovative view of the region. More specifically, the score for innovative expenditure, not directly linked to intra-muros R&D, seems good compared to the Italian average. Such indicator measures the capacity to acquire innovation from the outside the region, without developing it within the firm (e.g., buying innovative machinery and equipment). Due to difficulty in providing internal R&D facilities, The Lucanian SMEs depend on sources outside the corporate perimeter to be able to advance technologically: this is all linked to the weakness of the local innovative system and the regional enterprises themselves.

More specifically, Lucanian companies are winners even if they do not have a strong propensity for innovation. The share of the company that has introduced innovation appears high and this is testified by the corresponding

positive values of Lucan RIS. However, a lack of capacity remains in the territorial system to provide cooperation between innovative companies: the number of companies that innovate in collaboration with and involving the public research system is in fact reduced. The consequences of such weakness are therefore the external purchasing of innovative technology and a modest capacity to generate patents, i.e., high-level innovation production and “breakage”.

In this sense, there are some barriers, such as:

- Low digital maturity, lack of knowledge about digital opportunities and their advantages and limited capacity to adapt to technology and know-how that is rapidly developing.
- Partial access to the internet in regional territories.
- “School migration” - University migration students.
- Insufficient potential for innovation of SMEs.
- Difficulties in accessing Italian and foreign markets due to the scarce regional competence for internationalization.
- The bureaucracy of the Public Administration is slow and complex.
- Low skills in R&D.
- Limited capacity to take on specialists and/or professionals in ICT to manage digital strategy or guide organizational change.
- The tendency to concentrate digital competence in urban areas can lead SMEs in rural areas to experience a double digital divide.
- Difficulty in coordination between the structures deputized for innovation and digital development.

Not all is negative and in the following SWOT analysis we can have a picture which can help to have a precise description of the current situation.

Indeed, The SWOT analysis includes two groups of factors:

- 1) Internal factors - the strengths and weaknesses within a region (organization etc.)
- 2) External factors - opportunities and threats coming from outside the region (organization etc.)

SWOT analysis identifies the following:

- Strong points: characteristics (factors of the development of digitalization of SMEs, main success factors, points of strength regarding digital transformation of SMEs in your region.
- W- weaknesses (or limitations); factors that present disadvantages for the digital transformation of SMEs
- O- opportunity: the possibility (factors) to improve the digitization of SMEs and its economic impact.
- T- threats: elements (factors) for the digitization of SMEs (and the economy in general) that could cause problems for economic development

Internal Factors	
Strengths	Weaknesses
1. Regional programming-policies dedicated to overcoming the digital divide (improvement of the connectivity of the production areas, with priority for the industrial ones, and of the Public Administrations, and implementation of innovative services intended for citizens and the business world (such as electronic invoicing and payments, ultra-broadband))	1. Despite improvements, persistence of the gap on ultra-broadband and services and of the digital divide and infrastructural deficiencies in ICT
2. Good capacity/supply? 'of qualified human capital	2. Low capitalization of SMEs (associated with credit crunch) depresses investments, above all in innovation
3. Significant presence of research centers of recognized international value	3. Small business owners usually don't have sufficient digital skills
4. Good diffusion of Information and Communication Technologies in the public administration and digitization of administrative processes	4. Regional production model represents sectors in crisis or attacked by competition from emerging economies, consisting essentially of small businesses not inclined to network aggregations, which does not promote innovation and absorption of young people with a high level of education
5. High levels of education of the youth population	5. Young brain drain (loss of young graduates: -33.9 % for 2017. Due to migration to larger cities and better developed regions
6. Good possibilities of financial support for SMEs to improve digital skills or acquire know-how (public funds, e.g. delivery of vouchers for the purchase of services for technological, strategic, organizational and commercial innovation, and the adoption of digital technologies through a public notice addressed to SMEs for the purchase of highly qualified services and skills aimed at increasing its competitiveness and innovation in line with the regional S3)	6. Low private R&D investments
7. Political 'acknowledgement' on the necessity of increasing digital skills in micro and SMEs	7. Lack of digital transformation experts in the region
	8. Low expenditure on innovation: the 'innovative' expense ratio for businesses in Basilicata is largely underpowered compared to the rest of Italy
	9. Low propensity for business cooperation
	10. Percentage of graduates still insufficient especially in technical-scientific subjects

	11. Lack of integration between school / university courses and companies, specifically the training provided fails to guarantee the skills required by Lucanian companies.
	12. Lack of awareness about the importance of digital solutions, in particular in micro companies
	13. No coordinated/integrated approach towards digital transformation in the region

External Factors

Opportunities	Threats
1. Financial public support for SMEs (not always used) (National line)	1. Non-efficiency of the offered support instruments for digitalisation (e.g., Vocational Training)
2. Increase in partnerships and collaborations between companies and the world of research (regional clusters: agri-food, green chemistry, aerospace).	2. Discrepancy between the 'out of date' education system and the SMEs' needs of updated digital skills
3. Possibility to improve the efficiency / effectiveness of the public Governance of partnership models of business development and research	3. Low level of generational turnover
4. Good birth rate of spin-offs from the research centers of the University of Basilicata.	4. Increase of the phenomena of depopulation and brain drain
4. Elimination of brain drain phenomena through the strengthening of the regional research ecosystem	5. Decrease in public funds (financial instruments) for SMEs
5. Presence of a Digital Innovation Hub (DIH) at SMEs' disposal in Confindustria (the main business association representing manufacturing and service companies in Italy)	6. Great competition from international companies
6. Growth of the benefits associated with ICT	
7. Creation of new professional skills (funding through community programs).	
8. Regional programming dedicated to overcoming the digital divide: 'Large Digital Agenda' project of the Basilicata Region (local line)	

In the **Peer Review** realized by two experts from Spain and Portugal as a DigiBEST activity, a deeper analysis of the Region has been shown. Experts notice that:

- the shortage of digital skills in SMEs and insufficient digital literacy among small business entrepreneurs, have usually led to a low adoption of digital technologies and processes;
- considering that small companies, and especially micro companies, are the vast majority in the territory, the most effective way to address this issue would be to resort to ICT specialised support whenever necessary;
- the insufficient collaboration among companies could also be pointed out as an obstacle for higher innovation (business synergies in areas where companies have little expertise could help to improve their performance in the market);
- the risk aversion of investing in digitalisation can be, together with the necessary organisational changes this may imply, a barrier to digitalise businesses;
- as the topic of digital transformation is transversal to all business innovation processes, the opportunities provided by ERDF and other National Operational Programmes correspond to a large extent to the opportunities Lucanian companies have had in recent years to obtain public support for their digitalisation endeavours, including new technologies, new processes and new business models based on digital solutions;
- a large numbers of businesses (especially micro businesses) may find difficult to identify external digital support. The region, in collaboration with relevant stakeholders, could launch a regional-wide initiative with the aim of identifying and disseminating existing support in Basilicata to help companies, in particular SMEs, in their digital transformation processes;
- new companies, especially if they are technology- and/or knowledge-based (e.g. university spin-off companies), invest more than average in new products, technologies and business models that can positively "contaminate" the regional innovation system.

In the **Roadmap (BDRM)**, this action has been identified thanks to the basis of a landscape analysis: the objective was to Promote cooperation projects between individual companies, universities and research centres to increase innovation and training projects. The challenges that the Region wanted to face were: i) the lack of digital skills in SMEs , ii) a poor cooperation between universities and SMEs; iii) the lack of knowledge of the benefits of digitalisation by the owners of the SMEs, iv) the lack of knowledge of mutual cooperation possibilities and of their monetization. The Idea came also from the study of a DigiBEST good Practice: Industry 4.0 Trøndelag. The Trøndelag Industry 4.0 project envisaged by Trøndelag County Council, together with the County Gardens and Business Incubators (Næringshager og Inkubatorer), aims at offering digital skills development courses for companies through a series of workshops. Each Business Park and Incubator will carry out skills courses for a specific industrial sector. The goal is to increase the digital maturity of small businesses to help them overcome the significant technological challenges of the future with specific realities located throughout the region. In the face of a strong local characterization of the initiatives, it was noted that the Norwegian partner exercises a constant direction, structured through internal government companies and through the regional Administration.

The Action

Competence Center "InchUBatori": new digitalization services for SMES such as self-assessment tools and OpenLab activities

InchUBatori represents a process of acceleration of the general processes of digitization, innovation, and internationalization of the production system of Lucanian companies in order to capitalize on the experiences achieved up to now in Basilicata in the context of Incubators, collect and enhance the specificities and needs through Lucane a new more dynamic and creative formula.

InchUBatori intends to define a multidimensional intervention model, aimed at increasing the competitiveness of micro, small and medium-sized enterprises present in Basilicata through actions aimed to:

- favor the transformation of the production processes of the regional territory towards digitalization
- support the creation of an innovation ecosystem for collaboration between the research system and the entrepreneurial fabric
- develop the international connection of the local business system
- integrate and connect the supply chains and sub-supply of components, processes, and services

- spread the digital culture to raise technological knowledge and skills
- support and enhance new business models, also in relation to the process of "servitization" of manufacturing and the creation and development of new high-tech companies

The project takes its first steps through the involvement of institutional stakeholders and the economic and social system with the aim to:

- improve the level of participation in general and boost the reputation level of the project and its objectives
- make the degree of identification of the companies directly participating in the project activities functional and maximally performing
- support the preparation of a cultural context conducive to welcoming the results of the project with a view to scalability and maximum extension to the Lucanian productive fabric.

The actions will be carried out through innovative digital interaction tools (online self-assessment), targeted interviews with local and national opinion leaders and through the participation tables (OpenLab) aimed at identifying 30 total companies, split up by thematic areas, with the aim to make them more competitive for the future.

One of the primary values of the design process is the need to accompany companies not only in the thematic area for which they will be selected, but also in a process of mutual cross-contamination.

We intend to build a real project "community" that can stimulate and accompany companies towards this process of innovation and contamination.

We will start an open laboratory path, aimed at ensuring the coverage of the different areas of intervention of the project on the various regional clusters Aerospace, Automotive, Bioeconomy, Energy, Cultural and creative industry, Tourism.

The 30 companies identified will be the subject of a specific subdivision into working groups in relation to the three project areas in order to start the targeted experimentation with respect to the needs that emerged in the analysis phase.

The model provides a plan for the development of skills and entrepreneurial acceleration in a digital key of the business model of the MPMI, also through the involvement of best-case companies in the area and big technological and digital players, in order to favor integration into the models of the most advanced technologies on the market.

The accompanying service will allow selected companies to initiate a digitalization process to develop basic skills internally in order to better respond to the challenges launched by the new Business 4.0 paradigm.

The model aims on the one hand to strengthen and enhance new business ideas and on the other to create close collaborations between subjects from the world of research and the business system, with a primary role at the University of Basilicata itself.

The planning of the service offered will be aimed at supporting and accelerating the processes that go from the business idea to its marketing, through technology transfer, start-up or business creation, development and acceleration, thus reducing "time to market" and risk of bankruptcy of future and potential businesses.

The model aims to foster innovation and local development by accompanying clusters of companies or groupings of production areas in approaches to new markets, focusing on the enhancement of local excellence, on the promotion of products abroad and territorial marketing.

Players involved (please indicate the organisations in the region who are involved in the development and implementation of the action and explain their role)

The project promoted by the Basilicata Region is implemented by Sviluppo Basilicata with the scientific support of the University of Basilicata and the accompaniment provided by the Giacomo Brodolini S.r.l. Foundation, one of the leading experts in innovation at an international national level.

Timeframe

	EXPLOITATION PHASE	IMPLEMENTATION	TIMES
STEP 1	Analysis	Desk analysis Stakeholder interviews	February - April 2022
	Animation	Meetings for the presentation of the project/press conferences	
STEP 2	Selection	Assessment Questionnaires, Open Labs	April - May 2022
STEP 3	Training	Training modules/laboratories	June 2022 - March 2023
		Workshop	
		One-to-one meetings	
		Mentoring	
STEP 4	Experimentation	Drafting of project work/business plan	October 2022- March 2023
STEP 5	Intermediate and final monitoring and evaluation of the SMEs' support intervention method	Monitoring plan Monitoring and evaluation reports	September 2022 - April 2023
STEP 6	Validation and revision of the model (method of intervention to support SMEs)	Validation meeting	April - May 2023
STEP 7	Conclusion	Demo day for pitch presentation	June 2023
STEP 8	Financial reporting		June - September 2023

Costs: 1.300,000.00 euro

Funding sources: Development and Cohesion Fund 2014-2020

Date: 13/04/2022

Sviluppo Basilicata spa

Signature: _____

Stamp of the organisation (if available): _____

Acceptance

Date: _____

Director general of Directorate for Economic Development

Signature: _____

Stamp of the organisation (if available): _____