



European Union
European Regional
Development Fund

DigiBEST
Interreg Europe



**DIGIBEST REGIONAL STUDY ON THE STATE OF
DIGITAL TRANSFORMATION AND ITS IMPACT
ON THE REGIONAL BUSINESSES
NAME OF YOUR REGION, NAME OF YOUR
COUNTRY**





Structure of the Analysis

No	Title of chapter	Recommended lengths of chapters (pages)
1	Introduction	1-1.5
2	Economic development, entrepreneurship and digitalization in XXX region: 2.1. Economic development and entrepreneurship; 2.2. Digital economy and society	3-4
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7	Analysis and identification of good practices	3
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9	Recommendations	1



Work Plan

Task	Deadline and status
SWOT analysis template prepared and sent to partners.	7.10.2019 (<i>done</i>)
SWOT analysis completed and sent to LU (AP) for verification (denize.ponomarjova@gmail.com)	20.01.2019 (<i>ongoing</i>)
SWOT analysis completed after revisions by AP and finalization by the responsible partner.	31.01.2020 (output of the 1 st semester/ part the Regional Analysis)
KUMU mapping Methodological Guidelines prepared and sent to partners.	31.01.2020 (output of the 1 st semester) (<i>done</i>)
Regional Analysis structure prepared and sent to LP for the approval	27.10.2019 (<i>done</i>)
LP approval	28.10.2019 (<i>done</i>)
Regional Analysis methodology (draft) prepared and sent to LP	25.11.2019 (<i>done</i>)
Regional Analysis methodology (draft) approved and sent to PPs (presented during the DigiBEST meeting in Portugal)	After Portugal meeting (<i>ongoing</i>)
Comments and proposals for the Regional Analysis methodology by PPs sent to AP (zzeibote1@gmail.com)	20.01.2020
Regional Analysis methodology completed and submitted to LP.	31.01.2010 (output of the 1 st semester)
Survey questions prepared, presented and sent to partners	After Portugal meeting (<i>ongoing</i>)
Comments and proposals for the survey by PPs sent to AP (zzeibote1@gmail.com)	20.01.2020
Survey questions confirmed and survey designed	31.01.2020 (output of the 1 st semester)
KUMU maps prepared and sent to LP and AP for putting on the project website (until 31.01.2020 KUMU maps are being sent to AP (endija.latvena@lu.lv) for checking and elaborated by the responsible partner if necessary)	31.01.2020 (output of the 1 st semester/ part of the Regional analysis) (<i>ongoing</i>)
Regional Analysis prepared and submitted to LP and P11 for revision	1.06.2020 (output of the 2 nd semester)
Regional Analysis finalized / Joint Report started	31.07.2020
Joint Report finalized	15.01.2021 (output of the 3 rd semester)

Introduction

The Regional Analysis is a part of the DigiBEST project interregional learning. Regional reports will be used to conduct the State of Art of the Digital Transformation Report of the DigiBEST partners' regions. The main objective of the Regional report is to analyse the situation on digital transformation of enterprises in each partner region, including analysis of statistical data and literature, mapping stakeholders, SWOT, digitalization barriers and solutions, policy analysis, analysis of good practices; as well as analysis of Digitalization Assessment survey results. Finally, the analysis should provide recommendations formulated by the responsible partner in cooperation with stakeholders, if necessary, that will be summarized in the final part of the Analysis. The focus of the digital transformation assessment is on SMEs and micro enterprises.

According to the European Commission: “Digital transformation is characterized by a fusion of advanced technologies and the integration of physical and digital systems, the predominance of innovative business models and new processes, and the creation of smart products and services.” Advanced digital technologies provided in the processes of digital transformation, such as the Internet of Things, big data, advanced manufacturing, robotics, 3D printing, blockchain technologies and artificial intelligence, as well as smart use of ICT in SMEs offer businesses new opportunities for building on their competitiveness.¹

This Analysis should follow the definition of SMEs and micro enterprises defined by the European Commission based on a number of employees, turnover and balance sheet:

Table 1. Main factors determining the type of an enterprise.

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

Source: https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en

The Part 1 of the Analysis should provide a brief introduction about the partner region and policy instruments tackled.

The Part 2 of the Regional Analysis describing the economic situation and stage of digitalization shall be based on the statistical analysis, as well as the analysis of literature and documents according to the description of methodology and tables provided below. The stage of digitalization of a region shall be assessed based on the DESI index (including the Norwegian partner), which is provided on a national level, as well as the data on economic development.

¹ https://ec.europa.eu/growth/industry/policy/digital-transformation_en

The Regional Analysis will reflect the most important barriers for SMEs digitalization, as well as possible solutions to overcome these identified barriers. Therefore, the Part 3 will be based on the analysis of literature and policy documents. The analysis shall be reflected in table according to the provided template.

The Analysis (Part 4) will reflect partners' work on stakeholders' analysis based on using technology provided by using the online tool KUMU, which is "... a powerful visualization platform for mapping systems and better understanding relationships."²
Purpose to demonstrate the key stakeholders.

The SWOT analysis (Part 5) will be provided in a short version, meaning that 5 most important issues from 4 categories (Strengths, Weaknesses, Opportunities and Threats) should be provided in partners' SWOT templates. However, partners are invited to produce as long SWOT analysis as they wish according to their needs and interests.

The analysis of policy and support instruments (Part 6) shall be based on the analysis of the policy documents and normative acts.

According to the project Application Form, each partner should identify and describe at least 3 Good Practices (GPs). This will result in at least 18 GP, which will be grouped into 5 categories: 1) Awareness rising and collaboration; 2) Empowering tools; 3) Sustainability instruments; 4) Enabling environment; 5) Other. The Regional Analysis should also include partner's description of GP according to the template provided in the Part 5, which is a shorter version of the Interreg Europe GP template. The Interreg Europe GP template in a full version should be completed and uploaded on the Interreg Europe Policy Learning Platform, when completed. The upload of GP on the project website and IE database needs to be completed before the last progress report of phase 1.

Parallel to conducting the Regional Analysis, the Digitalization Assessment Survey in partner regions will be implemented. This Survey will help to assess the state of regional transformation on a regional level, as well as to identify main problems faced by SMEs and micro enterprises. Taking into account that the Survey should be implemented during the 2nd semester, its findings and conclusions should be reflected in the Part 8 of the Analysis.

Finally, the Regional Analysis should provide a set of recommendations adopted by the responsible partner in cooperation with local stakeholders useful for considering possible improvement of policy instruments and drafting the regional Action Plans.

The chapters below should create a common picture of your region. The common methodology is used to ensure comparability of the Regional Analyses for the Joint Analysis.

² <https://docs.kumu.io/about/what-is-kumu.html>

The advisable length of the Regional Analysis should be around the 20-25 pages (without annexes, if you decide to add some materials in this section).

In cases if you can't find necessary information or data, please, explain the reasons for these limitations.

1st Chapter of the Report – Introduction

The introduction of your Report should include:

- general information about your region (geographical location, infrastructure, brief history, administrative system, governance, specific features, etc. Please, include a name of your region in national and English languages);
- short description of the policy instrument and indicators you are working on in the DigiBEST project.

Please, try to keep the introduction short. The picture of a small map (Figure 1) where the geographic location of your region can be visible would be welcome. Please also add a source (e.g. link) from where the picture was taken.

2nd Chapter of the Report – Economic development, entrepreneurship and digitalization in (name of your region)

The idea of Chapter 2 is to understand your region in order to understand economic impacts on digital transformation and ensure comparable information for the Joint Report.

2.1 Economic development and entrepreneurship

Please provide a description of the socioeconomic situation in your region according to the indicators included in the table below (Please feel free to include more data, if necessary. However, please, keep the structure of this table, which is important for its further use when conducting the Regional report).

Table 2. General information, 2014-2019

Indicators	2014	2015	2016	2017	2018	2019 ³
Size of territory <i>square kilometres</i>						
Population <i>Millions, 2018</i>						
Real GDP per capita <i>EUR</i> <i>GDP per capita is a measure of region's or country's economic output</i>						

³ Please, insert the forecast data if other data isn't available. In a case if you insert forecast data, please, indicate this with a letter f.



<i>that accounts for its number of people. It divides the country's <u>gross domestic product</u> by its total population and is a good measurement of a <u>standard of living</u>.</i>						
Real GDP growth <i>% change</i> <i>Constant price estimates. In theory, the price and quantity components of a value may be identified and base periods prices are substituted for those of the current period. Methods are used in practice to calculate variables at constant prices. Another method, commonly referred to as price deflation, involves dividing price indexes into the observed values to obtain volume estimates. The price indexes used are constructed from prices of the major items of each value. Please make sure these series are in line with "GDP at constant prices".</i>						
Population of active enterprises (from 1 to 9 employees)⁴ <i>number</i>						
Population of active enterprises (10 employees and more)⁵ <i>number</i>						
Net business population growth⁶ <i>%</i>						
Unemployment rate <i>% of labour force</i> <i>Percentage of the civilian labour force which is unemployed. The government defines unemployed as people who are jobless, looking for jobs, and available for work. Unemployed persons comprise persons aged 15 to 64 who were: without work during the reference week, i.e. neither had a job nor were at work (for one hour or more) in paid employment or self-employment; currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week; actively seeking work, i.e. had taken specific steps in the four weeks period ending with the reference week to seek</i>						

⁴ Please, use: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=bd_size_r3&lang=en

⁵ Please, use: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=bd_size_r3&lang=en

⁶ Please, use: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=bd_size_r3&lang=en



<i>paid employment or self-employment or who found a job to start later, i.e. within a period of at most three months.</i>							
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Source:

Please, use the regional level data whenever possible. If the regional level data isn't available, please, use the national level statistics.

The enterprise data provided on the Eurostat (https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=bd_size_r3&lang=en) has several limitations. In case of the regional level statistics (NUTS3) data currently (21.11.2019) is available only until 2016. If there the updated data is available on national/ regional statistical databases, please modify the table and use available national/regional statistics. Also, the regional enterprise statistics allow to select the enterprises from 1 to 9 employees and from 10 employees and more. However, taking into account that on the average 99% of all enterprises are SMEs, this doesn't greatly influence the statistical analysis.

More detailed selection of enterprises by a number of employees is available on the national level here: <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

Please, also briefly explain the main areas of economic activity and their importance in order to understand the economic specialization and perspective development sectors of your region.

2.2. Digital economy and society

The idea of the Part 2.2. is to assess the stage of digitalization and readiness for digital transformation of each partner region. The statistical data is based on the Eurostat regional statistics and the Digital Economy and Society Index (DESI)⁷. In most cases the Eurostat data is available up to 2018. The statistics for 2019 may become available in mid-2020.

Detailed information about the DESI index and findings of related studies are available here: <https://ec.europa.eu/digital-single-market/en/desi>. The DESI country profile includes also information about Norway.

You may also be interested to explore the EU Digital Scoreboard (<https://ec.europa.eu/digital-single-market/en/digital-scoreboard>), which measures the performance of the EU Member States in a wide range of areas, from connectivity and digital skills to the digitisation of businesses and public services. Please include related indicators reflecting the performance of your country in the DESI Index and the DESI areas in the Table 3.

⁷ The Digital Economy and Society Index (DESI) is a composite index that summarises relevant indicators on Europe's digital performance and tracks the evolution of EU member states in digital competitiveness.

You can continue updating the statistics by the end of the 2nd semester when the Regional Analysis has to be completed.

Table 3. DESI index and DESI areas⁸, 2014-2019

Indicators	2014	2015	2016	2017	2018	2019 ⁹
DESI Index						
DESI: connectivity						
DESI: human capital/digital skills						
DESI: use of internet services by citizens						
DESI: integration of digital technology by business						
DESI: digital public services						
DESI: research and development ICT						

Source: <https://ec.europa.eu/digital-single-market/en/desi>

The Table 4 below reflects the statistical data available on the general regional digital economy and society available from the Eurostat database. In this case again the statistical data for 2019 may become available in mid-2020.

Table 4. General regional digital economy and society statistics, 2014-2019.

Indicators	2014	2015	2016	2017	2018	2019 ¹⁰
Households that have internet access at home ¹¹ <i>% of households with at least one member aged 16 to 74</i> <i>The access of households to internet is measured as percentage of households where any member of the household has the possibility to access the internet from home.</i>						

⁸ National level data

⁹ Please, insert the forecast data if other data isn't available. In a case if you insert forecast data, please, indicate this with a letter f.

¹⁰ Please, insert the forecast data if other data isn't available. In a case if you insert forecast data, please, indicate this with a letter f.

¹¹ <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tps00047&plugin=1>



<p>Households that have broadband access by NUTS 2 regions¹² <i>% of households with at least one member aged 16 to 74</i> <i>The availability of broadband is measured by the percentage of households that are connectable to an exchange that has been converted to support xDSL-technology, to a cable network upgraded for internet traffic, or to other broadband technologies.</i></p>						
<p>Individuals regularly using the internet by NUTS 2 regions¹³ <i>% of individuals 16-74</i> <i>Regular users of the internet are persons who use the internet on average at least once a week, every day or almost every day.</i></p> <p>Individuals who have never used a computer by NUTS 2 regions¹⁴ <i>% of individuals 16-74</i> <i>Persons who have never used a computer (at home, at work or any other place).</i></p> <p>Individuals who accessed the internet away from home or work¹⁵ <i>% of individuals</i></p> <p>Individuals who ordered goods or services over the internet for private use in the last year by NUTS 2 regions¹⁶ <i>% of individuals 16-74</i> <i>Persons who bought or ordered goods or services (i.e. food, groceries, household goods, films, music, books, magazines, newspapers, clothes, sports goods, computer software or hardware, electronic equipment, shares, financial services, insurances, travel or holiday accommodation, tickets, lotteries or betting and other) over the internet during the last year.</i></p>						

¹² <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tgs00047&plugin=1>
¹³ <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tgs00050&plugin=1>
¹⁴ <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tgs00051&plugin=1>
¹⁵ https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=isoc_r_iumd_i&lang=en
¹⁶ <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tgs00052&plugin=1>



<p>Individuals, who used the internet.¹⁷ <i>% of individuals</i> <i>Frequency of internet access: once a week (including every day)</i></p> <p>Individuals who used the internet, frequency of use and activities ¹⁸ <i>% of individuals</i> <i>Internet use: selling goods or services</i></p> <p>Individuals who used the internet, frequency of use and activities¹⁹ <i>% of individuals</i> <i>Internet use: civic or political participation.</i></p> <p>Individuals who used the internet, frequency of use and activities²⁰ <i>% of individuals</i> <i>Internet use: Internet banking</i></p> <p>Individuals who used the internet for interaction with public authorities²¹ <i>% of individuals</i> <i>Internet use: interaction with public authorities (last 12 months)</i></p> <p>Individuals who used the internet for interaction with public authorities²² <i>% of individuals</i> <i>Internet use: submitting completed forms (last 12 months)</i></p> <p>Individuals who used the internet, frequency of use and activities²³ <i>% of individuals</i> <i>Internet use: participating in social networks (creating user profile, posting messages or other contributions to Facebook, Twitter, etc.), percentage of individuals.</i></p>						
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Source: Eurostat database: <https://ec.europa.eu/eurostat/help/first-visit/database>

¹⁷ https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=isoc_r_iuse_i&lang=en

¹⁸ <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

¹⁹ <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

²⁰ <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

²¹ https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=isoc_r_gov_i&lang=en

²² https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=isoc_r_gov_i&lang=en

²³ <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

Another useful source for measuring readiness for the digital transformation is the IMD Digital Competitiveness Ranking (<https://ec.europa.eu/digital-single-market/en/digital-scoreboard>), which examines three main factors:

- *Knowledge* - the capacity to understand and learn the new technologies
- *Technology* - the competence to develop new digital innovations
- *Future readiness* - the preparedness for the coming developments.

Please feel free to extend the Analysis according to your region's needs and specific interests following these guidelines.

3rd Chapter of the Report. Barrier and solution analysis of the digital transformation of SMEs.

The SMEs digital transformation barrier and solution analysis is based on the **literature and document review**. This analysis will be complemented by the Digital Transformation Survey findings to be described in the Part 8. Therefore, before you start filling in the table, please, revise available literature, including legislation, normative acts, reports, strategies, action plans, researches and papers on SMEs digitalization in your region.

The analysis separates barriers and solutions into 5 following categories:

1. Awareness rising & collaboration: is very important taking into account that digital innovation nowadays is advancing at an unprecedented speed. As a result, businesses must to be able to react and adapt to this ever-changing landscape. For many businesses, the security of 'sticking to what they know' can seem favourable to trialling a new technology, but by the time they have come around to the idea of change, the likelihood is that that new innovation is already old news. For digital transformation to be a success, businesses have to be willing to try something new, and to try it quickly. Therefore, there should be communication channels developed to increase awareness of SMEs and disseminate information on digital innovation and its offered benefits for enterprises.

Another important obstacle is an inadequate collaboration between IT and businesses despite the fact that technology and IT are an intrinsic part of any organization. Therefore, new solutions should be searched in order to link IT with other businesses.

2. Enabling corporate environment & capacity building:

Undertaking digital transformation effort requires a risk-averse culture and a business being willing to explore and experiment, organizations need to ensure they are facilitating these changes from the inside out. Therefore, a requirement of creating a culture where innovation is being encouraged is a precondition to transformation success.

The digital transformation implies a change across the entirety of a business. Unfortunately, most of businesses still believe that planning to protect their core business, rather than expanding into innovation and embracing the changing digital world, is the key to success. Therefore, enterprises need to ensure they have necessary capabilities and right people in place to facilitate these changes, as well as capable managers to undertake digital transformation initiatives.

In addition, staff of enterprises needs to be willing and able to use new technologies and IT. Therefore, having necessary skills and their regular upgrade is another challenge that businesses may experience.

3. Administrative & technical & legal obstacles: are related to decision making process, i.e. administrative, technical and legal barriers. Digitalization initiatives could be particularly sensitive to administrative barriers placed by legislative framework, bureaucracy, tax policy, procurement, lack of experience or resources, etc. A failure to change legacy systems for new technology will continue to act as a significant blocker for SMEs digital transformation. If such barriers exist, it would be important to look for solutions how to remove them in order to promote SMEs digital transformation. At the same time, identified barriers & solutions should be specific for the SMEs digitalization, not for the digitalization in general.
4. Financial & economic barriers: are related to the access to finance. Financial and economic barriers are usually the most crucial ones for SMEs making decisions about introducing new technologies and IT. Digital transformation costs can be high and businesses should be willing to invest in the process. Sometimes enterprises simply lack funding, but in other occasions it may also be the unwillingness of senior management to invest budget into digital transformation projects. Therefore, solutions could be found in making internal decisions to adapt businesses to stay competitive, as well as to provide external support measures to ensure increase in innovation and competitiveness of enterprises.
5. Policy and security barriers: This category of barriers is related to legislation, policy documents and policy making on both, national and regional levels, which might place obstacles for the digital transformation of SMEs. The cybersecurity issue is particularly important for this category. Cybersecurity risks now go hand in hand with digital transformation; businesses need to be able to protect themselves as more and more information is moved to the cloud, and as organisations become increasingly reliant on technology. Therefore, the cybersecurity is presenting a very tangible threat to the success of digital transformation projects. If businesses are to survive in the digital age, they need to ensure that their security measures advance alongside their digital transformation initiatives. This category of barriers will require to revise relevant legislative acts and normative documents, as well as policy documents and programmes.

This is quite possible that some of your identified barriers or solutions fall under several categories at the same time. Please, do not be afraid to enter them twice or more times in the

Table 5 under different categories. Also, it's possible that there are several solutions for the same problem/barrier which corresponds to several categories. Also, you can add lines in the table and mention additional barriers if they don't fit in any of proposed categories.

Probably, for some of your identified problems there will not be ready made solutions in place. In these cases, please, do not worry that you have left free spaces in the table taking into account that your task will be to find solutions for existing problems throughout the project implementation from partners' examples, exchange of experience and good practices of the DigiBEST project. Also, finding solutions for existing problems and proposals for policy recommendation shouldn't be limited to the partnership only, but could go beyond frontiers of the partnership.

Please, list all documents and sources of literature you have revised before start filling in the Table 5. The last column of the table will require you to refer to the source(s) where the provided information can be found. For brief description of barrier in the table you should use up to 25 words and for description of possible solution – up to 40 words. Please, identify at least 3 barriers for each of the 5 categories.

This research work may help you to identify additional good practices which can be useful for the DigiBEST partnership and to draw conclusions on main obstacles to be removed to promote digital transformation of SMEs in your regions, as well as to identify recommendations for your Action Plans.

Table 5. Barrier & Solution Matrix

Title of barrier	Brief barrier description (up to 25 words per each barrier)	Identified solutions, if any (up to 40 words per each solution)	Where to find it in a particular document or publication (e.g. page No., or Table No.)
Awareness Rising & Collaboration			
Enabling Corporate Environment & Capacity Building			
Administrative & Technical & Legal			
Financial & Economic			
Policy & Security			

Sources:

4th Chapter of the Report. Stakeholders of each region

There are different definitions on what the stakeholder is. One of the definitions used for the stakeholder mapping states: „A stakeholder is anybody who can affect or is affected by an organisation, strategy or project. They can be internal or external and they can be at senior or junior levels.” (<http://www.stakeholdermap.com/stakeholder-definition.html>)

During the 1st project semester, the KUMU stakeholders’ maps are being developed by DigiBEST partners. Please insert your stakeholder map and a brief description here. Please feel free also to attach stakeholders’ maps in the attachment.

In addition, please provide a list of the main (key) stakeholders of digitalization of your region you have involved or are planning to involve in the project phases (Table 6). Please, shortly explain the role of stakeholders in SME digitalization processes.

Main stakeholders of the DigiBEST partners could include the following groups: Responsible national/regional institutions; Regional and local authorities; Business (SME) support organizations; financial organizations, ICT business representatives; universities & research bodies; NGOs, think tanks; Media; other organizations mentioned by partners in the Application form; unusual suspects that could be related to SMEs digitalization in the future.

Table 6. List of stakeholders (example of a content is provided below. If available, please also provide contact data; website addresses can be provided as hyperlinks as in the given example or in the ”Contact data” section.)

Organization	Contact data
Ministry of the Economics of the Republic of Latvia	Brīvības iela 55, Rīga, LV – 1519, Latvia Phone:+371 67013100 Fax: +371 67280882 E-mail: pasts@em.gov.lv

Source :

5th Chapter of the Report. SWOT analysis

The SWOT analysis includes two groups of factors:

- a. Internal factors – The *strengths* and *weaknesses* internal to the region (organization etc.).
- b. External factors – The *opportunities* and *threats* presented by the external environment to the region (organization etc.).

The SWOT analysis should identify the following:

- **Strengths:** characteristics (factors) of the SMEs digitalization development, main success factors, strengths with regard to SMEs digital transformation in your region.
- **Weaknesses (or Limitations):** factors that present disadvantages for SMEs digital transformation.
- **Opportunities:** chances (factors) to improve SMEs digitalization and its economic impact.
- **Threats:** elements (factors) for SMEs digitalization (and economy in general) that could cause trouble for the economic development.

Short explication: using the SWOT analysis you need to ask and answer questions that generate meaningful information for each category (strengths, opportunities, weaknesses and threats – see examples of questions to be answered in Table 7.) in order to maximize the benefits of this evaluation and find their competitive advantage. In each category (S,W,O,T), please, list a maximum of the 5 most important elements in the Table 7. At the same time, please, feel free to extend the SWOT analysis as long as you wish if this is of a particular importance for your region.

Table 7. SWOT analysis.

Internal Factors	
Strengths	Weaknesses
Ex: What are strengths of SME digitalization on my region?	Ex: What are weak sides of SME digitalization in my region?

External Factors	
Opportunities	Threats
Ex: What are opportunities for SME digitalization in my region?	Ex: What are main threats for SME digitalization in my region?

Source:

6th Chapter of the Report: Policy on and support instruments for digitalization of SMEs

The idea of this Chapter is to explain the importance of a legal framework for the development of entrepreneurship (SMEs) in your region and significance of the policy instrument you are targeting in a framework of the DigiBEST project for the development of social entrepreneurship.

6.1. Main features of the national, regional and local policies towards the digitalization of SMEs

Please, briefly explain a general normative framework in the area of digitalization which might be relevant for SMEs digital transformation, such as laws, normative acts, strategies, action plans, initiatives., as well as general aims of socio-economic development.

The important things to mention would be the following:

- Digitalization - If there is a national regional policy, strategy, initiatives and/or action plans related to digitalization, please, state how it helps to promote the SMEs digital transformation?
- Incentives to SMEs digitalization – Please, state if there are any national or regional level initiatives to promote SMEs digital transformation. If yes, please, shortly describe them.
- Legal constraints, if any - Please, describe if there are any obstacles created by legislation which hinder the SMEs digitalization?

Please, describe how the digitalization is linked to the regional innovation strategy for smart specialisation (RIS3) in your region if any relationship exists.

Please, list main normative acts which regulate the digitalization on national, regional and local levels, as well as provide a short explanation (1-3 sentences) if necessary. Please, provide links for documents, which are available in English (Table 8).

Table 8. Normative acts on national, regional and local levels regulating digitalization. (Example of a content is provided below. Website addresses can be provided as hyperlinks as in the given example or in the “Address” section.)

National level
1. National Development Plan for 2014-2020 (ENG)
2. Operational Programme „Growth and Employment 2014 - 2020” (ENG)
Regional level
1.
2.
Local level
1.
2.

6.2. Support instruments to promote SMEs digitalization

Please, analyse how the policy instrument you are working on in the DigiBEST project tackles the context of SMEs digitalization or its potential and assess the existing measures implemented in / by the policy during the current programming period (2014-2020).

Please, explain, how result indicators chosen by you in the framework of the DigiBEST project can be achieved and what could be their impact on the SMEs digitalization.

If there are any other related measures which are currently being implemented by your policy instruments, please, briefly describe them as well.

Taking into account that this programming period (2014-2020) is close to its end, please, provide a broader perspective for the future development if you wish.

Table 9. DigiBEST partners’ policies proposed for improvement and self-defined performance indicators. *(This table serves as a reminder of partners’ policy instruments only.)*

Policy documents	Self-defined performance indicators	Targets
1. ERDF Programme “Growth and Employment” – Operational Programme (OP) for the use of ERDF funds, Priority axes 3, Priority “To improve competitiveness of SMEs”.	Number of new development programs for SMEs digital transformation.	1
2. “Smart Societies” in “A value creating Trøndelag. Strategy for innovation and wealth creation in Trøndelag”	Number of companies with developed digital strategy.	50
3. ERDF Operational Programme Basilicata 2014-2020	Number of growth and jobs programs and/or territorial cooperation programs addressed by the project improvements.	1
4. Plan for the development of the local productive activity	Number of SMEs supported for their digital transformation.	50
5. ERDF Programme Investments in Growth and Jobs Austria 2014-2020 – Operational Programme for the use of ERDF funds, Priority axis 2, Priority 3D Measure 9	Number of SMEs supported by awareness rising actions and business support activities.	50
6. SI2E - Job and entrepreneurship Incentives System	Number of SMEs applying for the SI2E support for digital transformation. These SMEs will aim to improve their business through advanced digital technologies and solutions.	20

Source: DigiBEST Application form

7th Chapter of the Report: Analysis and identification of good practices

The analysis that you have already performed in the previous sections should be helpful for you to confirm your previously selected good practices that you propose to the DigiBEST partnership and the Interreg Policy Learning Platform. Once again, this will approve that your selected good practices reflect the context of your regional development, as well as tackle the public policies.

In selecting good practices, it’s important to follow the Interreg Europe Programme definition. In the context of the Programme, a “good practice” is defined as an initiative (e.g. methodologies, projects, processes, techniques) undertaken in one of the programme’s thematic priorities which has already proved successful and which has the potential to be transferred to a different geographic area. Proved successful is where the good practice has already provided tangible and measurable results in achieving a specific objective. (<http://www.interregeurope.eu/help/glossary/>)

Please, fill in the GP's form below (Table 10), which is adjusted based on the Interreg Europe Good Practice template (see attached), which you will have to fill in and upload on the Interreg Europe Policy Learning Platform.

Table 10. Description of the Good Practice

Good practice general information	
Title of the good practice	
Category of the good practice	<p><i>Please choose one of the categories:</i></p> <p><input type="checkbox"/> <i>Awareness rising and collaboration;</i></p> <p><input type="checkbox"/> <i>Empowering tools;</i></p> <p><input type="checkbox"/> <i>Sustainability instruments;</i></p> <p><input type="checkbox"/> <i>Enabling environment;</i></p> <p><input type="checkbox"/> <i>Other</i></p>
Organisation in charge of the good practice	<p><i>If your organization is not in charge of the good practice implementation, you can indicate a relevant organization in this section. If your organization is in charge of this good practice, please write a title of your organization.</i></p>
Description	
Short summary of the practice	<i>[max 1000 characters]</i>
Resources needed	<i>Please specify the amount of funding/financial resources used and/or the human resources required to set up and run the practice.</i>
Timescale (start/end date)	<i>e.g. June 2012 – May 2014/ongoing</i>
Evidence of success (results achieved)	<i>Why is this practice considered as good? Please provide factual evidence that demonstrates its success or failure (e.g. measurable outputs/results).</i>
Potential for learning or transfer	<p><i>[max 1000 characters] Please explain why you consider this practice (or some aspects of this practice) as being potentially interesting for other regions to learn from. This can be done e.g. through information on key success factors for a transfer or on, factors that can hamper a transfer. Information on transfer(s) that already took place can also be provided (if possible, specify the country, the region – NUTS 2 – and organisation to which the practice was transferred)</i></p> <p><i>[Technical: A good practice be edited throughout a project life time (e.g. to add information on the transfers that have occurred)]</i></p>

Source: adjusted by the author using the Interreg Europe Good Practice template from the Interreg Europe website: <https://www.interregeurope.eu/policylearning/good-practices/>

According to the DigiBEST methodology, all Good Practices will be grouped into 5 different categories: 1) Awareness rising and collaboration; 2) Empowering tools; 3) Sustainability instruments; 4) Enabling environment; 5) Other. Please provide descriptions of at least 3 Good Practices you have identified.

8th Chapter of the Report: Finding and conclusions of the Digital Assessment Survey

The idea of this chapter is to present findings and conclusions from the analysis of the Digital Transformation Survey.

9th Chapter of the Report: Conclusions and recommendations

Please, provide your conclusions and recommendations for better public policies / policy instruments drawn from this analysis and Digital Transformation Survey findings.

If this is possible already on this stage, please, provide recommendations on the basis of this analysis and in consultation with your stakeholders, how the policy instrument you are working on can be improved.

This could be advisable also to use this analysis to look beyond 2020 and to provide the recommendations on a broader scope, not just focusing on current short-term perspectives.

Formatting

Please, format your region research according the following rules:

- (1) Text font: TIMES NEW ROMAN;
- (2) Please keep references in the footnotes: 10pt. Examples on the references formatting see in the List of bibliography below;
- (3) Text: 12pt, alignment: justified, line spacing: 1.15;
- (4) Tables: Text: 11pt, alignment: justified, line spacing: 1.0;
- (5) Do not use the first line, but include the spacing (6 tp) after the paragraphs;
- (6) Endnotes are not welcomed; If you have the endnotes, please remake them into footnotes;
- (7) Bibliography: only sources directly cited in the body of the text should be included in alphabetical order, 10pt, alignment: justified. Please do not use the first line. Leave the spacing between them – 6pt;
- (8) All graphs and diagrams should be referred to as figures and should be numbered consecutively in the text in Arabic numerals (e.g. Figure 1: Net staff salaries. Provide sources of figures (including *own authors' calculations*) in the form of footnotes if possible;



(9) Tables should be numbered consecutively in the text in Arabic numerals (e.g. Table 1: Net staff salaries. Provide sources of tables (including *own authors' calculations*) if possible;

Please, list names of documents and other sources of literature you have revised during your research, as well as provide internet links, if possible.

Bibliography - example

Commission of the European Communities (2013), *European Union Strategy for the Baltic Sea Region: Action Plan*, SEC (2009) 712/2, Brussels, February 2013 Version.

Council of the European Union (2009), Joint Declaration of the Prague Eastern Partnership Summit, 8435/09 (Presse 78), Brussels, 7.05.2009. Retrieved from http://europa.eu/rapid/press-release_PRES-09-78_en.htm (accessed May 17, 2014).

Eastern Partnership Community (2012), *No Political Momentum for the Eastern Partnership*, Interview with: Alexander Duleba. Retrieved from <http://www.easternpartnership.org/community/interview/no-political-momentum-easternpartnership> (accessed May 17, 2014).

European Commission (2002), *More Research for Europe: towards 3% of GDP*, COM(2002)499, Brussels, 11.09.2002, p.5-7.

OECD (2012), "Mobility and Migration in Europe," *OECD Economic Surveys: European Union 2012*, Paris: OECD Publishing. Available at: http://dx.doi.org/10.1787/economy_surveys-eur-2012-5-en (accessed May 17, 2014).

Polasik, M., Wisniewski, P.T. (2009), "Empirical analysis of internet banking adoption in Poland", *International Journal of Bank Marketing*, 27 (1): pp. 32-52.

Wyplosz, C. (2006), „Is East Asia Safe from Financial Crises?“, *Graduate Institute of International Studies and CEPR*, 63(1):3.

Recommended readings

- European Commission (2015), *Fostering SME's growth through digital transformation*, EC DG Internal Market, Industry, Entrepreneurship and SMEs, Brussels, Belgium, available at: https://s3platform.jrc.ec.europa.eu/documents/20182/84453/150527_ICFMostra_EY_Guidebook_Final.pdf/5598b1cf-fda9-416a-a560-1b934ee195c0
- European Investment Bank (2019), *The digitalization of small and medium enterprises in Ireland. Models for financing digital projects*, European Investment Bank, March 2019, Luxembourg, available at: https://www.eib.org/attachments/press/digitalisation_of_smes_in_ireland_execsummary.pdf
- Ilias O. Pappas, Patrick Mikalef, Yogesh K. Dwivedi, Letizia Jaccheri, John Krogstie, Matti Mantymaki (Eds.) (2019), *Digital Transformation for a Sustainable Society in the*



21st Century, 18th IFIP WG 6.11 *Proceedings of the Conference on e-Business, e-Services, and e-Society*, 13E, September 18-20, 2019, Trondheim, Norway, available at: <https://books.google.lv/books?id=20yuDwAAQBAJ&pg=PA743&lpg=PA743&dq=SM E+digitalization&source=bl&ots=oWOMKGHySb&sig=ACfU3U25j45CFHjSyYKpMEOR0LYC3WcOYg&hl=lv&sa=X&ved=2ahUKewi20bfZ6oDmAhu8wcQBHRbSC6E4ChDoATAGegQIChAB#v=onepage&q=SME%20digitalization&f=false>

- Interreg Europe (2017), *Digital transformation and SMEs: what regions can do. A policy brief from the Policy Learning Platform on SME competitiveness*, October 2017, available at: <https://euagenda.eu/publications/digital-transformation-and-smes-what-regions-can-do>
- OECD (2019), *Measuring the Digital Transformation. A Roadmap for the Future*, OECD, Paris, available at: <http://www.oecd.org/publications/measuring-the-digital-transformation-9789264311992-en.htm>

Useful websites:

- https://ec.europa.eu/growth/industry/policy/digital-transformation_en
- <https://www.pwc.nl/en/topics/economic-office/europe-monitor/the-digital-transformation-of-smes.html>
- <https://ec.europa.eu/digital-single-market/en/digital-scoreboard>
- <https://ec.europa.eu/digital-single-market/en/desi>
- https://ec.europa.eu/growth/industry/policy/digital-transformation/smart-use-ict-smes_en
- <https://www.digitalsme.eu/digitalisation/>
- <https://www.oecd.org/cfe/smes/digital-smes.htm>
- <file:///C:/Users/a/AppData/Local/Temp/EuropesDigitalProgressReportIntegrationofDigitalTechnologyChapter.pdf>
- <http://www.stakeholdermap.com/stakeholder-definition.html>
- <https://www.imd.org/wcc/world-competitiveness-center-rankings/world-digital-competitiveness-rankings-2019/>
- <https://ec.europa.eu/digital-single-market/en/digital-agenda-europe-key-publications>