

EDIH Network Summit 2024

26-27
November

The Egg
Brussels

Study on Digitalisation of Business in the EU Member States: initiatives, impacts and contribution to the Digital Decade 2023-26

Overview and findings

PPMi

Part of the
Verian Group

Study overview

Study objectives



The main objective of the study is to perform a **monitoring exercise** on the digitalisation of business strategies of EU Member States. The study aims to compile an **inventory** of different country approaches to business digitalisation and to assess progress towards achieving the **Digital Decade targets** in this area.

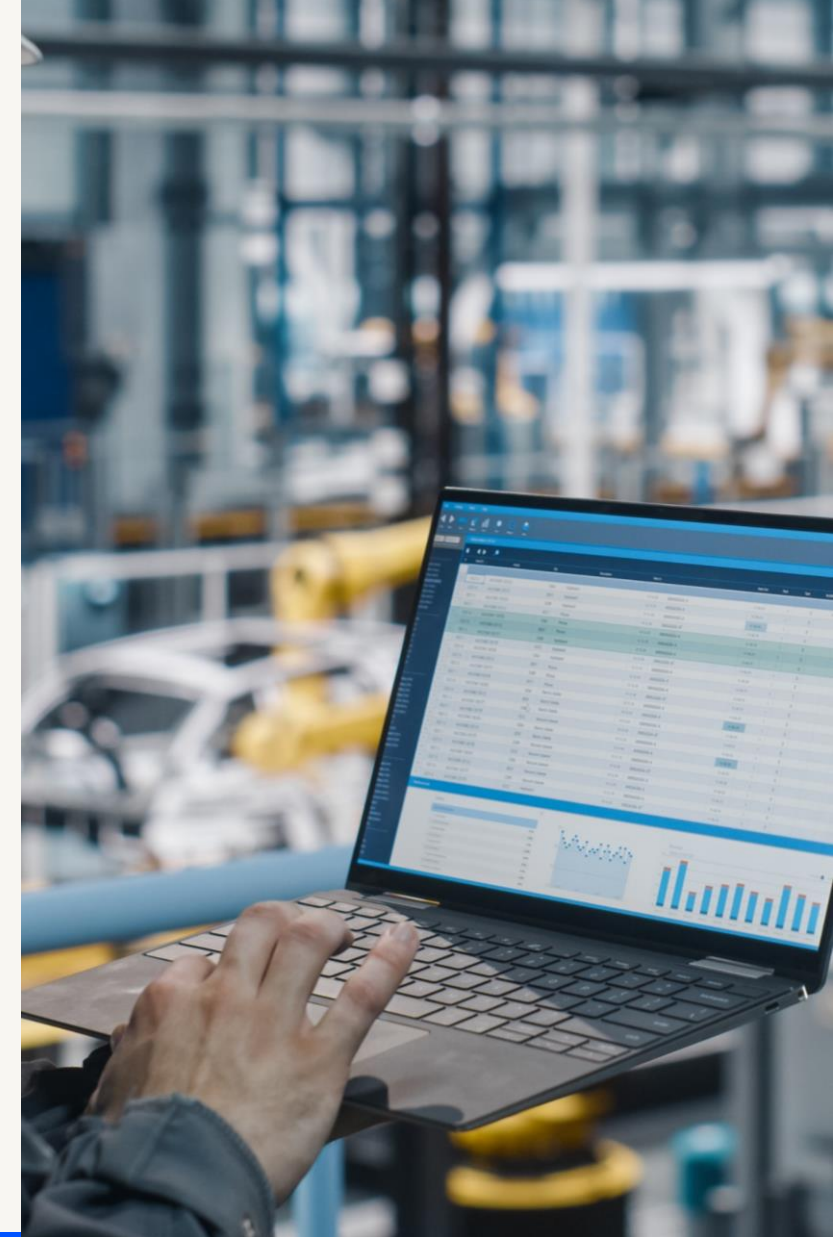


Between 2024 and 2026, the study team will produce **annual EU27 individual country reports** and **cross-EU analysis reports**.

The study is implemented by PPMI, part of Verian Group.

PPMi

Part of the
Verian Group



Study approach

DATA COLLECTION APPROACH

- National and regional strategy mapping
- Analysis of initiatives adopted to support technology uptake
- Collection of existing quantitative data on key dimensions, with a focus on industry break-downs
- Identification of good practices
- Desk research on existing reports overlooking country approach & performance

DIGITAL DECADE TARGETS COVERED

Tech uptake (with analysis of AI, cloud and big data (data analytics))

Late adopters

Start-ups and scale ups

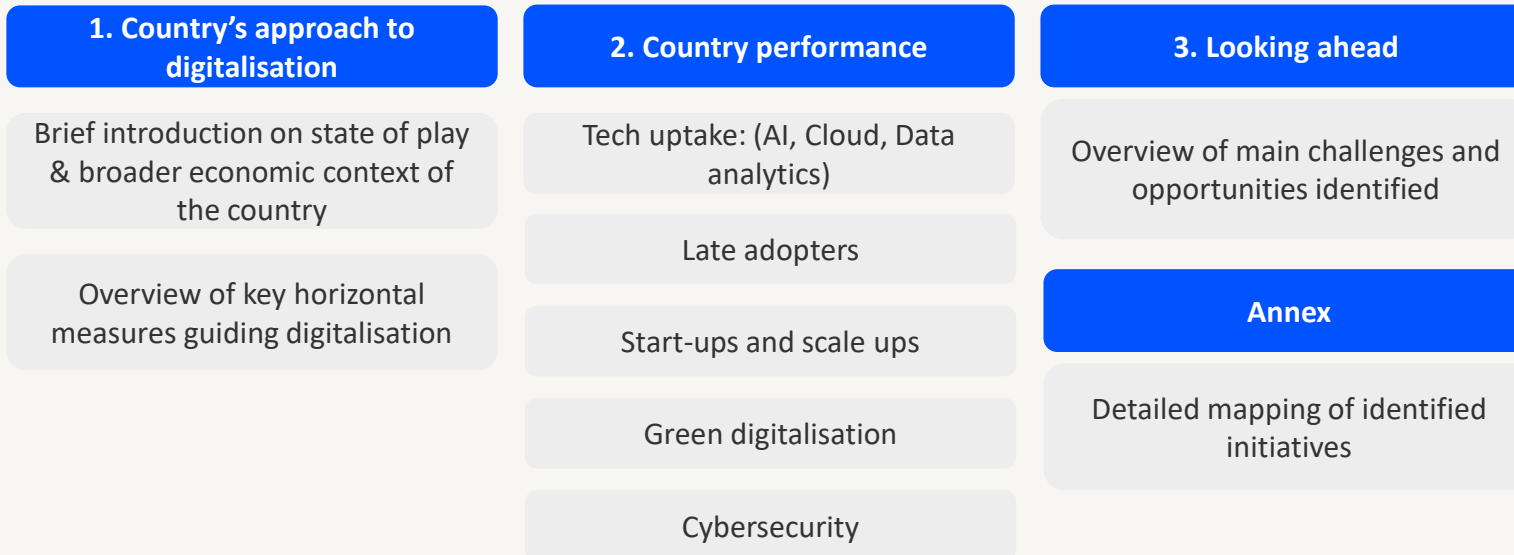
Cybersecurity

Green digitalisation

Scope of the insights

The reports are developed reflecting Digital Decade targets relating to business digitalisation. To this end, they are **aligned** and **build upon** the Digital Decade 2024 country reports.

Report structure:



Throughout the report, **good practices** in terms of identified initiatives, organisations supporting businesses or ecosystem building examples are spotlighted.



Main findings

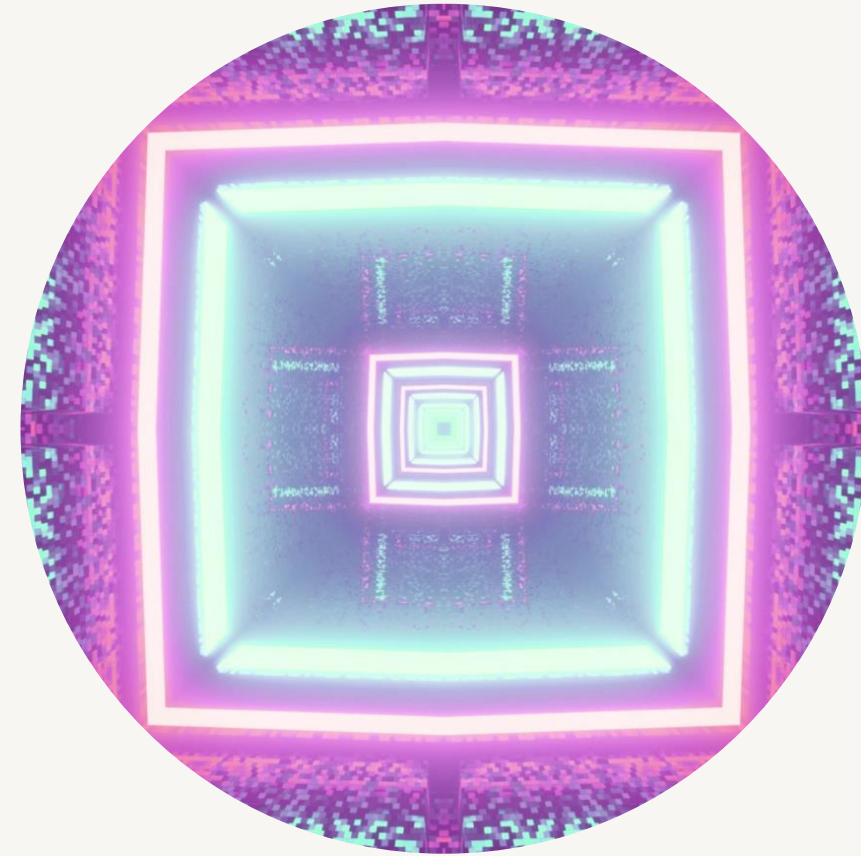
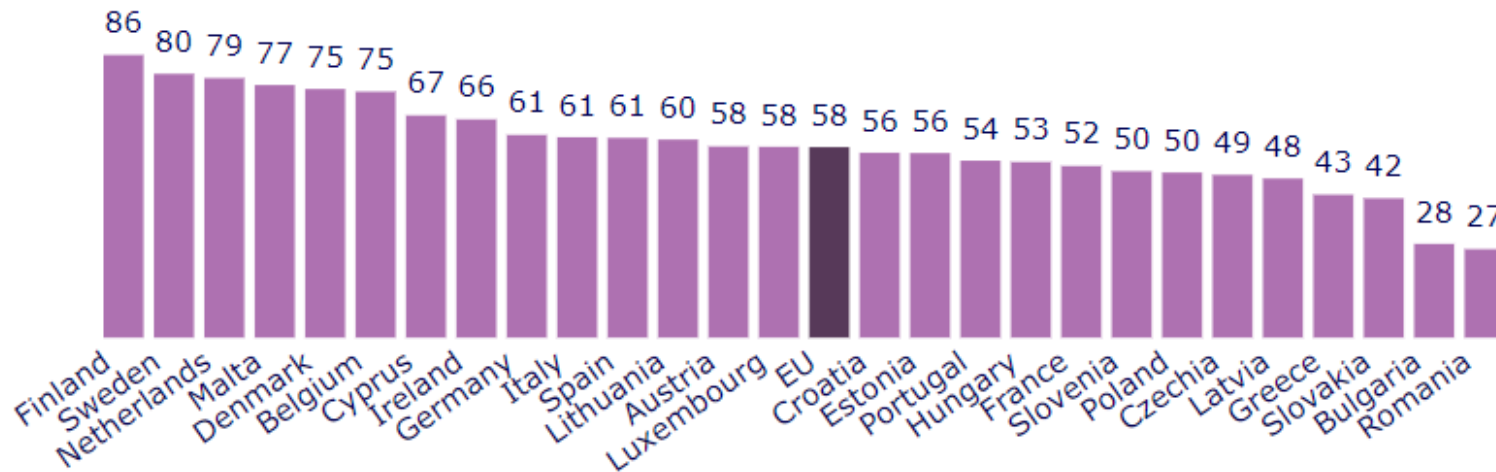
(a snapshot)

- **Dimensions with large cross-country gaps** – late adopters and cloud technologies
- **Focus on AI adoption** – key breakdowns and main support measures

Existing gaps: late adopters

- The Digital Decade aims to ensure that **90% of EU SMEs have at least basic digital intensity** (i.e. use some digital technologies).
- While some Member States are nearing this target with high SME digitalisation rates, others face challenges and **require additional support to accelerate their SMEs' digital transformation**.

Late adopters: Share of companies having at least basic digital intensity (%)



Measures supporting late adopters

- While some Member States are performing strongly when it comes to SME digitalisation, others face challenges and **require additional support to accelerate their SMEs' digital transformation.**
- **Most MS have introduced measures to assist late adopters.** Most frequently implemented measures include support for acquisition and uptake of digital technologies, knowledge and skill building and provision of support services:

Technology acquisition and uptake (financial support):

- **Transition 4.0 initiative** - tax credits for digital investments in **Italy**.
- **Financing of vouchers for the purchase of digital technology** in **Lithuania**.
- **Establishing a voucher system** for digitalising 100 000 enterprises in **Greece**.
- **Providing grants** for acquisition of new technologies and digitalisation of business processes in **Bulgaria**.

Knowledge and skill building:

- **More Digital Employment Programme in Portugal** provides assessment of SME skill gaps and supports them with training.
- **Financial support for digital skill training and wage subsidies in Hungary.**
- **Digital hub for lifelong learning** including courses, programmes and MOOCs for digital skills in **Malta**.
- **Issuing training grants for managers** of low digital maturity SMEs to boost their digital competencies in **Poland**.

Support services:

- **France Num:** providing digital diagnostics and consultation in **France**
- **Conducting consultations with industrial SMEs** to assess digital maturity and craft digital transformation plans in **Poland**
- **Digital Transition Voucher in Portugal** providing SMEs with access to consultancy and digital strategy services
- **SME Vouchers in Croatia** for procuring consultations and professional services

EDIHs play a pivotal role in aiding both advanced and less digitalised SMEs. They support knowledge diffusion, technology uptake and provide necessary infrastructure capabilities.

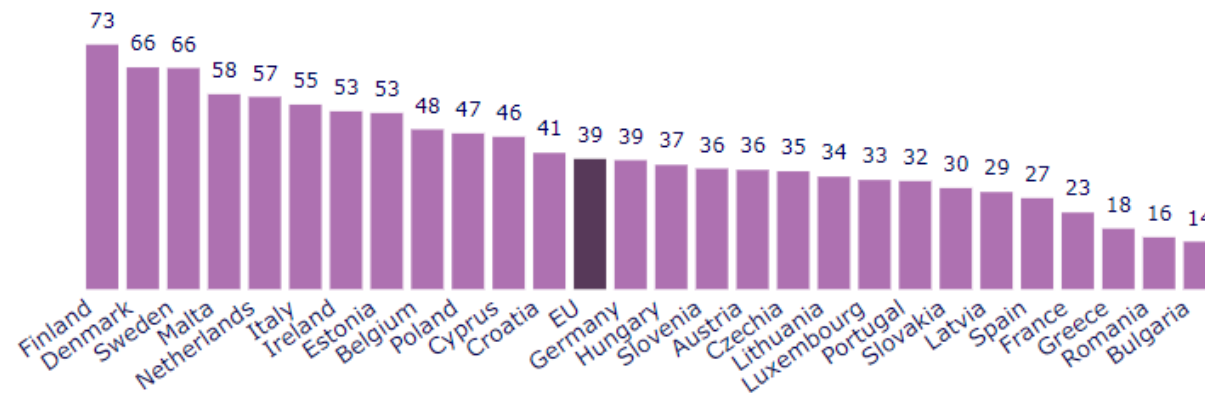
Existing gaps: cloud adoption

- Cloud adoption is one dimension where further efforts could be directed.
- Although some countries have introduced measures to boost cloud adoption, **many have not prioritised this area in their supporting policies.**
- **Main support measures for cloud adoption** include financially supporting purchase of cloud services, connecting SMEs with providers, providing cloud infrastructures and offering training.
- **EDIHs are instrumental in advancing cloud adoption.** With 86 hubs offering cloud-related services across Europe, they can make a significant impact, particularly in countries with low adoption rates and limited support measures.

Notable **cloud adoption support measures** include:

- **CloudCamp4SMEs:** a consortium providing low-cost training courses for the use of cloud technologies in **Denmark, Germany, Italy, Poland, Spain**
- **IPCEI-Next Generation Cloud Infrastructure and Services:** aims to build an energy-efficient, secure, and real-time cloud-edge infrastructure in **France, Germany, Hungary, Italy, the Netherlands, Poland, Spain**
- **Providing cloud migration support to SMEs:** financial support through a voucher programme is provided to 1 000 SMEs to fully migrate to cloud-only systems in **Greece.**
- **WRO4digiTal (EDIH)** provides pilot deployment of cloud, computing, and data management services in **Poland.**
- **DigiHub (EDIH)** offers cloud solutions for data management. The **Bulgarian** EDIH provides SMEs with access to cost-effective storage without investing in physical data centers.

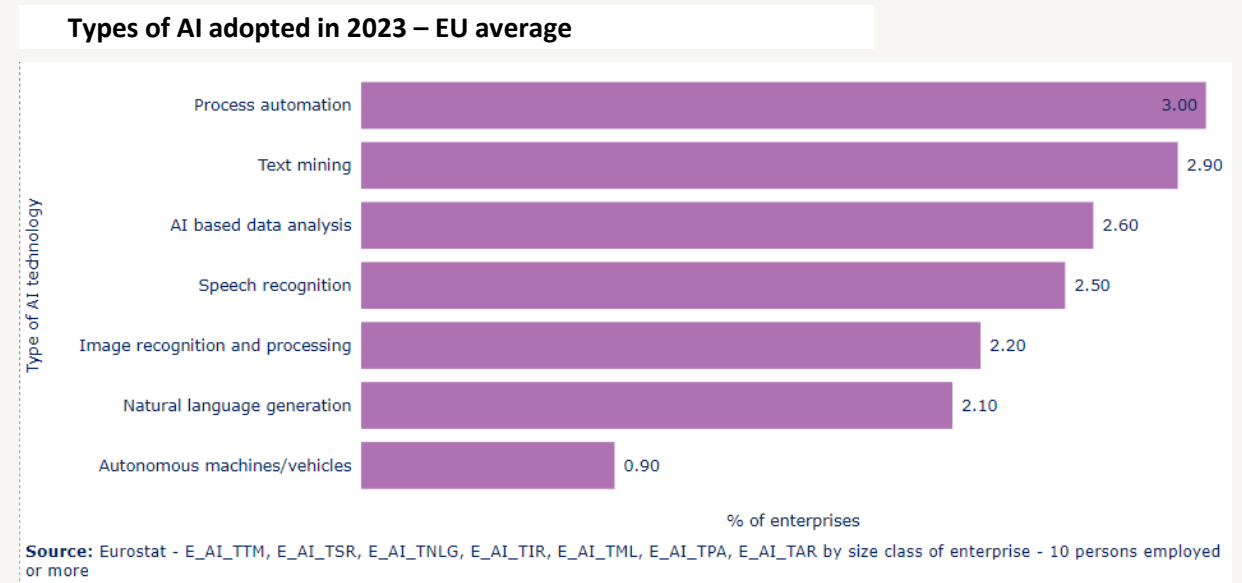
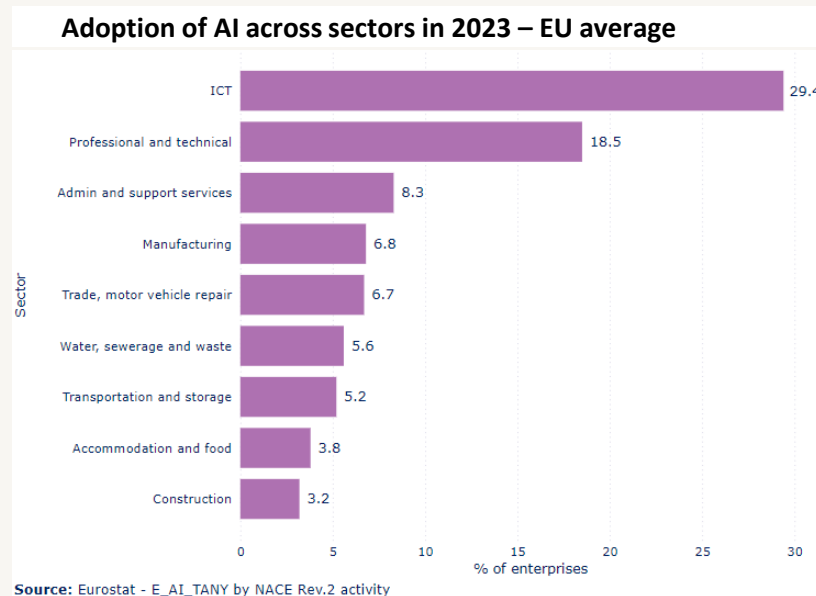
Tech uptake: Share of companies that use cloud technologies in 2023 (%)



Source: Eurostat - E_CC1_SI by NACE Rev.2 activity

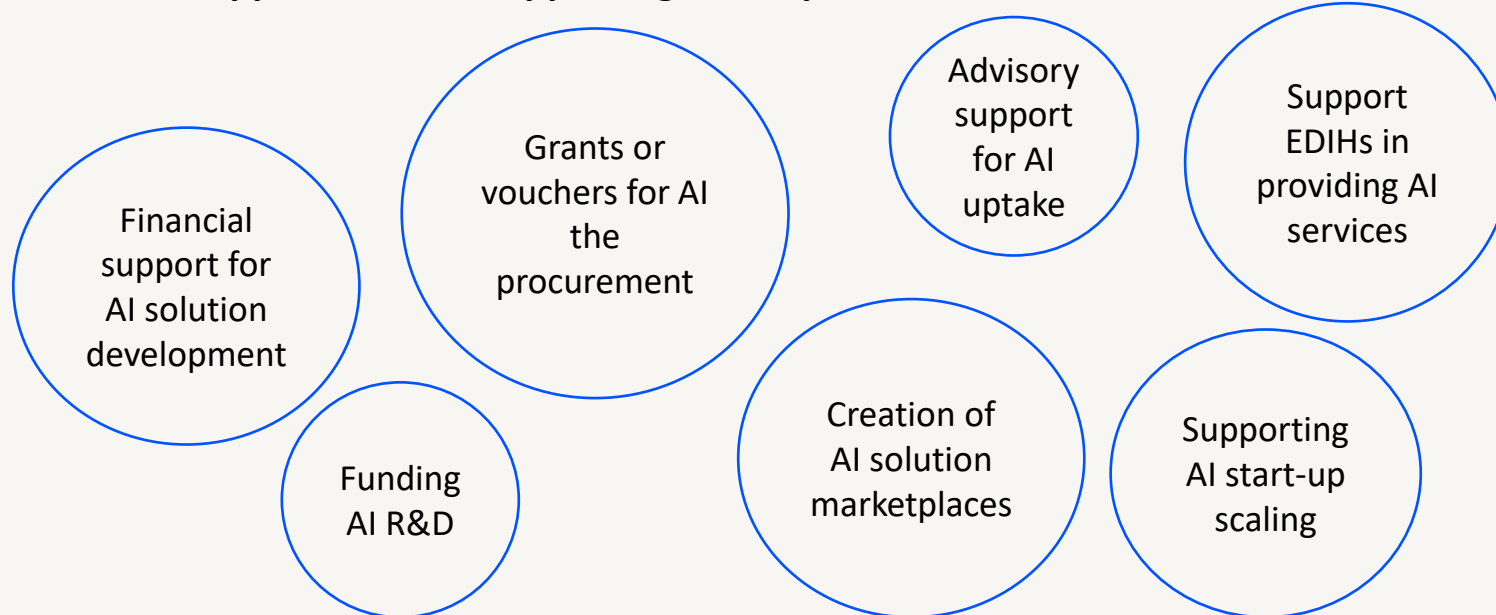
Zooming into AI

- **AI adoption in the EU is low**—the average adoption rate in the EU is 8%, significantly below the 2030 Digital Decade target of 75%.
- **The uptake of AI in the EU is uneven across sectors** – with construction and accommodation and food sectors falling behind the most.
- **Most used AI technologies in the EU are process automation and text mining**, while autonomous vehicles and machines are used the least.



AI-adoption supporting measures

- Almost all EU countries have or are currently developing **national AI strategies**.
- **Common approaches for supporting AI adoption** across the EU include:



- **240 EDIHs support AI uptake across Europe. Examples of AI focused EDIHs** include: Green AI SME hub in Germany, AI EDIH in Hungary, AIR4S and CIDAI in Spain, AI and Gaming EDIH in Croatia, AIRE in Estonia, sustAI.n.brussels in Belgium and CeADAR in Ireland.

Notable **support measures for AI adoption** include:

- **Digital maturity assessments (EDIH)**: evaluating maturity of different AI technologies among enterprises across sectors in **Malta**.
- **Start AI – assisting SMEs**: an initiative of **Belgian** AI EDIH supporting businesses in understanding and leveraging AI technologies.
- **CeADAR Connect**: a programme where a data scientist from CeADAR, an **Irish** EDIH, integrates into a company’s project team to advance AI initiatives.
- **Digital Native Finland - Generative AI**: providing support for the use of generative AI in development of products and services.
- **Pack AI**: providing funding and personalised support to SMEs for AI adoption in **France**.
- **AI marketplace**: a hub for networking of AI users, providers and researchers in **Austria**
- **AI studios**: informing and empowering employees about AI applications in **Germany**

Role of EDIHs in digitalisation

The EDIH network plays a crucial role in supporting business digitalisation and diffusion of technology uptake across Europe.

Existing EDIHs' network geographical coverage is very wide, covering most regions in Europe.

EDIHs play an important role in supporting both late adopters and companies aiming to harness more advanced technologies.

The top technologies targeted in EDIH services are AI and cybersecurity.

EDIHs play an important role in knowledge diffusion about existing EU funding initiatives.

Looking at sectoral focuses, out of those that specialise EDIHs tend to focus on manufacturing.



European
Digital Innovation
Hubs Network

Working together

Validation process

- To ensure reports accurately reflect the state-of-play European Member States, we ask for your input in their validation process.
- After the EDIH Summit, you will receive draft country reports for validation.
- We will collect feedback until 13 December.



Areas of focus for the feedback:

- Do the good practices included in the reports align with the strengths of the country?
- Are there any initiatives or strategies missing that we should spotlight?
- Do the identified challenges & opportunities capture the main objectives of digitalisation going forward?

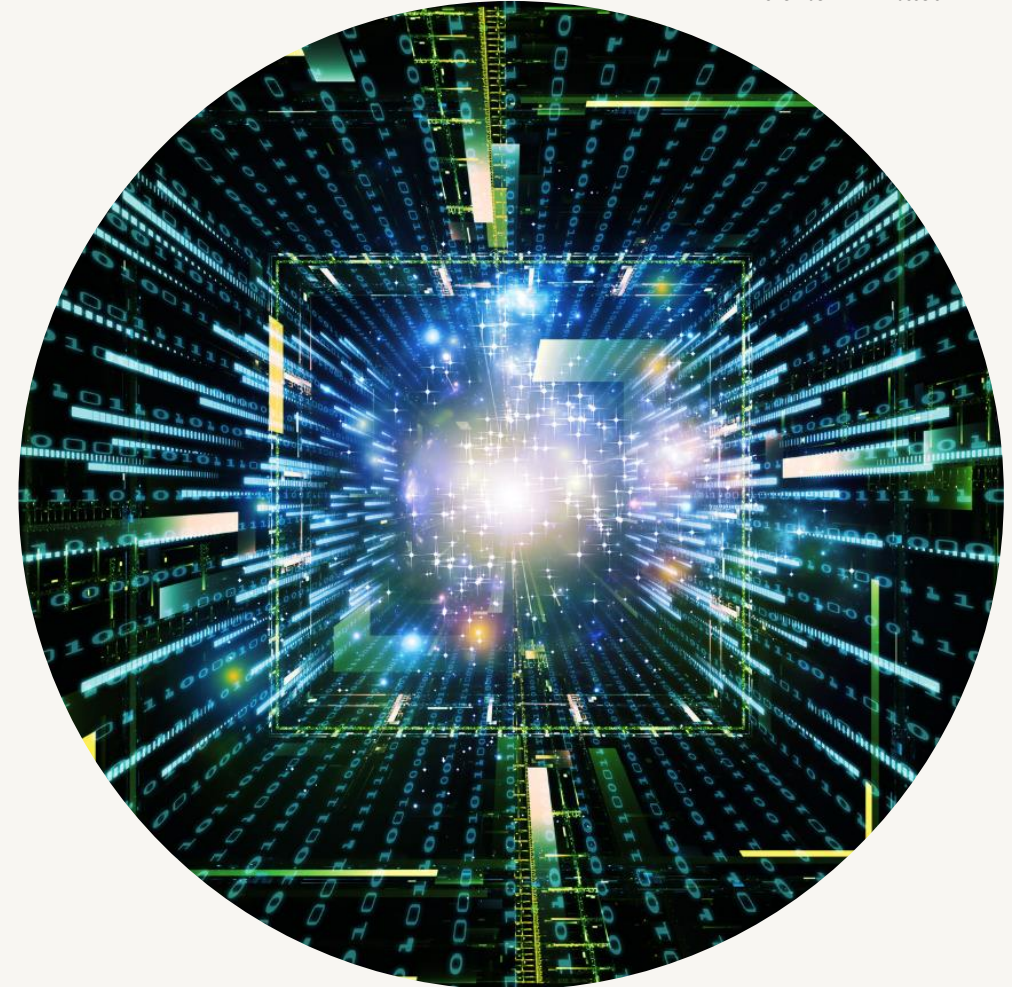
Some reports will also include clarifying questions on specific data points or initiatives identified within the report to facilitate your validation.



Next steps

Looking into 2025

- Next year, we will deep dive into looking at the AI ecosystem across Europe.
- The country reports will aim to provide insights on AI adoption across Europe, potentially taking an industry-specific view of AI ecosystems.



Validation process

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- Share draft country reports for your validation.
- Finalise and publish country reports.
- Prepare and publish the cross-country report.



Thank you!

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