



Digital Resilience
for European Microenterprises

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Mapping and stock taking of Digital Entrepreneurship challenges for MSMEs

Executive Summary

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Executive Summary

The DREAM project, under the auspices of Work Package 2, “Mapping and stocktaking of digital entrepreneurship challenges for MSMEs”, is dedicated to providing an extensive analysis of the digitalisation needs of Micro, Small, and Medium-sized Enterprises (MSMEs) at both the European Union and country levels. This work package aims to identify the needs, trends, opportunities, and challenges faced by MSMEs in the context of digitalization, especially in the post-pandemic scenario.

The partners’ meticulous analysis has led to the production of five country-level reports, encompassing France, Italy, Spain, Slovenia, and Greece, in addition to an overarching EU report.

The reports presented within this executive summary collectively illuminate the current status of digital entrepreneurship and digital resilience among MSMEs. By unveiling the challenges, opportunities, and strategies for promoting digital competences within these enterprises, the reports equip owners, managers and staff of MSMEs, policymakers, educators, and stakeholders with essential insights to navigate the digital landscape. By addressing the identified skill gaps and leveraging best practices, targets can foster the digital readiness of MSMEs, ensuring their continued success and competitiveness in the evolving business landscape.

This executive summary serves as a comprehensive snapshot of key findings that have emerged from the in-depth analysis of country-level and EU-wide contexts. Within its pages, readers will find an overview of six reports, each focused on digital entrepreneurship for MSMEs, including the EU report and the Country Snapshots of France, Italy, Spain, Slovenia, and Greece. These reports present valuable insights into quantitative and qualitative indicators, highlighting the challenges, opportunities, and initiatives relevant to digitalisation and digital competitiveness. As readers progress through the subsequent sections, they will discover detailed overviews of each report, replete with key takeaways and actionable recommendations that can drive positive change in the MSME ecosystem.

EU Report – Overview

In the quest to unlock the full potential of Micro, Small, and Medium-sized Enterprises (MSMEs) in the digital era, the EU Report takes centre stage. This comprehensive analysis casts a spotlight on the digital resilience and digitalisation of MSMEs at the EU level, revealing the challenges and opportunities shaping their digital transformation journey.

As readers delve into the heart of this report, they find MSMEs occupying a pivotal role in the European economy, constituting 99.9% of all enterprises and employing over half of the EU’s workforce. The COVID-19 pandemic tested their resilience, and amid the crisis, these enterprises displayed remarkable adaptability, embracing digitalisation to navigate the new scenario.

Yet, disparities in digital intensity exist within the EU, with some regions demonstrating higher levels of digitalisation than others. A mere 55% of EU MSMEs have reached a basic level of digital intensity, signalling the need for accelerated progress to meet the European Commission’s ambitious target of 90% by 2030.

The report underscores the barriers that hinder the pace of digital transformation among MSMEs, including a lack of essential skills, financing constraints, and infrastructure and cybersecurity challenges. Bridging these gaps requires tailored support, financial resources, improved digital infrastructure, and regulatory clarity.

Training curricula should focus on educational digital priorities such as essential digital skills, cybersecurity and risk management, digital marketing and online presence, e-commerce and online sales, finance



management for digital, cloud computing and data management, and business process automation to enhance MSMEs' digital resilience and transition.

The EU's dedication to fostering digitalisation is evident through funding initiatives and collaborative networks. Digital Innovation Hubs and programs like DigitaliseSME offer specialised knowledge and guidance, empowering MSMEs to navigate digital challenges and integrate technologies effectively.

In conclusion, this report reinforces the EU's commitment to empowering MSMEs in their digital journey. By addressing challenges, providing targeted support, and fostering collaboration, the EU endeavours to unlock the true potential of digitalization, driving the growth, competitiveness, and overall contribution of MSMEs to the digital economy.

Country Snapshot – French Overview

In the captivating landscape of French MSMEs, this Country Snapshot unveils the essence of digital resilience and digitalisation. In the face of a rapidly evolving business landscape, embracing digital technologies has become imperative for these enterprises to remain competitive and responsive to customer demands.

The report highlights the urgency of digital resilience, especially in the post-pandemic scenario. It delves deep into the French MSME ecosystem, examining the level of digital adoption and the accessibility of digital infrastructure. The ongoing COVID-19 pandemic has served as a catalyst, compelling businesses to pivot their operations and embrace digital channels to sustain their activities.

To enhance digital resilience, targeted interventions play a pivotal role. The report emphasises the significance of government initiatives, business support organisations, training programmes, and financial incentives to bolster digitalisation efforts.

In the pursuit of digital transformation, French MSMEs face a skills gap that hampers their progress. Factors such as limited digital skills and capabilities, insufficient access to technology and connectivity, regulatory complexities, and inadequate support infrastructure have hindered the digital journey of many French MSMEs. The areas of interest for training curricula include digital marketing, online presence, data analytics, e-commerce, and cybersecurity, among others.

The analysis also identifies the challenges faced by MSMEs, including barriers and skill gaps in digital upskilling, flexibility and adaptability in a post-COVID environment, limited resources and financial constraints, rapid technological advancements, and awareness and knowledge gaps.

Addressing challenges calls for strategic planning, understanding digital regulations, and investments in training. A supportive ecosystem, comprising government and private sector collaborations, is essential to foster digital resilience and unlock the potential of French MSMEs in the digital era.

Country Snapshot – Italian Overview

Nestled in the enchanting realm of Italian MSMEs, the Country Snapshot unearths the essence of digital resilience and digitalisation in this vibrant landscape. These enterprises play a vital role in Italy's economy, constituting 99.9% of all businesses and contributing significantly to total employment.

The report reveals promising progress in the digital transformation of Italian MSMEs, with nearly 70% achieving at least a basic level of digital intensity, surpassing the European average. However, opportunities for growth abound, as only 26.8% have reached high-level digital intensity.



Amidst the progress, a skills gap persists, impeding the full embrace of digital transformation. The list of gaps contains awareness and knowledge, technical capabilities, ability to implement, awareness and marketing and financial capabilities. Targeted interventions and investments in digital training can pave the way for Italian MSMEs to thrive in the digital economy.

The Italian government's commitment to supporting digitalisation is evident through a plethora of initiatives, including financial assistance, technical support, training programmes, and collaborative networks. Private organisations add to the tapestry of opportunities by providing tailored packages and resources to empower MSMEs with digital tools.

Overcoming financing constraints, addressing the fragmented digital market, preventing and managing the cybersecurity risks, ensuring compliance with regulations and reducing the digital divide caused by disparities in infrastructure emerge as critical challenges. With strategic planning and a supportive ecosystem, Italian MSMEs can embark on a transformative digital journey, driving sustained competitiveness and economic growth.

Country Snapshot – Spanish Overview

This national analysis report delves into the digital resilience of Spanish MSMEs. The study aims to identify training needs and assess challenges and opportunities for enhancing digital capabilities.

Given that MSMEs account for 99.9% of all companies in Spain, ensuring the digital resilience of smaller enterprises becomes even more crucial. The COVID-19 pandemic accelerated the digital transformation of the business sector, impacting MSMEs, particularly small and micro enterprises, causing economic hardships and employment reductions.

Through a combination of quantitative and qualitative indicators, the report reveals crucial insights into skills gaps and training requirements essential for bolstering the digital resilience of Spanish MSMEs. It also explores available training opportunities, operational tools, and successful case studies, with an emphasis on public initiatives.

The journey towards digital resilience is not without its hurdles. Challenges such as the absence of digital skills, resource limitations, and resistance to embracing new technologies have been noted as obstacles that must be addressed effectively.

The findings stress that digital resilience is a decisive factor in the survival and growth of MSMEs. To achieve this, companies are encouraged to invest in digitalisation and upskilling their workforce while fostering a culture of openness to technological change. Moreover, it highlights the need for a diverse range of tailored training programmes and continued efforts to empower Spanish MSMEs with digital competence, ensuring their competitiveness and sustainable growth in the future. Finally, relevant stakeholders are urged to work together to support the digitalisation of MSMEs, particularly smaller ones, in order to fortify their position, contribute to the economy, and provide employment opportunities to society.

Country Snapshot – Slovenian Overview

Slovenian report focuses on the crucial aspects of digital resilience and digitalisation for MSMEs. Also here, the COVID-19 pandemic has emphasized the significance of these factors in shaping the country's economy. To measure digital resilience, the report considers indicators such as access to high-speed internet, implementation of digital technologies in operations, online presence, and cybersecurity measures.



The report emphasizes the importance of reliable and high-speed internet for MSMEs, enabling efficient operations, especially during the pandemic with remote work and online transactions becoming prevalent. Encouraging the adoption of digital technologies is another critical aspect to streamline business operations and increase efficiency.

Furthermore, the percentage of MSMEs with an online presence is seen as a key indicator of digitalisation, allowing businesses to reach new customers and expand their market. Implementing cybersecurity measures is equally essential to safeguard businesses from cyber threats like ransomware and malware.

The report's conclusions highlight various measures taken to support MSMEs and entrepreneurs, such as liquidity aid and recovery schemes. It identifies key areas of focus for MSMEs and entrepreneurship within the country's Industrial Strategy 2021-30, including digitalisation, innovation, and internationalisation. Furthermore, Slovenia's digital transformation efforts aim to have a substantial number of companies using cloud computing, big data, and artificial intelligence services by 2030. The Digital Slovenia 2030 strategy outlines several priority areas, including gigabit infrastructure, digital competencies and inclusion, digital transformation of the economy, Smart Society 5.0, digital public services, and cybersecurity.

Country Snapshot – Greek Overview

The Greek report focuses on the significance of digitalisation for MSMEs in the context of the 4th industrial revolution. The COVID-19 pandemic prompts MSMEs to embrace digital technologies and participate in the global digital community. However, the digitalisation of MSMEs in Greece has been slow and uneven, with many MSMEs lacking an online presence and e-commerce capabilities before the pandemic.

Online and personalised training, along with the use of operational tools like website builders and cybersecurity measures, are essential in helping Greek MSMEs leverage digitalisation for growth and efficiency. Embracing digital solutions is crucial for businesses to stay competitive in the evolving global market landscape.

The report highlights several challenges and opportunities. The skills gap remains a key challenge, with many MSMEs lacking the necessary digital expertise to take advantage of digital opportunities. Need assessments are crucial to identify the specific digital needs and capabilities of MSMEs. Emerging digital priorities for MSMEs in Greece include developing online presence and e-commerce capabilities, improving digital marketing and customer engagement, and enhancing digital security and data protection. The report suggests tailored training curricula in online marketing, e-commerce, social media management, digital security, and data analytics to address these priorities.

However, several challenges need to be addressed, including digital infrastructure limitations, limited digital literacy, financial constraints, resistance to change, and language barriers. The report recommends solutions such as tailored training programmes, government support and incentives, public-private partnerships, digital hubs, awareness campaigns, and collaboration with educational institutions.

Conclusion

Collectively, these overviews offer a glimpse into the current state of digital entrepreneurship and digital resilience among MSMEs in the EU, France, Italy, Spain, Slovenia and Greece. Armed with insights and targeted strategies, stakeholders can navigate the digital landscape and propel positive change in the MSME ecosystem, ensuring their continued success and competitiveness in the ever-evolving business landscape.

