

Digital Enterprise Spain

Banco de España - EIB Conference

Digitalisation and Investment in Intangible Capital: The Spanish Case within the EU Session 2: Supporting Investment in Digitalisation and Intangible Capital

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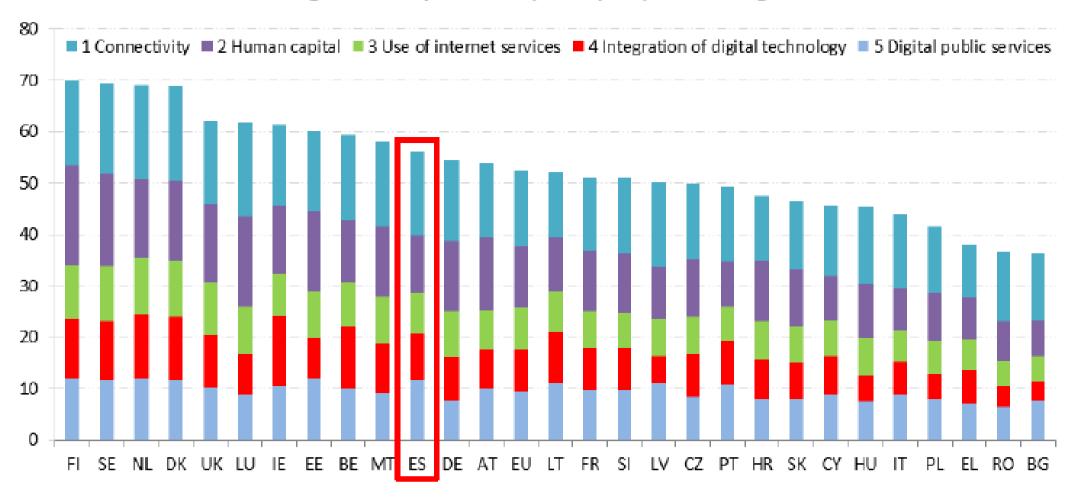


Diagnosis on the digitalisation of SMEs in Spain

Digital situation in comparative terms (I)



Digital Economy and Society Index (DESI) 2019 ranking

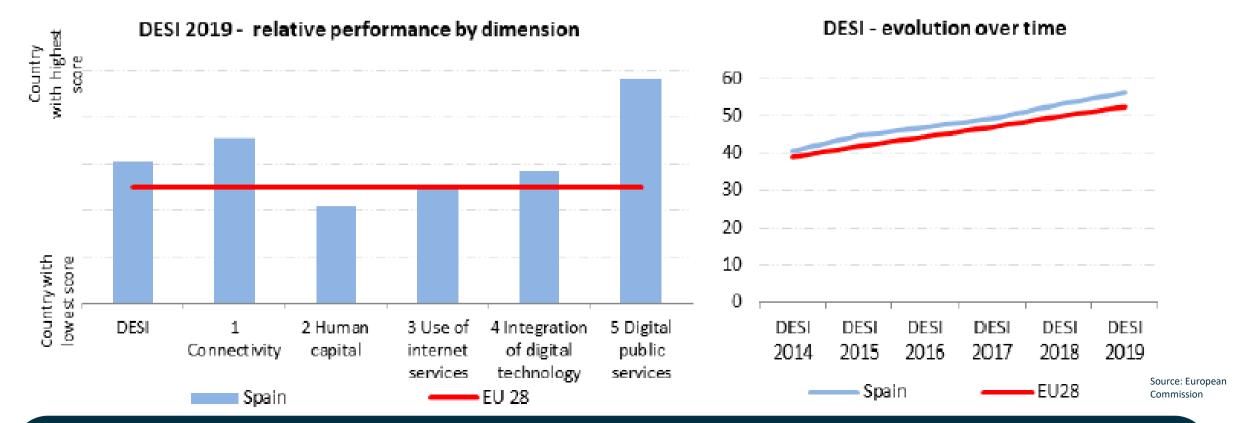


Source: European

Spain ranks 11th out of 28 EU Member States in the Digital Economy and Society Index (DESI) 2019.

Digital situation in comparative terms (II)

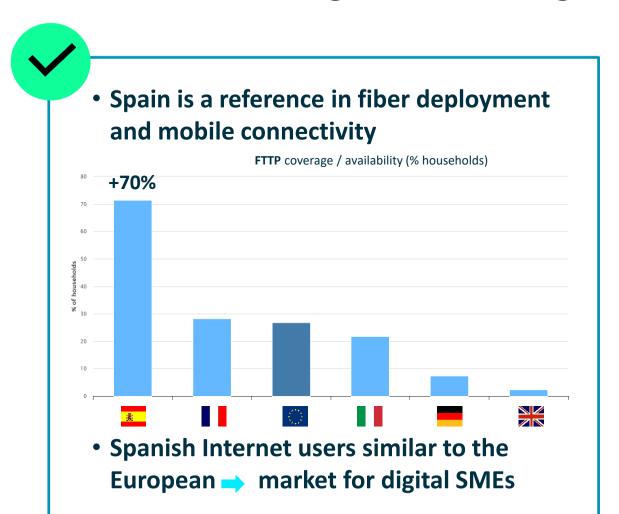




- The improvement is due to a better performance in some of the DESI dimensions measured, namely **Connectivity and Digital Public Services.**
- Spain performs well in **connectivity**, thanks to the wide availability of fast and ultrafast fixed and mobile broadband networks and to the increasing take-up.
- Spain is doing best in the area of **digital public services**, having implemented its e-government strategy in good time. It ranks fourth in the EU in this area.
- With regards to **Human capital**, Spain ranks at the same level as last year, and still scores below the EU average in this dimension.

Situation and diagnosis on digitalisation of SMEs







- There is no sense of urgency for digitalisation
- Digitalization considered more as a means to cut costs and be more efficient, than as an advantage to adapt to the demands of the new customer and increase sales
- Ignorance of where to start or what technological elements to introduce

The deficit in awareness of the urgency and digital opportunities, training in ICT, support in the digital transformation and availability of financing, undermine the digital transformation of SMEs

Spanish SMEs are smaller than European ones and present challenges





SMEs: Key in the Spanish economy





- 1. Average size smaller than EU
- 2. Spanish productivity below EU average
- **3. Exports** concentrated in large companies
- 4. Reduced innovation
- 5. Access to financing (increasing restrictions)

Digitalisation is an opportunity to grow the added value of SMEs, productivity and employment



Bases for the digital transformation of SMEs: business perspective



Strategy focused on the new client

Where should SMEs start the digital transformation?



PROACTIVE

Participative, information producer. Shares ideas, opinions and content in their social circle

Seventy-seven per cent of consumers would leave a review if requested (3) Eighty-nine percent of users would recommend a brand on their mobile after a positive experience (2)

HYPERCONNECTED AND MOBILE

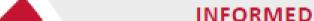
Permanently connected in real time through different devices, particularly the mobile phone

Eighty-five percent Spanish 16 to 74 year olds are connected to the internet: Nine out of every 10 users are connected by mobile

EMPOWERED

More power than in the physical world

Ninety-three per cent claim that reviews influence purchases (3). Over the last two years there has been a 35% increase in product reviews (2)



Customers have a large amount of information available to them, not only from the physical world

In Spain, 8 out of every 10 users look for information about products and service using their internet connection (1)

SOCIAL

Interacts on different social networks

Sixty-seven per cent of Spanish internet users participate in the social networks —apart from Whatsapp—(1) Customers are changing and businesses of all sizes need to adapt accordingly. There are no spatial, time or social barriers for today's customer, or for the customer of the future.

The customer of today

Customers seek immediate gratification and that they product or service be delivered at the chosen place and time

Fifty-three per cent of online purchases are abandoned if the download takes over 3





DEMANDING AND DISLOYAL

Low tolerance with mistakes. Customers like to try out, compare product or service prices and sometimes forsake the brand they normally use

"Best" product searches on mobile phones have increased by 80%, while "for me" ones have risen by 60%, over the last two years (2)

MULTI-AREA

IMPATIENT

Concentration capacity and attention spans have dropped.

Mobile users are multi-area

When working with a computer we change the screen every 47 seconds (4) 70% of people use their mobile phone when shopping in shops (2)



Where should SMEs start the digital transformation?

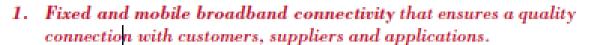
Strategy focused on the new client

Analysis of the own state of digital maturity

Plan based on objectives

Selection of the right technology

Ten digital solutions for SMEs





- 2. Multichannel contacts smart management platforms (CRM) that make it possible to meet the expectations of increasingly digitalised customers.
- Digital management and office automation applications that can be accessed from any device that integrates information in real time, automates formalities and enables e-billing.
- Digital work stations with a heavy mobility component to ensure efficiency and cut down on idle periods.
- Cloud backup copy applications to ensure recovery in case of attacks or catastrophes. Depending on the activity and business needs, SMEs should consider migrating their services to a cloud environment.
- Websites and online stores to broaden the business focus, strengthen digital relations with customers and sell more.
- Services and devices to digitalise business premises and other customer contact points and to personalise the commercial offer.
- 8. Basic security applications to clean email, protect the SME information and network and to ensure secure web browsing.
- IoT platforms to reduce costs related to activities like automatic information collection, geographically distributed device services, fleet management and video control and surveillance.
- 10. Business Intelligence (BI) and Big Data services to improve management by introducing techniques that transform the data collected in all processes into relevant information for management purposes and to develop the business model.



Bases for the digital transformation of SMEs: institutional perspective



Levers and areas of action to accelerate SME digitalisation

AWARENESS

Helping the SMEs to understand the benefits of the change, the new value model underlying this change and the risks of failing to adapt.

2

BUILDING

Promote an appropriate context for digital transformation:

- 1. Training and digital skills: boosting digital human capital
- 2. Boost of technology transfer
- 3. Financing

3

ACCELERATION

Provide the right **conditions for growth**:

- 1. Simplification of regulatory and administrative barriers
- 2. Accompaniment for digital transformation
- 3. Cooperation and digital ecosystems

In short, why the digitalisation of SMEs?





A NEW CUSTOMER

 Digitalisation is brought and demanded by customers



AFFECT ALL COMPANIES AND SECTORS

- The challenges associated with digitalisation affect companies of all sizes and all sectors ...
- ... but especially to the traditional ones, to which a large part of SMEs belong



NEW OPPORTUNITIES

- Not adapting involves risk of disappearance ...
- ... and digitalisation offers great opportunities: growth and internationalization

DIGITALIZATION



España Empresa Digital / Digital Enterprise Spain

DIGITAL ENTERPRISE SPAIN	Digitalisation as a competitive lever for SMEs
35%	
Cámara Charaker of Connection of System	A way to build Europe European Regional Development Fund TCCámaras



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Guide for SMEs





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