

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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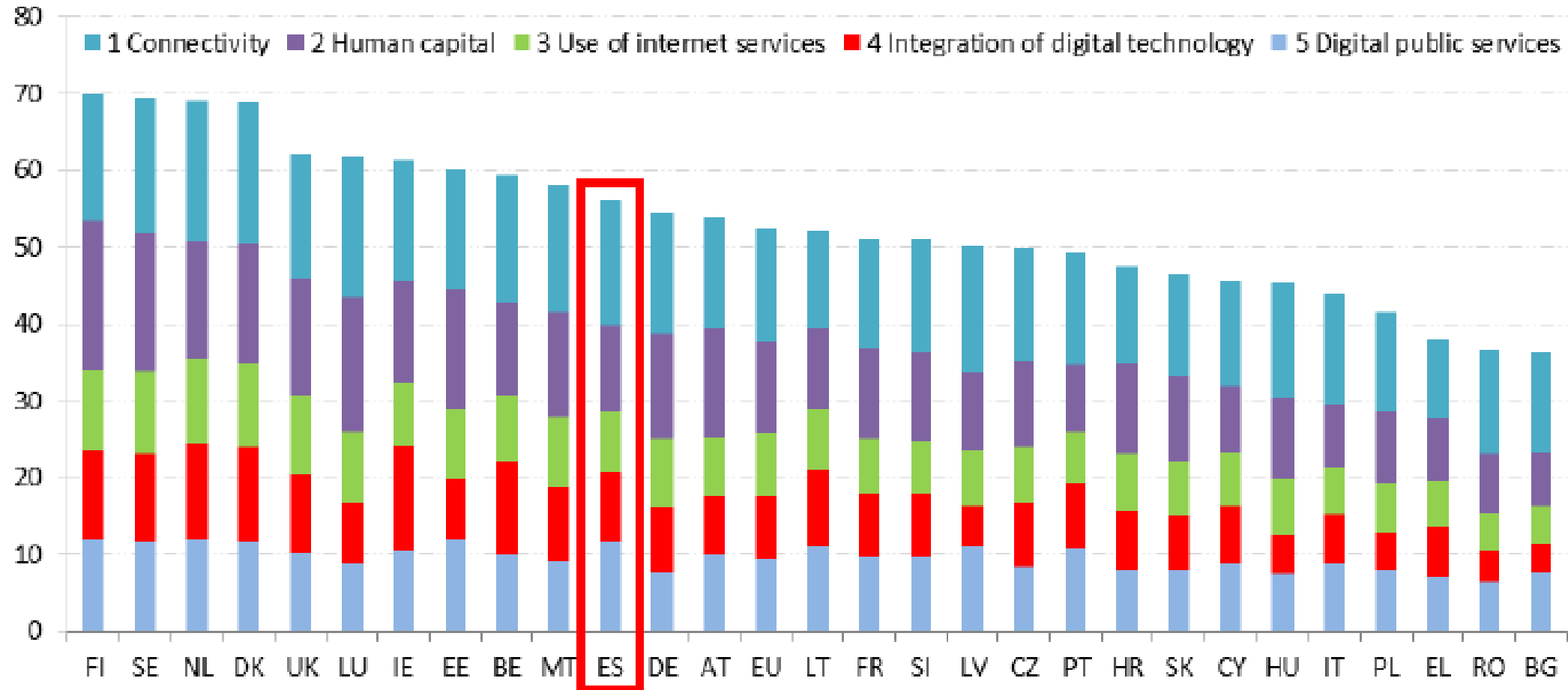
Diagnosis

on the digitalisation of SMEs in Spain



Digital situation in comparative terms (I)

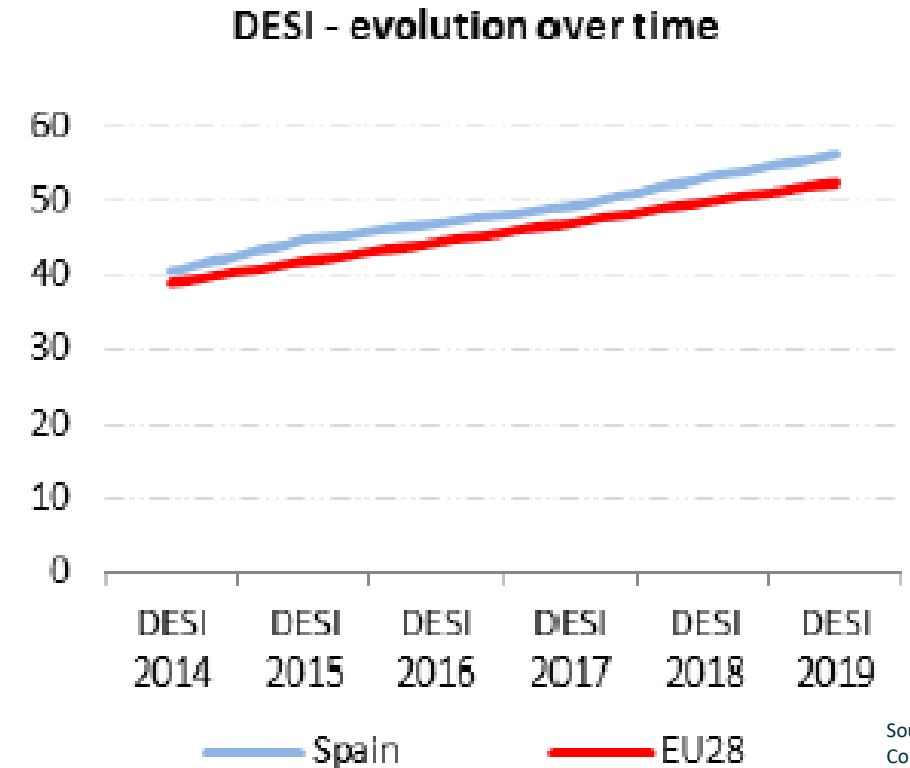
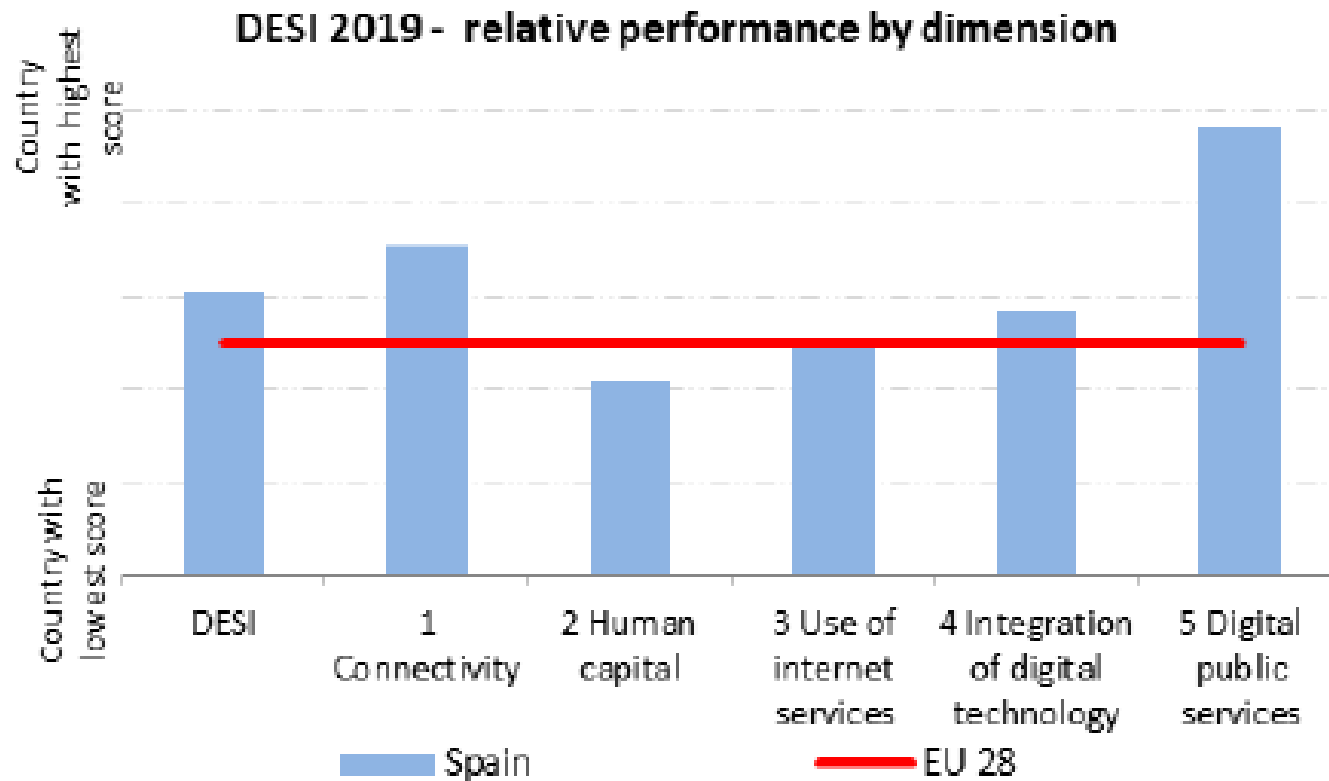
Digital Economy and Society Index (DESI) 2019 ranking



Source: European Commission

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

Digital situation in comparative terms (II)



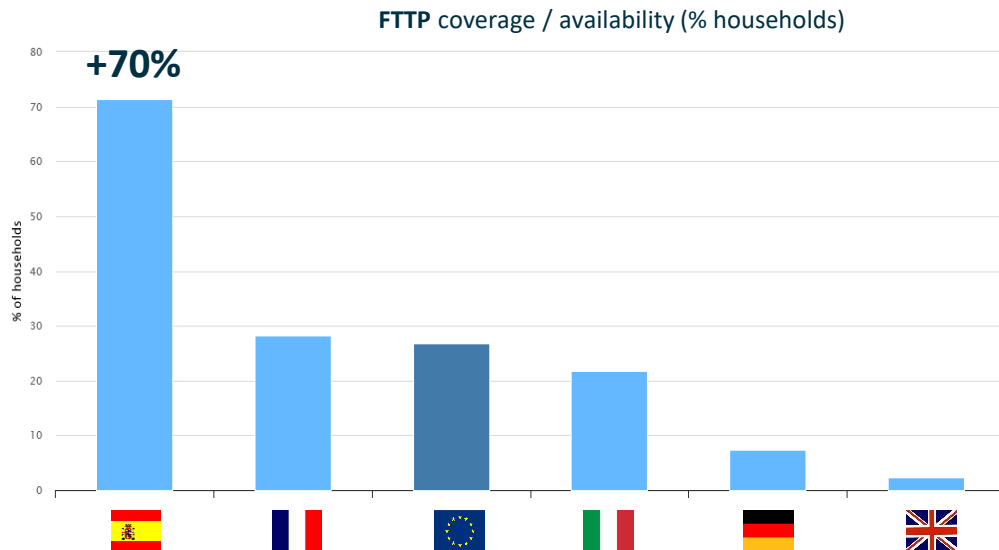
Source: European Commission

- 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.

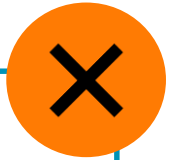
Situation and diagnosis on digitalisation of SMEs



- Spain is a reference in fiber deployment and mobile connectivity



- Spanish Internet users similar to the European → market for digital 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

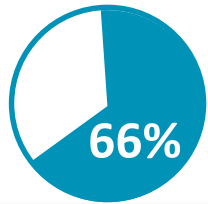
Spanish SMEs are smaller than European ones and present challenges

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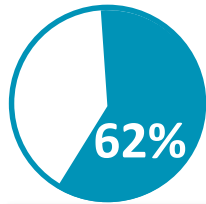
SMEs: Key in the Spanish economy



Enterprises



Employment



GDP

-

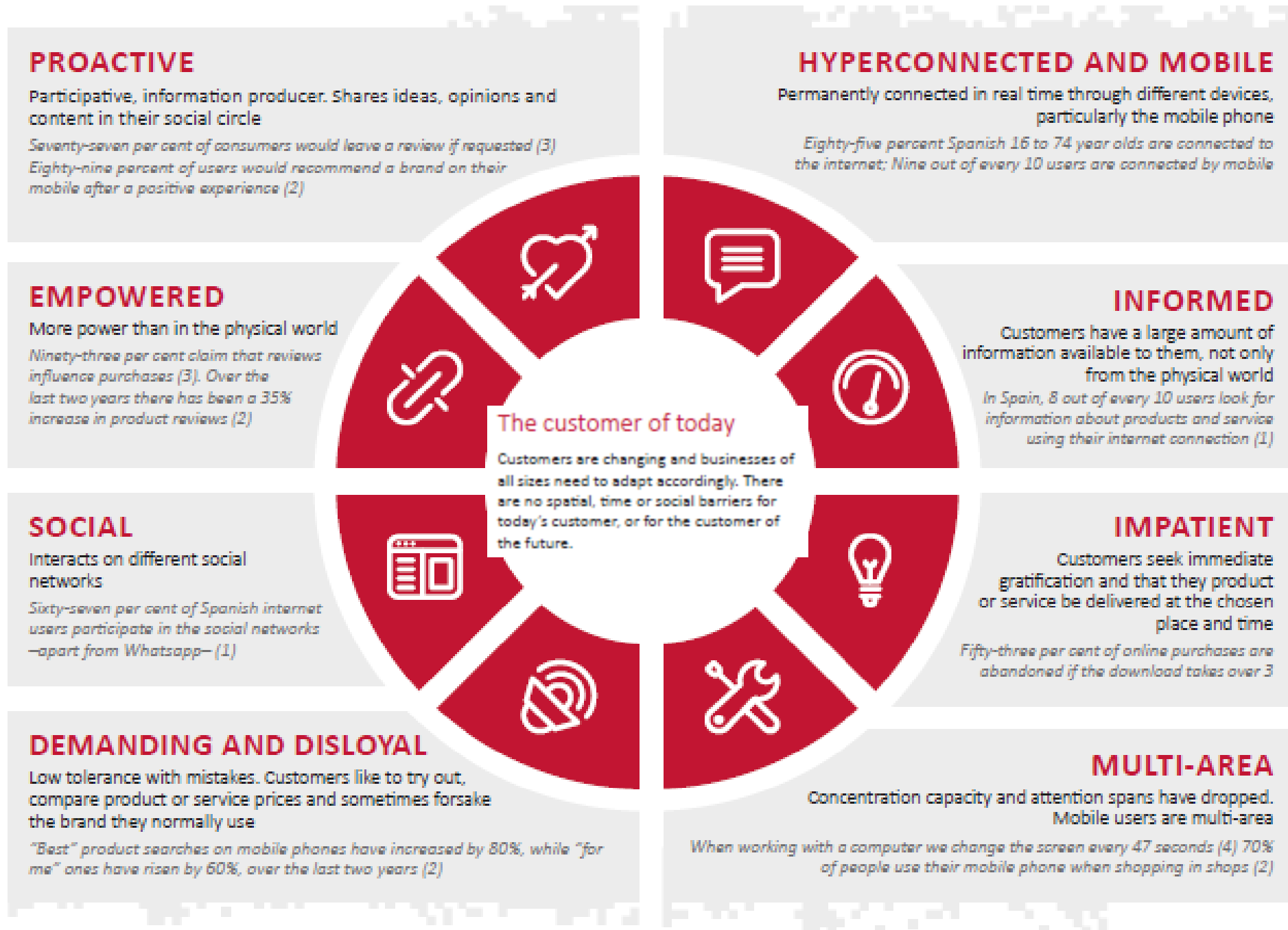
1. **Average size** smaller than EU
2. **Spanish productivity** below EU average
3. **Exports** concentrated in large companies
4. **Reduced innovation**
5. **Access to financing** (increasing restrictions)

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

Bases for the digital transformation of SMEs: business perspective

**Where
should SMEs
start the digital
transformation?**

Strategy focused on the new client



**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

1. *Fixed and mobile broadband connectivity that ensures a quality connection with customers, suppliers and applications.*
2. *Multichannel contacts smart management platforms (CRM) that make it possible to meet the expectations of increasingly digitalised customers.*
3. *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.*
4. *Digital work stations with a heavy mobility component to ensure efficiency and cut down on idle periods.*
5. *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.*
6. *Websites and online stores to broaden the business focus, strengthen digital relations with customers and sell more.*
7. *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.*
9. *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

1

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



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Guide for SMEs



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