



*Digital Transformation of Industry
The EU vision, strategy and actions*

***GROW SHOW 2015**
Co-innovation event*

17 June 2015

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Why is a strong Digital Single Market important for Europe?



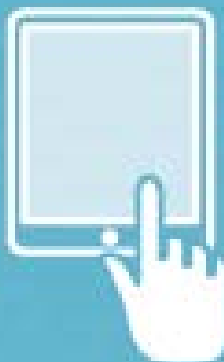
Europe and its companies cannot afford to miss the opportunities offered by a fast growing digital economy. For this to happen, we need a strong Digital Single Market to overcome the fragmentation of the internal market and divergent national regimes. It is time to unlock the growth that this economy could generate. This is a clear priority for the European Commission.

Elżbieta Bieńkowska

***Commissioner Internal Market, Industry, Entrepreneurship and
SMEs - DG GROWTH***

Why we need a Digital Single Market

315 million
Europeans
use the
Internet
every day



A Digital Single Market

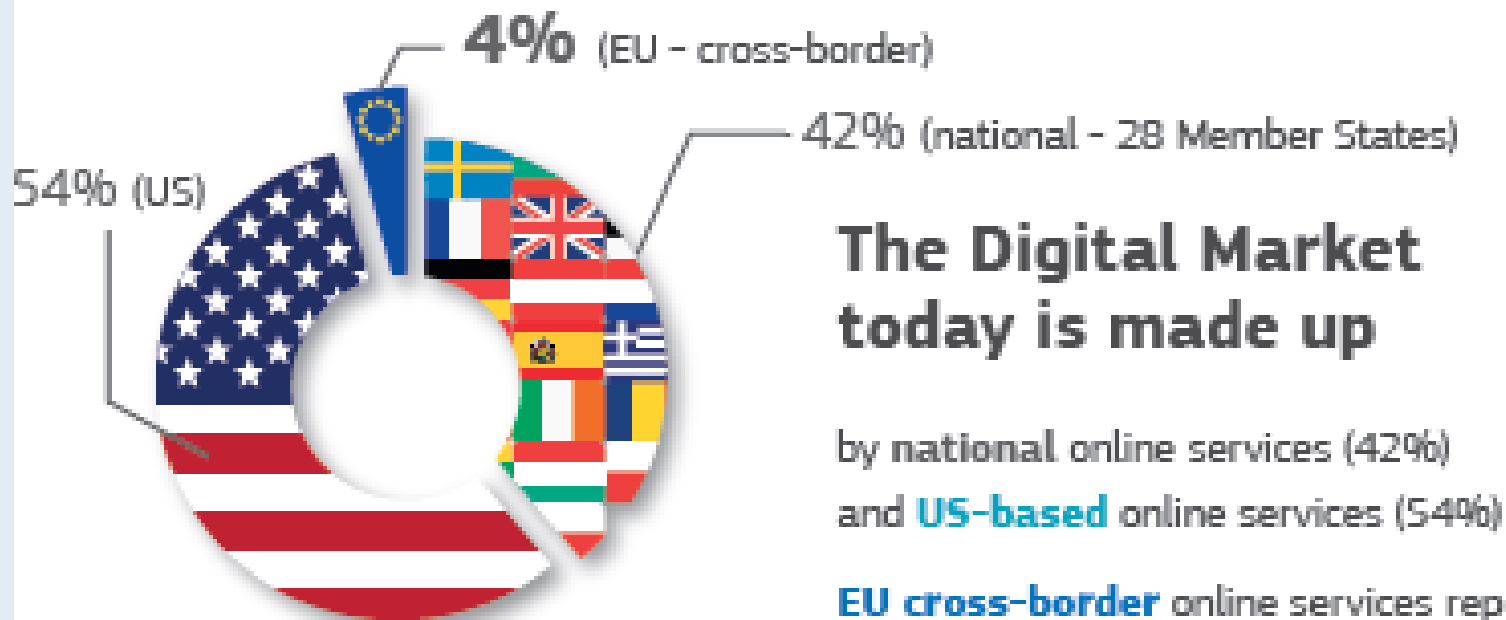
can create up to

€415 billion in additional growth,

hundreds of thousands of new jobs,

and a vibrant knowledge-based society

But obstacles remain to unlock this potential...



The Digital Market today is made up

by national online services (42%)
and **US-based** online services (54%)

EU cross-border online services represent only 4%



Digital matters to European economy



75%

75% of the **economic value** created by the Internet arises from traditional companies that are using web-based applications



1,5m

1.5m **additional jobs** would be created in the EU Internet Economy, if the entire EU mirrors the performance of US or Sweden

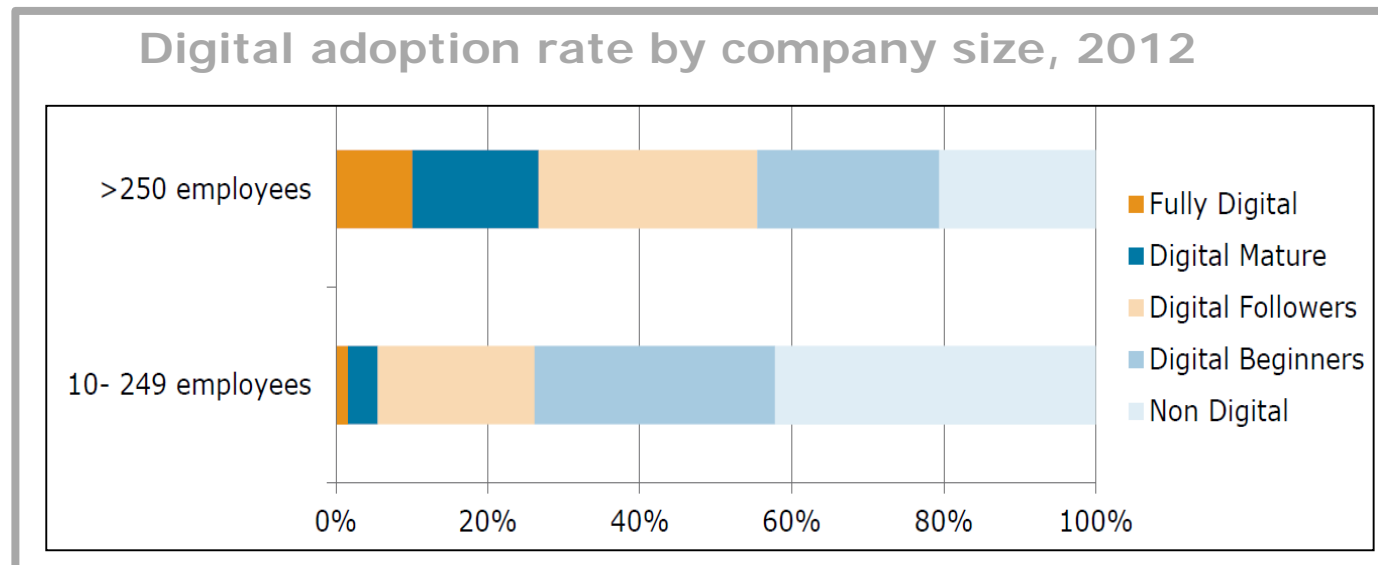


2-3x

SMEs **grow** two-three times **faster** when they embrace digital means

EU BUSINESSES ARE SLOW TO EMBRACE THE CHANGE

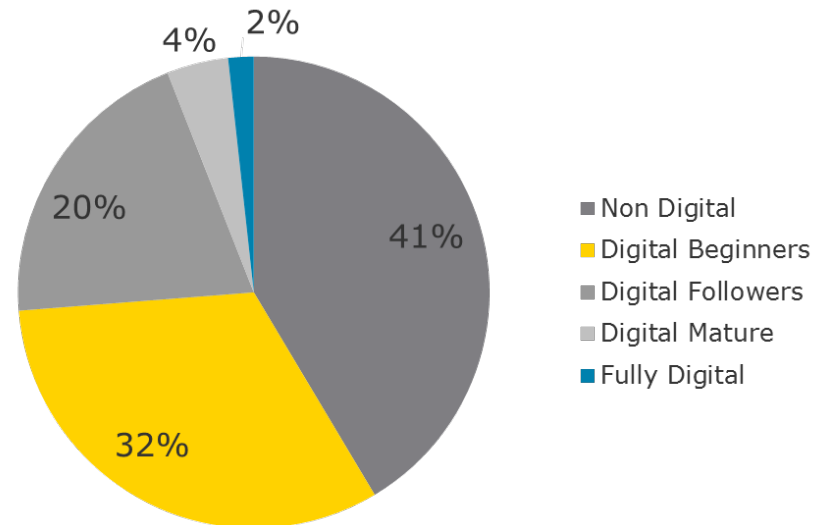
- ✓ Only 14% of SMEs use the **internet as a sales channel**
- ✓ **41% of EU companies still haven't adopted the second wave of advanced digital technologies** (mobile, social media, cloud computing and big data)
- ✓ **Progress is uneven among sectors and slow, especially for SMEs**



Only 2% of EU enterprises take full profit of the digital opportunities

Companies that stay ahead of mainstream IT adoption, and **employ new technology advances** (big data, cloud computing, mobile and social solutions) to improve efficiency, connect with new customers and markets, and compete with much larger players.

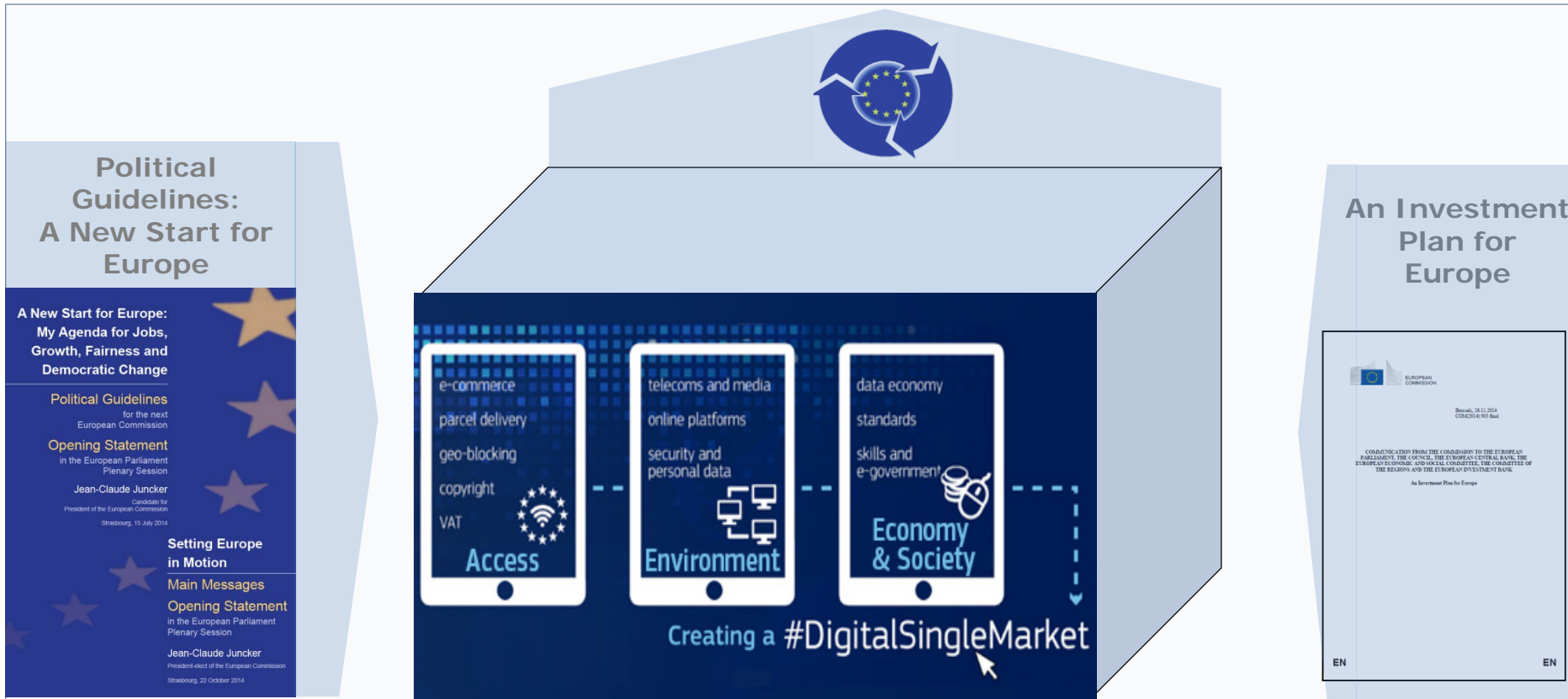
Distribution of Digital Enterprises:
10+ employees, Total EU



Source: IDC 2013



The three pillars of the Digital Single Market





The three pillars of the Digital Single Market

1 Better access for consumers and businesses to digital goods and services across Europe

Unlocking e-commerce potential



15% of consumers bought online from other EU countries in 2014, while **44%** did so **domestically**

→ EU consumers could **save €11.7 billion** each year if they could choose from a full range of EU goods and services when shopping online



Only **7% of SMEs** in the EU sell cross-border

Small online businesses wishing to trade in another EU country face around **€9,000 extra costs** for having to adapt to national laws

→ If the same rules for e-commerce were applied in all EU Member States, **57% of companies** would either start or increase their online sales to other EU countries



1 Better access for consumers and businesses to digital goods and services across Europe

1. rules to make **cross-border e-commerce** easier,
2. to enforce **consumer rules**,
3. more efficient and affordable **parcel delivery**,
4. to end unjustified **geo-blocking**,
5. to identify **potential competition concerns** affecting European e-commerce markets,
6. a modern, more **European copyright law**,
7. a review of the **Satellite and Cable Directive**,
8. to reduce the administrative burden businesses face from different **VAT regimes**.



The three pillars of the Digital Single Market

2 Shaping the right environment for digital networks and services to flourish

Strong European data protection rules to boost the digital economy



72% of Internet users in Europe still worry that they are being asked for too much **personal data online**

Rolling out fast broadband for all

Take-up of fast broadband is low: only **22.5% of all subscriptions** are fast ones (above 30Mbps) and Europe has witnessed significant time lags in the roll-out of the latest 4G technology due to the non-availability of suitable spectrum

Spectrum reforms can decrease prices of mobile services and boost productivity over time (estimated EU-wide GDP increase **between 0.11% and 0.16% over 5 years**)



Only **59%** of Europeans can access **4G**, dropping to **15%** in **rural areas**

2 Shaping the right environment for digital networks and services to flourish

9. present an ambitious overhaul of **EU telecoms rules**,
10. review the **audiovisual media framework**,
11. comprehensively analyse the role of **online platforms** (search engines, social media, app stores, etc.) in the market.
12. reinforce **trust and security** in digital services,
13. propose a **partnership with the industry on cybersecurity** in the area of technologies and solutions for online network security.



The three pillars of the Digital Single Market

3 Creating a European Digital Economy and society with growth potential

Big data and cloud



Digital data stored in cloud:
2013: 20% - 2020: 40%

The use of big data by the top 100 EU manufacturers could lead to
savings worth €425 billion

Studies estimate that, by 2020, big data analytics could boost EU economic growth by an additional **1.9%**, equalling a **GDP increase of €206 billion**

An inclusive e-society

Almost half the EU population (**47%**) is not properly digitally skilled, yet in the near future, **90% of jobs** will require some level of digital skills

A strategy of 'digital by default' in the public sector could result in around **€10 billion of annual savings**





3 Creating a European Digital Economy and society with growth potential

14. propose a '**European free flow of data initiative**' to promote the free movement of data in the European Union,
15. define priorities for **standards and interoperability** in areas critical to the DSM, such as e-health, transport planning or energy (smart metering),
16. support an **inclusive digital society** where citizens have the right skills to seize the opportunities of the Internet and boost their chances of getting a job. A new **e-government action plan** will also connect business registers across Europe.



Initiatives on Digital Entrepreneurship and Member States Policies (I)

The **Digital Entrepreneurship Monitor** monitors the key technological and market trends, emerging business opportunities, new business paradigms and their impact on the European economy.

Digital Entrepreneurship Monitor

So how far has digital entrepreneurship got in Europe and where's it going? The Digital Entrepreneurship Monitor will help you find all the facts and figures you need about digital entrepreneurship in Europe.

GROWTH
Stimulating Digital Entrepreneurship

European Commission - Growth - Stimulating Digital Entrepreneurship - Monitor

Home | Monitor | Project description | Statistics | Initiatives | Business Opportunities | One-stop shop | Contacts | Help

Monitor

Statistics | Initiatives | Business Opportunities | One-stop shop for business

Welcome to Digital Entrepreneurship Monitor web site. The aim of this portal is to foster the knowledge base on the state of play and evolution of Digital Entrepreneurship in Europe.

The site provides a monitoring mechanism to examine key trends in Digital Entrepreneurship. Information is provided about statistics, initiatives to support Digital Entrepreneurs and reports on business opportunities and digital technologies.

Policymakers and those assisting digital entrepreneurs are able to benchmark and compare their local and national performance using statistics. They can view more than 2000 inspiring examples of solutions to support digital entrepreneurs that might be adopted by their organisations. Insights for digital technologies and business models of successful digital businesses are also available.

Digital Entrepreneurs can read how digital technologies can transform their businesses in overview of leading digital technologies and case studies provide inspiring examples of how successful businesses have utilised digital technologies. Major statistics available in your country assisting businesses to become more digital can be reviewed. Digital Entrepreneurs can search for further, award-winning digital technologies, networks, initiatives and the national one-stop shop for business services.

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Stimulating Digital Entrepreneurship

European Commission - Growth - Stimulating Digital Entrepreneurship - Monitor - Statistics

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Statistics

Digital knowledge base and ICT Market

Indicator: Number of enterprises from the ICT sector in clusters
Country: European Union
Year: 2010

Timeline

Indicators

- European high technology patents per million inhabitants: 9.45
- Number of enterprises from the ICT sector in clusters: 14181
- Divides to enterprise R&D expenditure in all SMEs activities from high-tech sectors: 16555
- ICT sector (NACE Rev. 2) value added as a percentage of GDP: 4.31

European Union 14181

Ranking

Map of Europe showing ICT Market performance by country.



Initiatives on Digital Entrepreneurship and Member States Policies (II)



If you're an entrepreneur, doubt's a good thing. No, really it is. Doubt means you have to ask questions. And questions lead to answers... which can trigger great ideas. Doubts make entrepreneurs find creative ways to face difficulties. But a lot of people let their doubts stop them from becoming entrepreneurs.

The Wotify platform will help you get over the barriers which prevent you from starting your own business or digitizing it. How? By removing any doubts you may have and

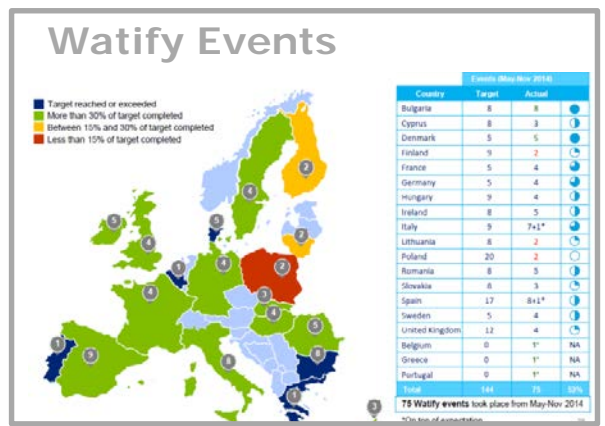
Wotify online

Breadth... How many people are connecting with Wotify on digital channels? Update: 9/12/2014

Platform	Stats
Facebook	15 600 Fans Average reach of 34 000 people
YouTube	6 984 Views 59 videos and 52 subscriptions
Twitter	2 185 Followers Average reach of 2 000 people
LinkedIn	189 Followers Average reach of 1 100 people
Wotify	1 941 monthly unique visitors on the website
Mentions	46 mentions/day

Direct Engagement... What content did people interact with on social media?

<p>"Uncertainty will always be part of the entrepreneurial journey" - Niko Nellassen - TapCrowd - Wotifyinspireyou</p> <p>11 Likes, 1 share, 540 clicks, 12 mentions, reaching 40, 288 people</p>	<p>"Entrepreneurship comes with great creativity" @NicolasFrenay, CEO at IcyWeyes Inc. Wotifyinspireyou https://youtu.be/0C7G1T5r3SE</p> <p>8 Retweets, 10 related mentions, 330 views</p>	<p>Wotify Stimulating Digital Entrepreneurship Moodfilm</p> <p>1:27 1.560 views, 5 reactions</p>
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Euromentors

euromentors
stimulating digital entrepreneurship

Launch at EP - 18/11/2014

Online selling tool

10 Things to know when selling online in the EU

- How can I protect my business concept?
- Where can I find finance and support?
- What should I do when setting up a web shop?
- How do I make sure to comply with personal data protection?
- What if I would like to set up promotional activities?
- How to make a legally compliant and bullet proof contract?
- What should I do to offer online payment services?
- How can I be compliant with tax declaration rules?
- What should I know about delivery services?
- What do I need to know about after-sales?

10 Fiches
16k Words
37 Pages
22 Languages



Watify's online reach is expanding fast

More than 23.000 people following Watify, and 30.000 people are reached every day

Breadth... How many people are connecting with Watify on digital channels? Update: 4/05/2015



Direct Engagement... What content did people interact with on social media?

Doubt is something we encounter every day. Every day can be like a rollercoaster. #WatifyInspireYou



453 Likes, 15.600 people reached

*18 mistakes that kill startups
#Watifyinspireyou <http://bit.ly/1ykICby>*



6 Retweets, 5 favorites, 997 impressions

Watify Stimulating Digital Entrepreneurship Moodfilm



1.824 views, 5 reactions

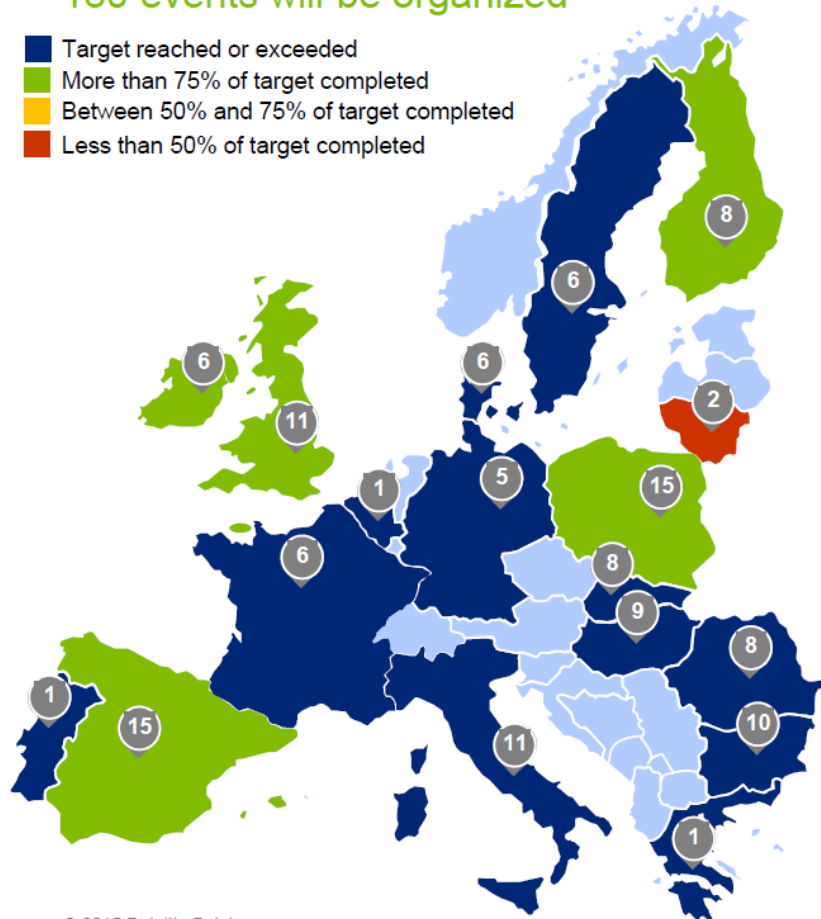


139 Watify events took place until April 2015**

All countries will exceed their targets, showing that the Doubt Sessions are an easy to replicate concept that takes off.

180 events will be organized

- Target reached or exceeded
- More than 75% of target completed
- Between 50% and 75% of target completed
- Less than 50% of target completed



Events (01 May 2015 – 01 May 2015)

Country	Target	Actual	Future	Total	
Bulgaria	8	10	0	10	●
Cyprus	8	10	1	11	●
Denmark	5	6	0	6	●
Finland	9	8	2	10	●
France	5	6	1	7	●
Germany	5	5	1	6	●
Hungary	9	9	1	10	●
Ireland	8	6	3	9	●
Italy	9	10+1*	1	11+1*	●
Lithuania	8	2	?	2	
Poland	20	15	8	23	●
Romania	8	8	1	9	●
Slovakia	8	8	1	9	●
Spain	17	14+1*	15	29+1*	●
Sweden	5	6	4	10	●
UK	12	11	2	13	●
Belgium	0	1*	0	1*	NA
Greece	0	1*	0	1*	NA
Portugal	0	1*	0	1*	NA
Total	144	139	41	180	97 %



139 Watify events took place from May 2014 – 01 May 2015

*On top of BIC/NTA events

10 things to know when doing business online



Launched on March 26, the guide for doing business online has been very positively welcomed by entrepreneurs, eager to share it in their local language

Enterprise Europe @EEN_EU · Mar 27
Does your #business sell products or services on-line? Check out @EU_Growth new on-line guide bit.ly/1BtkhL

What should I do when setting up a web shop?	How do I make sure I comply with personal data protection rules?
How do I promote my activities while complying with the law?	How to make sure my contract complies with the law and is 'bullet-proof'?
What should I know about online payments?	How can I comply with VAT obligations?

View photo

Ryan Heath follows
Eric Gilberts @ericgilberts · Mar 31
@ansip, @EBienkowskaEU : Interesting EU tool for guidance on rules for selling online in the EU bit.ly/1FK4limH #DigitalSingleMarket

SJIC @SJJohnsCentre · Mar 31
Sell online? This incredibly useful online tool by @watify explores 10 things to know when doing business online blog.stjohns.co.uk/2015/03/watify...

GrowthHackers and 18 others follow
Ecommerce Europe @Ecommerce_EU · Apr 3
@EU_Commission tool helps online merchants sell #crossborder. Read more: ow.ly/LSQPF #ecommerce #SMEs @EU_Growth @watify

Happy Startup School and 5 others follow
Lennu Keinänen @lennukeinanan · Mar 20
Great information package about #ecommerce #regulation in #EU. Everything from #marketing to #logistics ec.europa.eu/growth/tools-d...

Digitization stories

19 Digitization stories from 10 different countries have been provided to the European Commission

Skyclane Optics – Digitizing traditional manufacturing

Key Facts	
Name of digital story	Skyclane Optics
Foundation	1998
Digitized	2014
Industry	Telecommunications
Employees	36
Challenges	
Emergence of connected devices	
Fast-changing industry	
Need for more personalizing components	

TransferWise Ltd – Allows cheaper and more transparent money transfers all over the world

Key Facts	
Name of digital story	TransferWise Ltd
Name of organization	TransferWise Ltd
Founders	TransferWise Ltd
Industry	TransferWise Ltd
Team	TransferWise Ltd
Country	TransferWise Ltd
Challenge	
Increase productivity	
Reduce production costs	

Yoopies – A platform connecting parents and babysitters

Key Facts	
Name of digital story	Yoopies
Name of organization	Yoopies
Founders	Yoopies
Industry	Yoopies
Team	Yoopies
Country	Yoopies
Description	
Yoopies addresses the very common problem of parents wanting to go on a night out and having to find someone whom you trust enough to take care of your child.	
The solution offered by Yoopies is an online children platform that connects parents looking for babysitters with parents.	
The biggest obstacle to such a solution, the case of trust, is resolved by the implementation of a peer-to-peer evaluation/recommendation system using social media.	
The platform enables potential babysitters to increase their visibility and find more babysitting jobs as well as facilitates the search for a suitable babysitter by the parents.	
Benefits of the Digitization	
Reduce and better match between demand to and supply of babysitters.	Geographic Presence
Greater visibility for babysitting providers.	
Easier means to choose babysitting services.	



GOVERNANCE

The Strategic Policy Forum on Digital Entrepreneurship

Aim: To reinforce the dialogue among business, science and politics with the aim of shaping a common EU vision, and ambitious strategy to boost digital transformation in Europe.

- **Composition:** 34 members
- **Chair:** John Higgins, Director General, Digital Europe
- **Industry representatives:** digital entrepreneurs, traditional industries, technology providers and business associations;
- **Private organisations, NGOs, universities, research organisations, policy analysts, venture capital firms, etc.**
- **International Organisations + Public authorities**



John Higgins
Digital Europe
Director General



Irène Braam
Berthelemann
Vice President of
Government Relations



Antonio Murta
PATHENA
Managing Partner
Co-Founder



Filippo Addarii
The Young Foundation
Head of EuropeLab and
Director of International
Strategy



Javier Lopez Calvet
Carrefour
CFO - Belgium



Ignasi Guardans
CUMEDIAE
Chairman &
Founder



Bartłomiej Gola
SpeedUp Group
CEO



Alain Heuereux
The Egg Brussels
CEO



Franc Dorfer
Eierfabrik
Managing Director



Veronika Platyur
Bridge Budapest
CEO



Błaż Golob
GoForeSight
Institute
Director



Caroline Jenner
JA-VE Europe
CEO



Paul Browne
Enterprise Ireland
Manager
BE-NE-LUX



Axel Pols
EITO
Chairman EITO
Managing Director
Bitkom



Antoine Aubert
Google
Director, European
Public Policy



Stijn Vander Plaetse
Telenor
Vice President
Product and
Marketing



Jan Muehleit
Microsoft
Chairman Europe



Laurent Zibell
IndustriALL
Policy Advisor



Fabian Zuleeg
European Policy
Centre
Chief Executive



Colin Mason
University of Glasgow
Professor
Adam Smith Business
School



Sandy Grom
Department for
Business, Innovation
and Skills
Assistant director



Sylvia Leal Martin
IE Business School
Academic Director of
ICT and Innovation



Taylor Reynolds
OECD
Head of the
Information Economy
Unit



Patrick Hoffstetter
Renault
Chief Digital
Officer



Rinse Tamsma
SAP
Vice President
Global Sales
Business One



Carla Van Steenberg
Materialise
Chief Legal Counsel



Jeremy Millard
Danish Technological
Institute
Chief Policy Advisor



Filippo Berto
Berto Salotti
CEO & Founder



Fernando Herrero
Madrid Emprende
Head of Economic
Promotion Service



Ann Mettler
European Political
Strategy Centre
Head of the EPSC



Daniela Florea
Geo-strategies
CEO



Reinhilde Veugelaers
K. U. Leuven
Senior Fellow - Breugel
Professor K. U. Leuven



Eduardo Salido Cornejo
Telefonica Digital
Public Affairs and
Policy Manager



Nicholas Davis
rd Economic Forum
rector and Head of
Europe



GOVERNANCE

The Member State Board on Digital Entrepreneurship

The Member States Board assists the European Commission in shaping a common EU vision, and strategy on digital entrepreneurship.

It is composed of **policy makers, leading the digital transformation strategies** in their countries, with the view to:

- ✓ **promote the implementation** of the digital entrepreneurship strategy at EU, national, and local level.
- ✓ **ensure coherence and coordination among European, national, and regional policies and actions, under a common framework, to maximise EU-wide impact**



Leadership and collaboration



- 1** Demonstrate inspirational political leadership; set national digital transformation targets
- 2** Establish new centres of digital transformation excellence
- 3** Establish a pan-European network of such centres and from the shared experience develop a European blueprint

Build trust



- 4** Establish a dialogue between European businesses and technology platform providers
- 5** Reinforce high quality, available, and accessible cross-sector standards

Better and more skills and support



- 6** Re-focus funds and programmes to better support digital transformation
- 7** Promote the importance of digital leadership
- 8** Make digital part of the educational mainstream
- 9** Increase the supply of new, highly specialised skills

Make better policy, rules and regulations



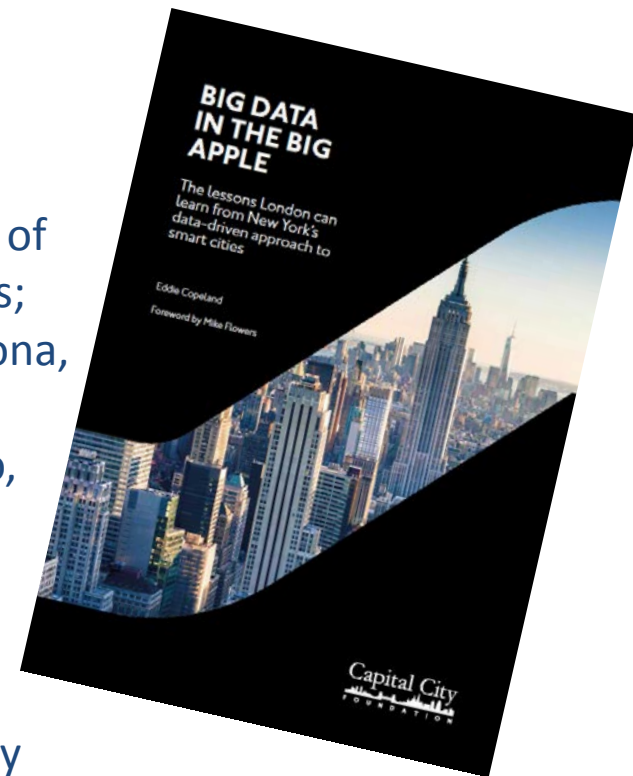
- 10** Establish a permanent observatory to catalogue policy and regulatory impacts on digital transformation
- 11** Put politicians, regulators and officials through digital boot camps
- 12** Examine new policy through a digital lens: the digital test
- 13** Harness the power of e-procurement

The role of cities as launch pads of digital transformation

- ✓ Map cities/centres of digital transformation;
- ✓ Learn from best practices;
- ✓ Create a blueprint for other less advanced cities
- ✓ Pilot and experimentation

Cities and Big Data

- ✓ Many cities are already pioneers in putting the intelligence of data analytics to the service of their citizens and businesses;
- ✓ London, Copenhagen, Amsterdam, Helsinki, Bristol, Barcelona, are among the pioneers in Europe
- ✓ But also innovative international cases: NY, Seattle, Toronto, Chicago, Singapore;
- ✓ Most popular applications concern traffic management, reduction of noise and air pollution, healthcare, statistics information
- ✓ Emerging applications to combat illegal housing, food safety inspections and boost new business growth





Further reading:

Digital transformation of industry and enterprises:

http://ec.europa.eu/growth/sectors/digital-economy/index_en.htm

Report on "Digital Transformation of European Industry and Enterprises":

http://ec.europa.eu/growth/sectors/digital-economy/entrepreneurship/strategic-policy-forum/index_en.htm

Thank you

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