# **Digital transformation and empowerment of SMEs**

Small to Medium Size Enterprises (SMEs) are an essential part of the European economy. Unfortunately, they still lag behind in digitalisation, much must still be done to improve digital skills. Furthermore, implementation and use of digital technology varies across space: discrepancies exist between various regions of Europe. The trigger that has made the European Union realise the dire need for innovation was the COVID-19 pandemic. COVID came as a shock to everybody; all SMEs needed to adjust their approach to work, and digital tools became a key contributor to the everyday functioning of companies. Even though the pandemic caused a rapid and harsh change, it did not last, and SMEs still have to modernise their digital infrastructure. As a response, the EU funds through Erasmus+ modernisation and development initiatives, such as DigitUp, whose purpose is to support digitalisation of SMEs. Such plans intend to make European companies more competitive in the international market and resilient against larger, more powerful, and resourceful firms. To support the digitalisation process of SMEs is to assist them with a costly and time-consuming activity, both of which are rarely at an SME’s disposal, especially after COVID’s impact on economies. With the EU’s help in modernising digital infrastructure, all European regions that may suffer from a lack of digitalisation will have access to a whole new spectrum of possibilities. However, the infrastructure also requires people to have the appropriate skill sets to make the best out of it; here teaching becomes essential.

Many European member states have already announced and launched recovery and development plans after the effects of COVID-19 prove the dire need for change. They all focus their attention on BIC technologies: Big data, Internet of Things, and Cybersecurity. The recovery plans also promote investment in human capital, tax incentives, skills training, research, and infrastructure development. Third parties, such as innovation hubs and associations are also brought forth to support this change. All mentioned aspects are necessary steps if the EU wishes to modernise its members’ economies. Having multi-sectoral cooperation as a basis strengthens digitalisation efforts and promotes cooperation, an essential part of the European experiment. Europe is stronger by working on a common goal together.

DigitUp has multiple objectives that in essence, focus on the digital upskilling of SMEs through education and cooperation. DigitUp will first identify the kind of skills that are in high demand among SMEs. They will be informed about the advantages that digitalisation provides for growth and competitiveness. Providing regular training is a constant requirement if DigitUp wishes to meet its objectives; training programs, with specially trained educators will target SMEs specific needs. These trainers will have a pivotal role in providing education, resources, and materials necessary for digital upskilling. The entire program will also aim to increase public debate around digital transformation, so that its visibility and the advantages of digitalisation are further disseminated. At this stage it becomes interesting to invite entities outside the educational sector. Cooperation between educational establishments, public institutions and private entities will enhance digital upskilling by allowing key sectors to collaborate in an area of common need and interest. A dynamic and lively environment will encourage SMEs to participate in training programs that improve competitiveness by providing access to new technologies and opportunities.

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