



# **Strategic Policy Forum on Digital Entrepreneurship**

## ***Launch Meeting***

*Brussels, 28 February 2014*

# **MEETING REPORT**



# 1 Introduction

This report summarizes the main ideas that emerged during the first meeting of the **Strategic Policy Forum on Digital Entrepreneurship** (Brussels, 28 February 2014). It provides a summary of the main outcomes and the issues rose during the meeting, including also the feedback received from Forum members after the meeting.

## 2 Background and rationale of the Forum

The digital economy is developing rapidly worldwide. Novel digital technologies offer new opportunities for the transformation of companies ranging from manufacturing to services sectors, including social and non-profit making enterprises and organisations.

Digital technologies hold potential for the creation of new businesses and new opportunities for existing EU companies including, for example, innovation, new ways of engaging with customers, higher revenue streams, faster times 'to-market', enhanced service provision, reduced costs, increased productivity and more responsible management systems. Digitisation can facilitate business transformation and also enables opportunities for the re-location of industry in Europe. How well and how quickly European entrepreneurs and businesses adopt digital technologies will be a key determinant of growth and job creation in future years.

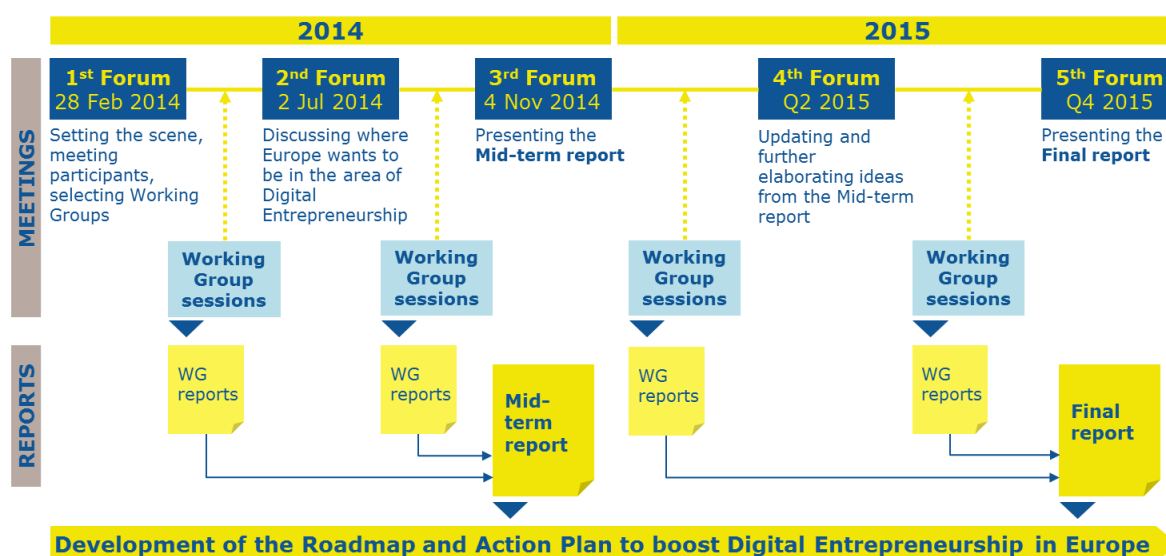
However, the huge potential of digital technologies is dramatically under-exploited in Europe. Government and business leaders throughout Europe should make it a priority to encourage and support SMEs to make full use of the latest digital technologies and realise the associated economic benefits.

There is ample room for improvement and it is based on these premises that the Forum comes together to discuss and advise the European Commission on how to stimulate progress in the field of Digital Entrepreneurship in Europe. It will do so by reinforcing the dialogue among business, science and politics, shaping a strategy and a set of concrete actions for its implementation and by promoting Digital Entrepreneurship policies at national, regional and local level.

The Forum's work will be documented and presented in a Mid-term report, and further refined in a Final report and will also be fundamental to shaping the agenda of the new European Commission.

The journey of the Forum along its two year mandate is presented in Figure 1 below.

**Figure 1: The journey of the Forum**



### 3 Discussion on the scope and mandate of the Forum

During the meeting, a number of issues arose regarding the scope, focus and mandate of the Forum. The Chair opened the discussion and asked Forum members to contribute their views and ideas on the scope and mandate of the Forum. At the end of the day, the Forum's President reiterated this request, asking Forum members to reflect on these issues further and revert to him with their views on these items and any other ideas or concerns regarding the next steps and the overall journey of the Forum. The input collected to date may be summarized as follows:

- ▶ **The social dimension:** It might be too limiting for the Forum to focus solely on entrepreneurship in a strictly commercial sense. In order to have a more comprehensive view, the idea of looking at the non-profit sector (e.g. social enterprises, non-profits, NGOs, associations, philanthropists, foundations, hackers, communities) was also put forward.
- ▶ **The importance of education:** The Forum should consider the role of education in the digital transformation, both in terms of schools and universities, and adult / life-long-learning. Education should be also considered as an economic sector which is greatly impacted by digital technologies.
- ▶ **The role of the public sector:** Aside from its role as policy maker (where there is a need for the Forum to select a few key areas to concentrate on), it was also suggested that the Forum should think about how governments can create a better entrepreneurial environment and stimulate entrepreneurship for example, making procurement more accessible for (small) digital entrepreneurs, providing access to open government data, open processes, etc..
- ▶ **The issue of geographic and regional perspective:** Given the geographic “spikes” in digital advancement that can already be observed in Europe, it was suggested that the Forum should consider the possible evolutions of this inequality, and how it might be dealt with. Indeed, the idea was put forward to carry out part of the Forum's analysis through a segmentation by both geography (country and more granular areas within) and market maturity / sophistication.
- ▶ **Start-ups versus existing companies:** The Forum should split its focus between looking at digital opportunities for start-ups (entrepreneurs) and digital opportunities for existing businesses (intrapreneurs), treating these as separate areas (especially given the fact that several initiatives dedicated solely to digital start-ups already exist). In relation to this, it was highlighted that the mandate should not be narrowly on the ICT sector, but on how digital tools enable the development of new start-ups, new business models and the development of entrepreneurial skills across the economy.
- ▶ **Start with what we know:** An important input for the work of the Forum should be the existing policy initiatives and case studies of digital entrepreneurship from EU Member States and beyond, to derive best practices and framework conditions for success. It is also important to analyse existing studies on barriers to (digital) entrepreneurship. This type of information will be developed as part of the Digital Entrepreneurship Monitor project and should feed the discussion of the Working Groups.
- ▶ **Enlarging the digital technology scope:** As well as the four key digital technologies that the Digital Entrepreneurship Monitor is looking at (cloud, mobile, social and data analytics), it was suggested that the digitisation of manufacturing (e.g. Internet of Things applied to manufacturing, etc.), digital technologies for the design, prototyping and testing of industrial products, as well as collaborative technologies should also be included in the scope of the Forum.

These observations will be taken into account when developing a revised Forum Mandate and when formulating specific Terms of Reference to guide the objectives, activities, expected outcomes and work plan of each Working Group.

## **4 Experiencing digital entrepreneurship**

The following is an account of the two panel sessions, during which speakers from both the business world and the public sector were asked to share their stories on digital entrepreneurship. This served as a stimulus for brainstorming and discussing a set of key issues on the topic, relevant to refining the mandate and scope of the Forum. This summary should be read in conjunction with the slides presented by the speakers.

### **Digitizing the customer experience and growing beyond borders**

During the first panel session, two SMEs (a software company, Prezi, and one from traditional industry, Berto Salotti) presented how they grew and seized the opportunities of digital. Prezi's Csaba Faix emphasized how going global from the very start was essential for their growth strategy: limiting themselves to Europe would have posed too many barriers, including market fragmentation and disparate regulatory and taxation systems.

Berto Salotti's CEO described how a small, local Italian furniture designer overcame the possible barriers of its size and used the internet as a bridge to the rest of the world, developing in-house skills to make the most of its opportunities. This enabled the company to grow, to nurture its unique identity and be closer to its customers, providing them with a more personalized experience.

The business perspective was complemented by that of Enterprise Ireland, a government agency responsible for the development and growth of Irish enterprises in world markets. Paul Browne outlined the main challenges that the digital enterprises encounter, and how Enterprise Ireland tries to support them. These include the development of (managerial) talent to drive company growth to the next level, access to finance and sales and marketing skills to bring great business ideas to the customers.

### **Coordinating business functions for the digital transformation and using the public sector to lead by example**

The second panel session looked to step inside the company walls, focusing the discussion on the inner workings of the digital transformation. The multi-national software provider SAP shared its experience developing and implementing products designed specifically for SMEs. Michael Fiedler emphasized how the smaller size of these companies does not automatically translate into less complexity: in fact, SMEs require sophistication, balanced by simplicity and speed in the software that they use. Furthermore, a greater use of try-and-buy formula and a modular approach to solutions is necessary to convince SMEs to adopt the technology and recognize the ROI.

The Estonian Systems Authority Portal's presentation by Mihkel Tikk helped to illustrate how the government's role can facilitate and stimulate the digital transformation. This is not only related to cutting down bureaucracy and making it easier for enterprises to be set up and to operate; it is also about creating more opportunities for digital business through Public-Private Partnerships and government outsourcing and openness.

## **5 Next steps for the Forum**

### **Nominations and Working Groups**

In order to structure the work of the Forum and to manage contributions to the Mid-term and Final reports, the European Commission proposed to nominate a leader for the Forum (the President) and to divide the members into two Working Groups, each lead by a Vice-President.

Forum members were asked to express their interest in putting themselves forward for these roles. This resulted in the following nominations, to which all Forum members agreed:

- ▶ John Higgins (DIGITALEUROPE) expressed his interest to take the lead as the President;
- ▶ Irène Braam (Bertelsmann) was proposed by other Forum members as a candidate for Vice-President;
- ▶ António Murta (Pathena) offered to be Vice-President.

It was agreed that two Working Groups will be formed at this stage:

- ▶ **Working Group “New business opportunities for growth and jobs”** – This will look to identify all relevant opportunities for growth and jobs powered by digital technologies. (through the creation of start-ups and the growth of existing businesses). The Vice-President leading this group will be **António Murta**.
- ▶ **Working Group “Removing existing barriers”** – This will seek to identify the most inhibiting barriers to starting and growing a digital enterprise in Europe, at all levels (educational, technological, regulatory, taxation, etc). The Vice-President leading this group will be **Irène Braam**.

Both Working Groups will work along two strands: i) the digital opportunities for the development of new start-ups; and ii) the growth opportunities for existing enterprises.

Further discussion needs to take place to define specific topics that sub-groups could focus on. Forum Members have been asked to communicate their preferred Working Group to John Higgins, keeping the European Commission in the loop.