



Study on the economic detriment to SMEs arising from unfair and unbalanced cloud computing contracts

Purpose of the study

- To assess the prevalence, nature, scope and scale of problems that SMEs still encounter in relation to cloud computing contracts; and
- To assess the resulting economic detriment, including in terms of impact on growth and jobs.

Main objectives of the study (1)

- To identify the prevalence, nature, scope and scale of the contract-based problems that SMEs encounter in relation to cloud computing services;
- To analyse whether and to what extent companies are able to protect themselves against problems, e.g. by means of enforcement of rules on business-to-business unfair contract terms (where they exist);
- To quantify the pre*- and post**-redress financial detriment as well as detriment arising from time loss and consequential damages (e.g. business interruption) suffered by SMEs in relation to the contract related problems encountered;

** Pre-redress is considered to cover all financial detriment resulting directly from the problem and the actions taken by the SME-user to sort out the problem and their related costs.*

*** Post-redress refers to all actions taken by the provider of the cloud service to solve the problem.*

Main objectives of the study (2)

- To complement the quantitative measurement with a qualitative assessment of the detriment suffered by SMEs;
- To model (in quantitative terms) the impact on growth and jobs of the quantified SME detriment identified and provide a qualitative evaluation of the overall impact of the problems encountered by SMEs in terms of market functioning/failures and competitiveness.

Tasks of the study (1)

Task 1 – SME survey

- The contractor will develop, test and conduct a survey amongst a representative sample of SMEs and start-ups which are using the cloud for the purposes of conducting their business.

Tasks of the study (2)

Task 2 – Economic detriment

- The contractor will, for each Member State under scrutiny:
 - Verify, based on the collected data in the survey, the prevalence of contracts-related problems, as well as the scope and scale of the problems, including their occurrence, frequency and severity;
 - Quantify the economic detriment suffered by SMEs in relation to these problems;
 - Provide a qualitative assessment of the additional consequences of the problems encountered that may impact on the economic performance of the companies affected;
 - Model the impact on growth and jobs of the quantified SME detriment identified.



The contract was signed on **23 November 2017**.

The contractor: **Ernst & Young Special Business Services**

The overall duration of the contract is **seven months**.