



Small DigitAgenda 2017

Chamber of Commerce and Industry of Slovenia

5th May 2017

Essential Digitalization

In addition to being essential for every SME, digitalization is also a necessity for entrepreneurs and micro-enterprises alike, as well as a precondition for incorporation in market chains and, indeed, survival. Accordingly, companies are forced to accelerate activities that will provide a sufficient basis to attain a higher degree of digital operations across all levels. In order to achieve this, it is - and is destined to remain - important to provide enterprises with as much assistance and support as possible, as well as ensure additional burdens and obstacles are kept to a minimum.

Time is not our ally. It should be noted that any stragglers, together with those who adopt erroneous decisions with regard to the implementation of digitalization, shall suffer huge problems, and will lag behind their competition. Such was the case 25 years ago upon the introduction of the first serious IT support to business.

Within enterprise, changes shall occur across the strategic and tactical levels of their operations, as well as in the actual day-to-day implementation of their business.

- Across operations, basic level decision-making will be significantly more automated, and consequently the competences of executives shall increase.
- At the tactical level, the processes of creativity and decision-making will be digitally supported, and this, in turn, shall likewise necessitate a higher degree of competence.

- Operations shall be made more efficient at the strategic level, while decision-making shall be swifter due to better-prepared basics, rapid access to information and improved risk management.

Smart digitalization and enterprise

In the field of digitalization, Slovenian micro, small and medium-sized enterprises, as well as the entrepreneurs, must attain a developmental leap in relation to their operations, both internal and external, and such shall encompass not only customers but also their business partners, the state and the EU.

It is crucially important that enterprises and entrepreneurs have at their disposal appropriate digital tools and measures for more rapid and effective digitalization, i.e. that technology which will be most efficient and suitable for their needs.

In small businesses especially it is crucial to develop user-friendly digitalization focused on the person (employee), as opposed to the machine (computer) or the technology (IT). It is ultimately the individual operative who ensures good operations. Accordingly, employees need to be able to apply all the tools afforded by digitalization to ensure their successful collaboration with the other stakeholders in the business. The successful implementation of any novelties in digitalization necessitates taking into account the introduction of appropriate tools, together with the user experience of the enterprise, its employees and clients.

Digitalization

According to the Digital Economy and Society Index (DESI, 2017), Slovenia ranks 17th in the EU as regards its digital competitiveness, and this measure also impacts the rapidity of the further digitalization of the economy.

Ambition: to rank at least 14th in the EU index by 2020.

ICT specialists

3.6% percent of Slovenia's workforce are ICT specialists (ranked 13th in the EU). It is anticipated, going forward, that this profession will be in higher demand, not just at home but also abroad, hence a brain drain of these professionals can be anticipated.

Ambition: to increase the number of ICT specialists to 4% of the workforce by 2020.

E-skills

One-third of Slovenia's labour force has poor or even no digital skills or abilities.

Ambition: to reduce this percentage to 20% by 2020.

Twelve proposals for the digitalization of SMEs

A. Flexibility and transparency facilitating SME interaction with the state

1. A resetting and modernisation of the systems of interaction with the state:

The digitalization of all forms, returns and applications

- a. A paperless »one-stop shop« without forms. A single user-friendly key-data entry point for both citizens and enterprises will eliminate duplication and replication in the public's interaction with the state. Currently, each public institution requires identical data and despite the application of digitalization, they often require documents in a physical (paper) form too.

The state should ensure a wholesale review of the interaction of its institutions, and ensure its systems are clear and user-friendly.

Effect: a substantial reduction in bureaucracy, benefiting citizens, enterprises and public administration alike.

- b. Simplification – and cancelling – of several types of reporting and submission of mandatory information to state institutions. Unification and collaboration of institutions involved in procedures which impose various tasks on enterprises (including the Health Insurance Institute of Slovenia, the Pension and Disability Insurance Institute of Slovenia, state funds, etc.). The systems operated by public institutions and agencies (including the Employment Service and SPIRIT Slovenia, etc.) currently necessitate the duplication of information. This process shall also require the training of civil service personnel in the acquisition of new digital skills and related competences.

Effect: increased performance and efficiency of state institutions and the economy as a whole.

- c. The upgrade of applications (e-taxes, Intrastat) to make them more user-friendly. The update of e-tax plugins twice per year at most, and not during the period of annual report. Facilitating the function of state applications across all key browsers.

Effect: the saving of time through easy and rapid transition to e-business.

2. Content-wise operative improvement of public procurement processes

Currently public procurement exhibits a number of faults because the system lacks elaboration from the user's perspective. This deficiency results in many material errors. Consequently, the following is proposed:

- simplification of procedures in the primary stage; ensuring the functionality of the online system and the efficient quality provision of professional information and assistance services;
- in relation to products and services, a unification of tender documentation protocols of the various public contracting authorities;
- unification of the procedures of all public contracting authorities in relation to the selection, monitoring, reporting and regulation of contractors;
- implementation of digital procedures across the entire cycle of public procurement, without the mandatory attachment of paper documents (for instance necessary attachments should be exclusively submitted in a scanned format);
- consistent application of European standards, criteria, procedures, etc., as opposed to their "enrichment" with additional national limitations.

Effect: increased quality and simplification of digital public procurement procedures.

3. Digital oversight and control of inspections

Facilitate internet inspection of legal provisions re individual activities (check-lists or smart inspector).

Effect: transparency in relation to legal requirements, simplified preparation of enterprises in relation to inspections, together with a unification of the standards and interpretations of inspectors.

4. Working time in the new era

In relation to E-Vem points, provision for the possibility of a reduction in working time without de-registering an existing contract and the registration of a new contract (M3).

Electronic data interchange

One-third of Slovenian enterprises currently exchange internal information electronically in the context of enterprise resource planning.

Ambition: to increase the proportion of such enterprises to 50% of total by 2020.

Utilisation of social networks

17% of Slovenian companies currently use social networks for corporate ends.

Ambition: to increase this portion to 25% of total by 2020.

ICT specialists in SMEs

In 2016, only 14% of SMEs employed ICT specialists.

Ambition: to increase this percentage to 20% by 2020.

Digitalization will enable the introduction of more flexible and employee-friendly forms of work.

Effect: more flexible operations.

B. The state working with enterprise for the rapid development of SMEs

5. Education and training for digitalization

Definition of a new and more appropriate classification of work posts and competencies, together with the segmentation of employees, according to needs and abilities, in their acquisition of new skills.

Effect: better and more transparent provision of personnel with digital competence.

6. Support measures for digitalization within enterprises

Provision of development vouchers or co-financing for such purposes as the unification of standards, IT investment, optimisation of work processes, delivery of efficient e-commerce, digitalization of business chains and international operations involving partners, etc...

Effect: accelerated digital development of SMEs.

7. Digital support and subsidy provision to SMEs in their EU-project applications

Much EU funding remains undisbursed because SMEs are unable or incapable of making project applications. Such applications require a lot of administrative work, and many SMEs can't afford it. At the same time, the amount of EU funding available and the potentials that project realisation can deliver are very high. Hence it is proposed that there should be a system of subvention in relation to European-call applications, whereby application procedures should be digitalized to the maximum.

Effect: increase in successful applications for EU funding through a commensurate alleviation and reduction in bureaucratic procedures.

8. Digital promotion and marketing of boutique tourism

Due to the fact that Slovenia's smaller tourist service providers are often excluded from project financing, the following is proposed:

- amendment of tax legislation to facilitate the establishment as well as the joint marketing of virtual agencies via digital

platforms (extant problem: higher rate VAT is applicable for both the marketing and provision of tourist services);

- enhanced digital marketing and promotion of Slovenia's boutique tourism providers via platforms provided by the Slovenian Tourist Board.

Effect: enhanced profile, increased promotion and more effective and efficient marketing of small tourist service providers.

9. Digitalization of cities

Developmental support of connectedness (through a voucher scheme) of various public and private stakeholders in cities, with the aim of facilitating prompt communication among them. One example of such connectivity would be an "urban applications" digital platform.

Effect: promotion and more efficient marketing of entrepreneurial activity in the cities.

C. Additional support measures for SMEs

10. Increased digital competences

Education and training of employees in order that they can gain additional digital competences.

Effect: preparation of employees for digitalization.

11. Service package for SMEs

Listing of services required by every SME, together with the active provision of these same services in order to facilitate operations.

Effect: acceleration of the digitalization of SME operations achieved in conjunction with the providers of the most general digital services.

12. Unification of standards

(Re)alignment of the operations of enterprises in the sense of a standardization of processes and procedures as the basis for (further) digitalization which should benefit the companies themselves. This also necessitates the simplification of choice as well as the sector-specific implementation of digital solutions for SMEs.

Effect: digitalization and simplification of business operations in SMEs, both horizontally per sector and vertical operations and processes.

High-speed broadband access

Only 14% of Slovenian companies with ten or more employees currently have 100 Mbit/s internet access.

Ambition: to increase the proportion of companies with fast broadband access (100 Mbit/s plus) to 25% of total by 2020.

Online sales

Currently, 13% of Slovenian enterprises sell their products or services online (Slovenia is ranked 18th in the EU by this measure).

Ambition: to increase the number of companies selling online to 20% of total by 2020.

RFID tagging

Some 9% of Slovenia's SMEs use RFID (radio-frequency identification) tagging, a measure which is also essential for accomplishing the internet of things.

Ambition: to increase the portion of SMEs using RFID to 20% of total by 2020.

Small DigitAgenda 2017

Small DigitAgenda expounds twelve key proposals for the smart digitalization of Slovenia's SMEs. Deriving from an examination of the current situation, these proposals are based on experience and best practice. The proposers are members of Entrepreneurial Slovenia, a cross-sector strategic grouping of small businesses active in the associations and chambers that operate under the auspices of the CCIS.

Small DigitAgenda 2017 was discussed at the 6th Summit of Small Business held on 16th May 2017.

Entrepreneurial Slovenia Group

Tomaž Jug, EDITOR d.o.o.

Andreja Kert, EKONIUS d.o.o.

Igor Zorko, ZZI d.o.o.

Aleksander Mladovan, PARK LIJAK ALEKSANDER MLADOVAN S.P.

Mitja Lotrič, LOTRIČ meroslovje d.o.o.

Janko Kodila, KODILA d.o.o.

Martin Žigo, PARADAJZ d.o.o.

Miran Rauter, HERMI d.o.o.

Špela Kumelj, REGISTRATOR d.o.o.

Marjan Batagelj, POSTOJNSKA JAMA d.d.

Jure Triller, IDENTIKS d.o.o.

Boštjan Gaberc, MIKROGRAFIJA d.o.o.

Matej Leskovar, IMAGINE d.o.o.

Lan Hvastija, OPTIPRINT d.o.o.

Matej Feguš, DONAR d.o.o.

Davor Žic, I.T.TIM d.o.o.

Matej Štefancič, EFOS d.o.o.

Published by
the Chamber of Commerce and Industry of Slovenia

Dimičeva 13, 1504 Ljubljana, Slovenia

T: +386 1 5898 000, F: +386 1 5898 100

www.gzs.si, info@gzs.si

Facebook: GSZsi, Twitter: GZSnovice, Youtube: GZSvideo, blog.gzs.si

Ljubljana, Slovenia, 5th May 2017

Gospodarska
zbornica
Slovenije



Chamber of Commerce
and Industry of Slovenia