

**DIGITAL SME's feedback on the**  
**ROADMAP FOR THE COMMUNICATION ON A EUROPE'S DIGITAL DECADE: 2030**  
**DIGITAL TARGETS**

*9 March 2021*

### General remarks

European DIGITAL SME Alliance has outlined ten priorities for Europe's Digital Future in its [Manifesto of 2019](#). In this Manifesto, we sketched different ideas for a way forward to support Europe's successful transition to a digital economy. For instance, we stress the importance of a level-playing field for SMEs in the digital economy, supported by a strong competition framework and fairness in taxation. Other important aspects are: Digital skills, digital infrastructure, innovation, emerging technologies.

Based on DIGITAL SME's Manifesto for Europe's Digital Future, we support the digital targets (1. Digital infrastructures, 2. Digital education and skills, 3. Digital transformation, and 4. Digital government) mentioned in the Roadmap.

At DIGITAL SME, we strongly believe that Europe needs to build on its strong SME-base to manage the digital transformation. **SMEs are vital to the European economy:** SMEs form 99% of Europe's businesses<sup>1</sup> and account for two-thirds of total employment. The **digital revolution is not only about large tech companies but also essentially about start-ups and SMEs that provide or use digital solutions.** Their variety is immense; from **innovative and fast-growing companies that provide or use digital solutions** to those that face **significant challenges** such as acquiring the necessary skills to benefit from digital technologies. SMEs are integrated in local communities and active on global markets at the same time.

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<sup>1</sup> European Commission (2018), Entrepreneurship and Small and medium-sized enterprises (SMEs). Available at: <https://ec.europa.eu/growth/smes>

Building on our SME-ecosystem and the innovativeness and strengths of our pluralistic, open, and democratic societies, **Europe has to define a way forward to autonomously decide its future and keep its independence in a changing world.**

[More detailed comments](#)

Together with our members, **DIGITAL SME will continue to pursue the topic of digital sovereignty as a key priority.** Our member BITMi (Federal Association of IT-SMEs of Germany) together with other partners, has recently launched the “[Deutschland kann digital](#)” (“*Germany can digital*”) initiative, which provides a forum for policymakers, business, and academia to define practical steps for digital sovereignty. Growing a strong and independent digital industry is fundamental to ensuring Europe’s economic prosperity in the future. Therefore, it is essential that the goal of “digital sovereignty” will not remain a theoretical concept, but that it **is translated into concrete practical actions.** Operationalising this concept will require joint efforts from policy, business and academia.<sup>2</sup>

In a position paper of 2019, we define ‘digital sovereignty’ as the level of **autonomy in ICT related technologies** that is required to allow Europe to **independently pursue its own interests.**<sup>3</sup>

Together with their partners, our BITMi has gone beyond this definition:

Digital sovereignty is the capability to actively shape the digital transition of the state, the economy and society. A European digital economy, which provides hardware, software and digital services for all essential tasks and areas of digitalisation are a prerequisite for digital sovereignty. By strengthening the supply side, digital sovereignty allows for a free choice in a global competition and therefore helps to prevent protectionism.<sup>4</sup>

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<sup>2</sup> See BITMi Press Release “Deutschland kann digital! Mit starker IT-Wirtschaft zu digitaler Souveränität”, 3 March 2021

<sup>3</sup> <https://www.digitalsme.eu/skills-for-smes-strategy-2030/>

<sup>4</sup> Deutschland kann digital: <https://deutschlandkanndigital.de/>

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Linking a clear definition to practical steps, **and defining key areas where Europe wants to have a free choice (e.g., education, health, etc.)** as well as the **technologies** needed for that (**hardware, software, digital services**) seems key in this conversation.

Data is a prerequisite for many innovative digital technologies. At the moment, about 90% of Europe's data is stored and processed outside of Europe.<sup>5</sup> In the future, with industrial and IoT-based business models on the rise, data will be key to perform repairs and carry out predictive maintenance. To give one example from a non-digital sector, the lift sector: An SME-based consortium in Italy, TRE-E, could efficiently build an industrial IoT platform to connect lift providers, users, maintenance, and secondary service providers. The result is cutting-edge industrial IoT applications that are catapulting Europe back to the forefront of innovation.<sup>6</sup> Therefore, another key area where Europe can strengthen its independence is data storage, data sharing and processing. Building on similar examples, **Europe can define its own distinct way forward in the digital transformation by fostering an open environment**, which focuses on **interoperability, standards and software- and hardware openness to support innovation**. Gaia-X is another project which can serve as a blueprint for this development.

In the context of the Digital Decade Roadmap consultation, we welcome a system to monitor the progress towards the objectives of the Digital Decade. In our position paper on "[Skills for SMEs 2030](#)", we outline a monitoring or governance system to increase digital skills of SMEs in Europe, including a pillar on monitoring.<sup>7</sup> This pillar structure could serve as inspiration for Europe's efforts to support digitalisation.

When monitoring progress on digitalisation, we have to ensure that **indicators do not just capture 'rapid digitalisation' of SMEs**. Short-term digitalisation focuses on the acquisition of readily available tools or equipment but does not help the company to develop new innovative business models. **Real long-term value is created when**

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<sup>5</sup> See POLITICO Pro Morning Tech: Digital decade — Declarations, declarations, declarations — French climate law, 9 March 2021, referring to the EU's draft strategy for the digital decade

<sup>6</sup> <https://www.digitalsme.eu/smart-lifts-a-success-story-of-sme-digitalisation-through-standards/>

<sup>7</sup> <https://www.digitalsme.eu/skills-for-smes-strategy-2030/>

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**companies enter into longer-term partnerships with other, more digitally advanced businesses.** A digitalisation journey of a business requires a **long-term vision along with skills and capacity development.** For example, a traditional manufacturing SME may gain efficiencies through the optimisation of its production processes by implementing data analytics or AI tools to inform decision-making.

To design an accurate monitoring system, **there is a need to define criteria to capture the long-term value of innovation and digitalisation.** This focus on long-term value from innovation in the monitoring is important to avoid setting the wrong short-term incentives.

Finally, DIGITAL SME believes that **SMEs need to be in the centre of the digital targets.** Further, there is a need to connect digital and green technologies and to ensure that programmes and initiatives like Digital Innovation Hubs serve the SME community. Therefore, we would like to ensure that SMEs are represented in upcoming consultations and workshops and **we stand ready to take part in this dialogue.**