

## Useful facts about small business

- 91% of all EU businesses employ less than 10 people
- 7% have 10-49 employees
- 1% have 50-250 employees
- 1% are defined as “large enterprises”
- Only 7% of consumers have shopped online in another Member State
- ICT contributes 50% to productivity growth
- Fragmentation in the European telecoms market costs businesses EUR 20 billion per year
- 7% of the EU population has no basic e-skills
- 60% of people not educated above secondary level have no e-skills at all
- SMEs provide 55.4% of value-added to the ICT sector

Sources: European Commission, Eurostat

A full brochure including recommendations will be published shortly.  
Please check on the ESBA website: [www.esba-europe.org](http://www.esba-europe.org).

### European Small Business Alliance

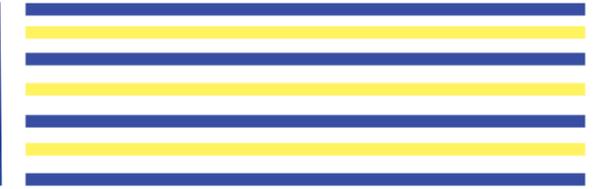
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European Small Business Alliance



## DIGITAL AGENDA FOR EUROPE A Small Business Perspective

### Six Key Obstacles for Small Business

1. A shortage of ICT knowledge in small businesses leads to a lack of confidence in new technologies.
2. Micro, small and medium-sized businesses are confronted with different obstacles in the realisation of an EU digital economy.
3. Lack of IT skills prevents small businesses to adapt to and fully reap the benefits of the digital market.
4. Reliable and affordable Internet connectivity in all regions in the European Union is the very basis of a successful digital economy.
5. A lack of access to finance by small business owners prevents them to invest in the development of IT in their businesses.
6. The potential to increase cross-border trade in the EU by strengthening business to consumer transactions, should go hand in hand with a smart regulatory framework that enhances business to business transactions.

European Small Business Alliance

## Introduction by Tina Sommer,

President of ESBA

The digitalisation of Europe has changed our daily lives tremendously and will continue to open new, untapped opportunities in the future. Who can today imagine a world without access to the Internet, emails, tweets, mushrooming social media platforms, online auction & shopping websites and the access to a plethora of information 24 hours per day?

At political level, the power of the Internet has been recognised by EU policy-makers as having the potential to spur huge business growth and create up to a million jobs (European Commission). The 'EU 2020' strategy, a blueprint for Europe's economic growth for the next decade, puts the development of high-speed Internet at the top of the political agenda. According to the European Commission, Information and Telecommunication Technology (ICT) accounts for 50% of the EU's productivity growth and is considered as a major source of innovation and business opportunities. Across the globe, businesses profit from the digital revolution in the development of new products and services which can compete on the global market.

In March 2010, the ITRE Committee adopted a report on "a new Digital Agenda for Europe: 2015.eu". MEPs called on the Commission to come forward with a proposal for an ambitious digital agenda and action plan enabling Europe to progress towards an open and prosperous digital society offering all citizens economic,

social and cultural opportunities. The report makes it abundantly clear that access, capacities, and e-skills for SMEs are an absolute necessity to make the Digital Agenda a success. The European Commission is currently in the process of finalising a Communication on a "Digital agenda for Europe", to be unveiled this spring. It will aim to exploit the potential of ICT as a major enabling technology for moving to a low-carbon, knowledge-based and competitive economy.

Despite the already existing EU regulatory framework for ICT & the digital economy, and the key achievements obtained in e.g. communication technologies, e-government, telemedicine services and e-commerce opportunities, businesses, and in particular SMEs, do not fully reap the potential of ICT and the digital economy in their daily operations.

On 4 May 2010, ESBA organised a Consensus Building Workshop to identify the obstacles European small business face in reaping the full potential of ICT and the digital economy. This document presents the outcome of the group-centred workshop and offers business-related recommendations to EU policy-makers in making the Digital Agenda a success.



Tina Sommer, ESBA, President

## Methodology of workshop

During a full-day workshop, experts and small business owners identified problem statements pertaining to the European Digital Agenda, discussed possible solutions, and developed concrete steps for action. Based on a facilitated dialogue and interactive methods, the group has reached consensus on the main obstacles small businesses face in reaping the full potential of the EU digital economy.

Aided by a team of trained facilitators, the group has used computer-assisted techniques, allowing participants to explore relationships between the various elements of this complex topic and enabling the group to understand how the elements influence each other. The workshop promoted group communication, consensus and commitment from all those engaged in the process, resulting in increased teamwork and tangible results on which priorities, effective action plans and strategies may be based.

The observations, recommendations and solutions listed overleaf summarise the group's work. They are targeted at EU policy makers to ensure that the needs of the small business community are taken into account in all further discussions, legislative proposals and policies relating to the 'Digital Agenda for Europe'.

ESBA would like to thank all workshop participants for their time, dedication and expert contributions in the realisation of this project.

### Participants

Small business owners  
Training companies  
Broadband providers  
- Terrestrial and satellite  
Business representatives  
Support agencies  
Industry representatives

**A shortage of ICT knowledge in small businesses leads to a lack of confidence in new technologies.**

Policies created in the framework of the 'Digital Agenda for Europe' must be supported by an adequate EU communication policy, ensuring that small businesses are fully informed about the potential of ICT technology in their daily operations. Furthermore, cooperation between the EU and local Governments must ensure easy access to information and assistance at local level.

**"Lack of ICT skills forms one of the key problems to small businesses today"**

**Reliable and affordable Internet connectivity in all regions in the European Union is the very basis of a successful digital economy.**

Reliable and secure access to broadband Internet is key for businesses to benefit from the internal market. A significant number of disadvantaged communities in the EU still cope with a total absence of Internet connectivity. In addition, conflict between security and user-friendliness hinders SMEs and consumers to operate online and to benefit from a wealth of products and services.

**"Business to Business opportunities are not sufficiently addressed"**

**A lack of access to finance by small business owners prevents them to invest in the development of IT in their businesses.**

Funding as well as lending opportunities for small businesses must be made available and accessible in an unbureaucratic manner. Those funding opportunities that do exist remain unexploited, as they are promoted insufficiently.

**Micro, small and medium-sized businesses are confronted with different problems in the realization of an EU digital economy.**

The specific needs and characteristics of small and micro businesses call for tailored EU policies. A 'one size fits all' approach in the Digital Agenda must be avoided at all cost. Moreover, a distinction must be made for the types of SMEs which are ICT oriented and Internet savvy and those which are not.

**"Accessible, affordable and reliable broadband Internet is key for success"**

**Lack of ICT skills prevents small businesses to adapt to and fully reap the benefits of the digital market.**

Policies geared towards an EU digital economy can only be effective, if small business owners and their staff possess the know-how and skills to benefit from these policies in their daily work routine.

**"Inadequate EU communication policy towards small business on how to benefit from the digital economy"**

**The potential to increase cross-border trade in the EU by strengthening business to consumer transactions should go hand in hand with a smart regulatory framework which enhances business to business transactions.**

Much emphasis has been put on making the digital market more accessible, safe and attractive to consumers, whereas potential opportunities (i.e. economic growth and job-creation) resulting from enhanced cross-border business to business activities remain insufficiently targeted.