



**EUROPEAN COMMISSION**

**PRESS MEMO**

Brussels, 29 April 2014

## **1,5 million more jobs through digital entrepreneurship in Europe are possible, if ...**

The main challenge entrepreneurs are facing in Europe is not the lack of great ideas but the fear of turning ideas into reality. Many people with great ideas refrain from entrepreneurship because of their doubts. There are as many people wanting to start a business in Europe as there are in the US, yet we see a significantly lower level of involvement in start-ups on this side of the Atlantic. Only 6% of the adult population of Europe is engaged in a new business, compared with 13% in the US. That's why the European Commission is launching today the Watisfy platform together with ICT stakeholders. Its ambition? Promoting digital entrepreneurship by taking away these doubts, it's estimated that 1, 5 million additional jobs would be created in the EU Internet Economy, if the entire EU mirrors the entrepreneurship performance of the US or Sweden.

Watisfy aims to help those entrepreneurs/intrapreneurs to overcome the barriers that prevent them from starting their own business. This initiative will help them to understand that every successful entrepreneur has had moments of doubt and that success begins to materialise the moment you start making your idea happen. The platform also aims to help established companies in all industry sectors by showing them there are a lot of opportunities to transform their business using digital technologies, taking away any doubts they might have and stimulate them into taking action. The Watisfy initiative will be run throughout Europe for two years.

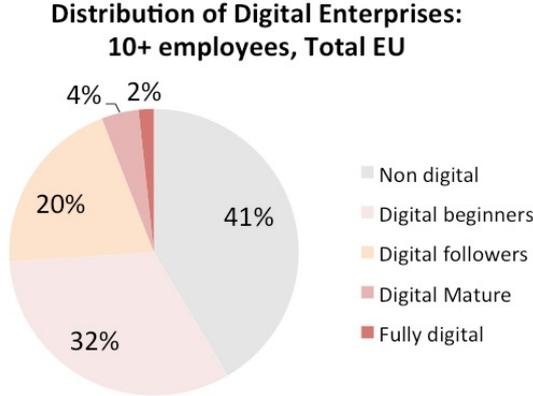
The Watisfy platform is an interactive, responsive website that is appealing to European entrepreneurs and intrapreneurs. Concretely, the website features:

- Watisfy Awareness events going on across Europe
- Answers to the doubts raised by (potential) entrepreneurs/intrapreneurs
- A tool that provides guidelines to entrepreneurs that are starting up their online business or expanding across border.
- Videos and inspiring quotes of successful entrepreneurs/intrapreneurs

In addition, yesterday a **Member States Board on Digital Entrepreneurship** was set up, composed of policy makers from the Member States knowledgeable in this field, with a view to exchange views and experiences, coordinate policies and forge the implementation of a pan-European Digital Entrepreneurship strategy.

**The digital economy is developing rapidly worldwide**

The digital economy already contributes up to 8% of GDP in G-20 economies, powering growth and creating jobs. In Europe, studies have shown that SMEs grow two to three times faster, creating new jobs, when they embrace novel digital technologies. Growth in the adoption of technology and subsequent benefits are not just restricted to ICT businesses. Technologies can be used by existing or 'traditional' businesses to transform all areas of business activity.

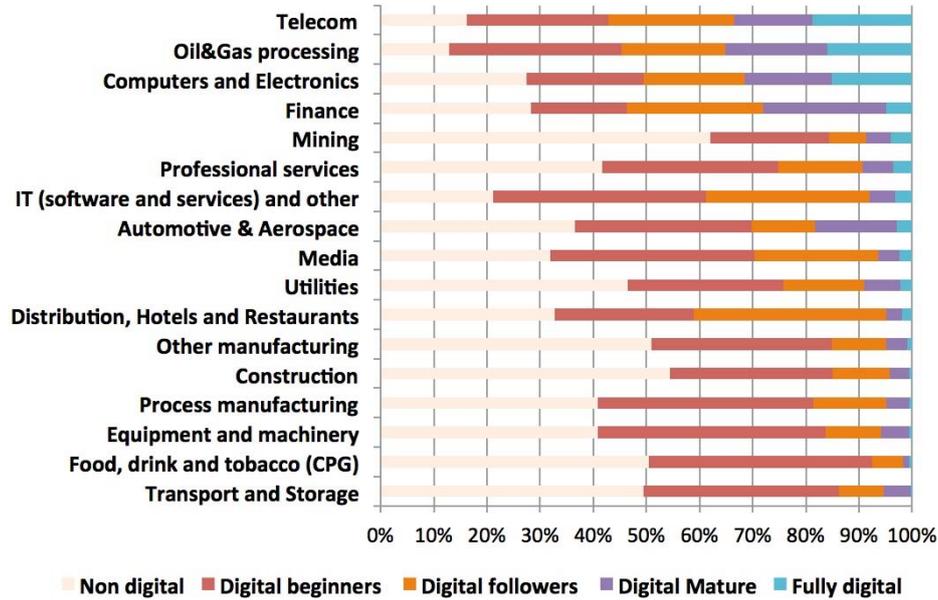


Source: IDC 2013

Novel technological trends, such as mobile and social solutions, cloud computing, data analytics, digitisation of manufacturing, including digital technologies for the design, prototyping and testing of industrial products, as well as collaborative technologies, offer a new range of opportunities for business services in the knowledge economy.

These technologies hold potential for the creation of new business value to EU companies, thanks to new market opportunities, higher revenue streams, faster times 'to-market', enhanced service provision, increased productivity and competitiveness. The digitisation of manufacturing transforms the entire manufacturing industry. It also enables opportunities for the re-location of industry in Europe. How well and how quickly European businesses adopt digital technologies will be a key determinant of growth in future years.

### Digital adoption by business in different industries



Source: IDC 2013

However, this huge potential is dramatically under-exploited in Europe, with 41% of enterprises being non-digital and **only 2% taking full profit of the digital opportunities** (embracing the four main digital technologies -mobile, social media, cloud and data analytics).

And the adjacent figure shows that digital adoption varies significantly by sector.

Experts suggest that we are still only just at the beginning of the potential digital growth, with only one per cent of the potential digital connectivity achieved so far. The number of connected devices creating data, automating processes and providing services is exploding. According to IDC estimates, by 2020 the ICT industry will generate nearly €4 trillion in spending worldwide and approximately 40 per cent of the sector's revenue and almost all of its growth will be driven by novel digital technologies that today represent just 22 per cent of ICT spending<sup>1</sup>.

Many EU entrepreneurs are already leveraging digital technologies to create successful businesses and significant economic impact, but it is essential that EU companies keep up to speed, avoiding competitive disadvantage with companies in other regions of the world. It is estimated that 1.5m additional jobs would be created in the EU Internet Economy, if the entire EU mirrors the performance of US or Sweden<sup>2</sup>.

[Visit the Watify platform to find out more about this initiative to stimulate Digital Entrepreneurship in Europe](#)

<sup>1</sup> IDC, 2012. "IDC Predictions 2013: Competing on the Third Platform", <http://www.idc.com/getdoc.jsp?containerId=238044>

<sup>2</sup> Online Jobs Boosting Europe's Competitiveness – Vlerick Business School, Feb 2013, see link at end of press memo

## The EU policy response

The European Commission recognises the key role that digital technologies can play in improving the business landscape in Europe. The Europe 2020 strategy for growth and jobs, and its flagships – i) the Digital Agenda for Europe, ii) the Single Market Act, iii) the Industrial policy for the globalisation era, and iv) the Entrepreneurship 2020 Action Plan – provide a solid foundation in setting the scene and passing a strong political message to achieve the goal of making the digital single market a reality.

In the Entrepreneurship 2020 Action Plan, the Commission highlights the potential of the smart use of ICT as an enabler of entrepreneurship, growth and jobs. The Commission is dedicated to accelerate the creation of new business opportunities and the transformation of the European business environment through novel digital technologies.

Based on intensive dialogue with stakeholders and policy analysis, a policy framework has been developed to describe the vision and key priority areas for policy intervention. The framework is structured along five pillars, each describing key factors and actions influencing Digital Entrepreneurship. The Commission is committed to working towards the deployment and implementation of this five-pillar plan.

DIGITAL ENTREPRENEURSHIP – FRAMEWORK DIMENSIONS					
Title	Digital knowledge base and ICT market	Digital business environment	Access to finance	Digital skills and e-leadership	Entrepreneurial culture
Objectives	<i>Enhancing digital innovation and commercialisation and ICT sector</i>	<i>Strengthening digital infrastructure, regulatory framework and ease of doing business</i>	<i>Facilitating access to finance and enhancing digital investments</i>	<i>Fostering E-Leadership skills through education and training</i>	<i>Creating a supportive entrepreneurial culture</i>
Description	<p>Initiatives of government and/or private sector in supporting creation and development of new companies (e.g. through expenditure in R&amp;D: business and governmental).</p> <p>Supporting knowledge diffusion to enhance digital innovation (e.g. Number of technology patents, Number of Enterprises in Clusters - IT sector).</p> <p>The performance of the ICT sector as an engine for diffusion and commercialisation (e.g. Exports of goods and services ICT, number of employees).</p>	<p>State of the art of digital infrastructure (e.g. Percentage of enterprises with broadband access (fixed or mobile), Investments of telecommunications sector in networks)</p> <p>Regulatory environment (including administrative burden (e.g. Ease of doing business), Trustmark and trademark registration systems, privacy and security issues) (e.g. Share of companies facing any obstacle (connectivity/high costs/security risks/technical or other obstacles) excluding, preventing or limiting the use of mobile Internet)</p>	<p>Enhanced access to finance to promote the creation, survival and growth of digital entrepreneurs (e.g. venture capital availability, ease of raising money through local equity markets)</p> <p>Fiscal and tax frameworks favourable to fresh entrepreneurial investment (e.g. total tax rate, cost of tax compliance)</p>	<p>A supportive education system allowing for a wider exploitation of the new opportunities arising from ICT development, overall resulting in the improvement of business efficiency and development of new business models.</p> <p>Increase the e-competences of managers, entrepreneurs, and business executives to enhance growth, export and degree of connection to the global digital markets.</p>	<p>Enhancing the digital entrepreneurial culture will benefit digital entrepreneurs as any other entrepreneur.</p> <p>(e.g. Global Entrepreneurship and Development Index: Attitude/Activity/Aspiration Percentage of respondents that find fairly desirable or very desirable to become self-employed within the next 5 years)</p>

Relevant actions and initiatives launched to-date include:

- **The [Startup Europe](#) initiative to strengthen the business environment for web and ICT entrepreneurs in Europe** so that their ideas and businesses can start and grow in the EU. It aims to strengthen links between the people, businesses and associations who grow the startup ecosystem (e.g. the [Web Investors Forum](#), the [Accelerator Assembly](#), the [Crowdfunding Network](#) or the [Coworking Assembly](#)). To inspire entrepreneurs and provide role models (the [Leaders Club](#) and their [Startup Manifesto](#), [Startup Europe Roadshow](#)). Startup Europe also celebrates new and innovative startups ([Tech All Stars](#) and [Europioneers](#)) and helps them to scale up (e.g. [Startup Europe Partnership](#), [ACE acceleration programme](#) and gives them access to funding under [Horizon 2020](#)).
- Open dialogue with key stakeholders and the study on "[Doing Business in the Digital Age](#)" identified the key technological trends and proposed a five pillar strategy and 21 recommendations for actions cutting across policy areas, at EU, national/regional level. It also provided recommendations for the public and private sectors. Proposed actions cut across different policy areas. They included boosting digital and entrepreneurial skills to leveraging the Single Market, innovation campaigns, awareness and mentoring, access to finance, crowdfunding, visas for highly skilled entrepreneurs, and the reinforcement of clusters.
- The [Digital Entrepreneurship Monitor](#): a tool to monitor the key technological and market trends, emerging business opportunities, new business paradigms and their impact on the European economy, as well as relevant policy initiatives all over Europe.
- **A major pan-European awareness raising campaign and eMentoring ecosystem** to catalyse and support new business ideas. The objective is to sensitise entrepreneurs on the changing business landscape and the new business opportunities offered by novel digital technologies. It will establish a European eMentors ecosystem to inspire and support new entrepreneurs and intrapreneurs. Activities will include training, advice and hands-on coaching on how to do business in the digital age and match-making events among stakeholders to explore new partnerships. This action started in January 2014 and will run for two years (see above Watify).
- Complementary studies to analyse **competences and e-leadership skills**, focusing on scientific and creative disciplines, and managerial and entrepreneurial skills to address new technologies and markets.
- To ensure the **governance** of this policy initiative, the **Strategic Policy Forum on Digital Entrepreneurship** is set up to reinforce dialogue among industry, science, civil society and politics and advise the Commission on a EU vision, strategy and action plan on digital entrepreneurship. The launch meeting of the Strategic Forum took place on 28 February 2014.

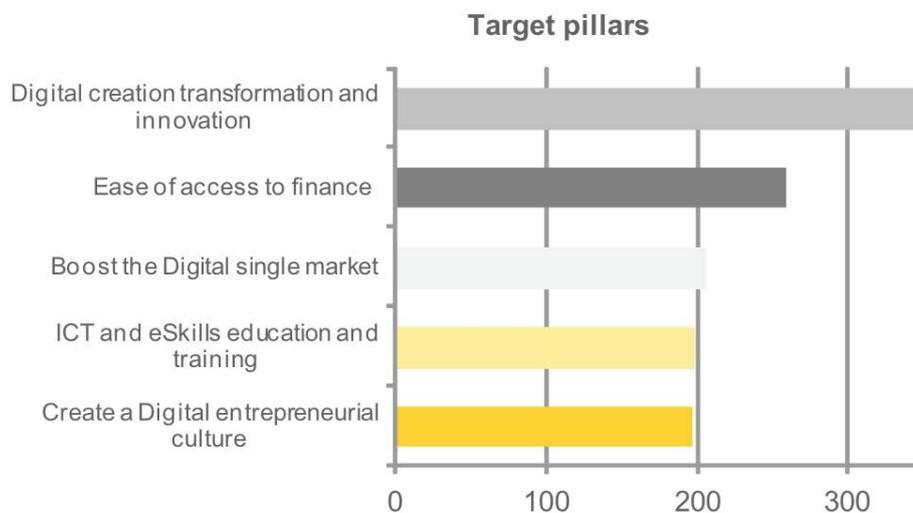
## Member States Initiatives to support Digital Entrepreneurship

The Digital Entrepreneurship Monitor identified more than 1,000 inspiring examples of initiatives provided by public, public/private and private sectors and non-governmental organisations to support the development of digital entrepreneurship. Although not exhaustive, the set of policy initiatives is comprehensive enough to derive some trends shaping the EU contextual framework.

705 initiatives/policies were identified in EU28 Member States, and a further 300 initiatives were found in other countries. It is evident that EU countries attempt to foster a supportive environment; especially for micro-enterprises (<10 employees), which dominate the SME sector. Three quarters of the initiatives targeted micro-enterprises. Support targeting other companies, such as start-ups and fast growing companies, was also notable.

As might be expected during a time when many national and regional governments are keen to enhance business growth and competitiveness, public sector led initiatives were dominant (45%). But it was also notable that the public sector had worked in tandem with the private sector to provide almost one quarter of all initiatives (23%).

The majority of initiatives are not sector specific. However, a relatively large number were focused on the supply side - a fifth of initiatives targeted the ICT sectors that produce the digital technologies used by Digital Enterprises.



Initiatives identified by the Monitor were categorised by the five pillars of the Digital Entrepreneurship Framework. The first pillar, which focuses on digital enterprise creation, transformation and innovation was the most popular for the initiatives (52 per cent). The second most popular area was enhancing access to finance (Pillar 3), this area had 37 per cent of initiatives. Initiatives with an holistic approach to boosting Digital Entrepreneurship across all five pillars were very rare: only 3 per cent of the initiatives had this breadth of focus.

## **Initiatives in Member States**

Nevertheless, a number of governments have developed strategies to support the development of Digital Entrepreneurship and showcase its achievements among existing SMEs and start-ups across the five pillars. These examples provide a flavour of the variety of initiatives that Member States are already implementing to support Digital Entrepreneurship. They also demonstrate the necessity to learn from each other, join forces, and coordinate action at EU level, to unleash the new business opportunities and re-launch the economy based on the digital lever.

### **United Kingdom**

In September 2012, the United Kingdom publishes a blueprint on how to boost Digital Entrepreneurship through policy actions. A number of initiatives were developed, such as: awards that recognize and place the spotlight on success in Digital Entrepreneurship, including the Digital Entrepreneur of the Year (which rewards both business leaders who spot commercial opportunities for digital, and the technical minds that work behind the scenes on digital advancement); the "Entrepreneur First" initiative, encouraging young students to start a career as entrepreneurs directly after University, etc. In June 2013, the UK launched its Information Economy Strategy, featuring actions to help local businesses and organisations, especially SMEs, to be able to confidently use technology, trade online, seize technological opportunities and increase revenues in domestic and international markets.

### **Ireland**

Also in the summer of 2013, Ireland published its National Digital Strategy, which has sections dedicated to supporting traditional enterprises to realise the full opportunities of online transactions and trade, realising the full benefits of digital in the classroom, and providing continued support for Ireland's digital enterprises and entrepreneurs. The proposed actions include a voucher scheme for small businesses wishing to develop their online trading presence through investments in technology as well as accessing suitable expertise, technical or training supports to achieve this. From the perspective of supporting digital start-ups, the Strategy promotes the continued activity of the Irish National Digital Research Centre (NDRC), which sponsors collaborations between research bodies and commercial enterprises and acts as an accelerator for small digital start-up projects. It does so by creating high-impact ventures out of opportunities in the research base and by accelerating business model innovations to the point where the ventures secure commercial follow-on investment.

### **Germany**

In Germany, the eCompetence network helps companies to increase their efficiency using ICT applications and to digitize their business processes by providing valuable knowledge, practical information, expert assistance and support in the selection and use of appropriate ICT solutions.

### **Denmark**

Similarly, the Danish IBIZ Centre (a public-private partnership) has made it its mission to promote the uptake of novel digital technologies by SMEs. Some of the activities of IBIZ include the organization of "Denmark tours", which bring IT suppliers out to the rural areas where many Danish SMEs are located, as well as the development of simple self-help tools that business owners can use to uncover hidden potential for efficiency gains.

## **Italy**

In Italy, the DINAMEETING initiative represents a way of creating a digital entrepreneurial culture as it consists in promoting and disseminating best practices for businesses looking to invest in ICT. It does so through a B2B model, whereby it is companies that provide advice to other companies. DINAMEETING has identified 10 SME "champions" which, as a result of adopting ICT, have scaled up or have radically changed their operating models. Through these champions, other aspiring businesses have been encouraged and given advice on investing in new technologies and experiencing a growth curve similar to that followed by the champions.

## **More information**

[Visit the Watify platform to find out more about this initiative to stimulate Digital Entrepreneurship in Europe](#)

[\\*Study published by Vlerick Business School and carried out on behalf of IAB Europe 'Online Jobs Boosting Europe's Competitiveness', June 2013](#)

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