

DIGITRANS - Digital Transformation In The Danube Region

O 7.2 Guideline on DIGITRANS method implementation

VERSION 1

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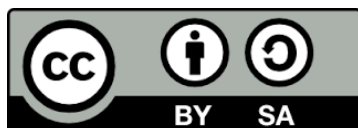


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1. Executive Summary

This document presents the guideline for business support organisations and regional public authorities, which shows ways to implement the DIGITRANS method and trainings on a regional level. This guideline is the result of several regional policy stakeholder workshops conducted in the seven DIGITRANS partner regions in the Danube region between January – May 2019 as well as of the project partners' daily experiences in delivering the DIGITRANS method.

After the topic is introduced by an exemplary case, a short overview of the method and the target groups is given. Thereupon, the main values of the method are explained and the practical tips for the implementation are compiled. Finally, the tasks of the business support organisations and the regional public authorities in order to successfully implement the DIGITRANS method and trainings are mentioned.

2. DIGITRANS – a short introduction

The increasing digitization of business processes by e.g. the Internet of Things or Industry 4.0 requires developing new business models for companies to remain competitive on global markets. There is no digital transformation without appropriate business transformation. Mainly SMEs from less developed Danube regions but also from stronger regions as well are suffering from the digital revolution, as they still do not have enough competences to cope with digital transformation challenges. Therefore, DIGITRANS aims at developing an SME suitable innovation method, which allows SMEs to create competitive digital business models in a dedicated incubator space.

DIGITRANS focuses on Creative Industries, Health and Advanced manufacturing - three sectors relevant to all Smart Specialization Strategies from the partner regions to pilot the innovation method and tools to be developed transnationally by the consortium. By developing a transnationally validated blended learning training programme in connection with a specific online learning environment, SMEs will be empowered and equipped with relevant skills to handle their digital transformation processes successfully and create competitive business models.

3. The DIGITRANS method

The DIGITRANS method outlines the main steps within the method framework and their purposes to create value for SMEs when it comes to their digital transformation and more specifically - for development of innovative digital business models.

3.1 Overview

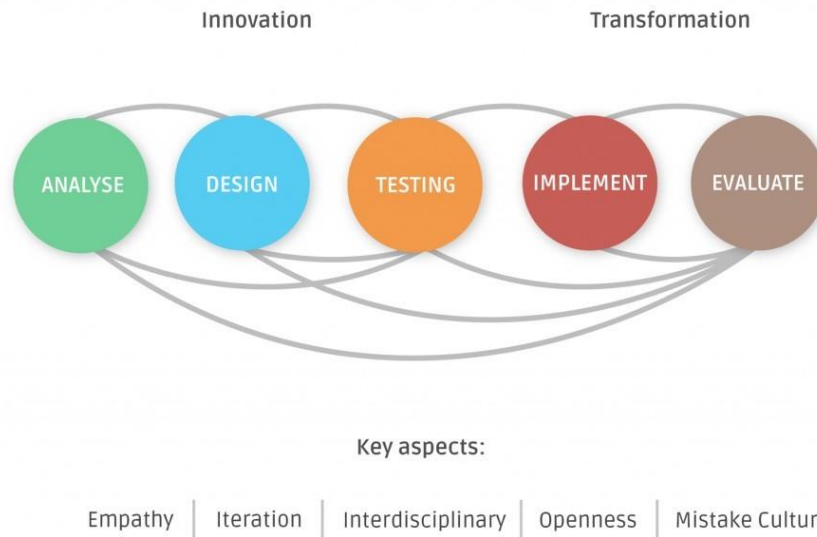
The validated DIGITRANS Method Framework is divided into three main elements that describe the two main phases – the innovation and the transformation phases - as well as the methods and tools accompanying the phases. The first phase is called “Innovation” and contains three main sub-phases:

- (1) The analysis, including the initial identification of the innovation potential of the respective company/of the concrete business case to be tackled during the workshop and the analysis of the stakeholders (targeted customers as well as potential partners).
- (2) The design, comprising ideation, selection of potential solutions and creation of prototypes. The cost-benefit analysis of these potential solutions is also assigned to this phase.
- (3) The testing, including the testing of the developed prototype and business model canvas.

The second phase is called “Transformation”. It contains all relevant processes for digital business model transformation like development and organizational implementation including the change management at its core. Each phase has specific methods and tools assigned to it, which are regarded as best suiting the development of a digital business model. As a result of using this new developed DIGITRANS method framework SMEs are capable of creating and further developing a new or enhanced idea for a digital business model as the starting point for the digital transformation.

The DIGITRANS method is the basis to support SMEs in developing a new digital business model idea. It defines the way and the relevant steps a company should consider when developing a new creative digital business model. In addition, the DIGITRANS method is also the framework for the blended learning trainings to be offered to SMEs in the partner regions. Furthermore, the method is also the basis to the structure of the DIGITRANS Platform, which concentrates on the planning, provision and evaluation of the blended learning trainings taking place within the established and validated incubation centres also following the DIGITRANS method.

DIGITRANS Method Framework



3.1.1 Innovation Phase

Within the DIGITRANS method, the Innovation phase is the part where SMEs will start developing their new digital business model by running through the analysis, design and testing.

- *Analysis*
 - **Step 1: Insight sub-phase:**
Collection of all relevant information regarding the company itself and its environment, such as customers, competitors and trends in the respective industry.
 - **Step 2: Customer and value definition sub-phase**
Collection of all relevant information regarding the customers of the company and their desires and pains in order to match its value proposition with their needs.
- *Design*
 - **Step 3: Ideation sub-phase**
The company is creating new creative ideas and solutions based on the findings and results of its customer analysis.
 - **Step 4: Prototyping sub-phase:**
Based on the findings from the Insight, Customer and Value Definition and the Ideation phases, the team is now asked to develop a prototype in combination with a completed business model canvas in very short time. This prototype offers the

chance to receive quick feedback from the potential customers and users on the new idea/solution without spending a lot of money and time.

- *Testing*
 - **Step 5: Testing sub-phase**

After having developed a first prototype of the digital business model idea it is important to receive direct feedback from potential customers or stakeholders. Testing is the phase where the assumptions in relation to the customers' needs will be verified. The team will receive valuable feedback to further improve its idea.

3.1.2 Transformation Phase

- *Implementation*
 - **Step 6:** Create a vision of your future digital business model based on the results of the innovation phase
 - **Step 7:** Roadmap development / refinement (interdisciplinary team)
 - **Step 8:** Implement a digital leadership framework
 - **Step 9:** Bring your employees on board (Communication/Qualification)
 - **Step 10:** Implement open, interdisciplinary team structure
 - **Step 11:** Implement new working processes/culture (iterative and agile working processes/open collaboration)
- *Evaluation*
 - **Step 12:** Evaluation/Lessons learned of the transition process for the digital business model
 - **Step 13:** Revision of vision/strategy of digital business model

3.2 Main DIGITRANS tools

To reach sustainability of the project the DIGITRANS consortium decided to focus on the following main project results to be spread to relevant stakeholders:

3.2.1 DIGITRANS training concept

The DIGITRANS training is the framework on how to offer the blended learning training on the development of a new digital business model to interested SMEs.

The main aim of the blended learning training is to empower SMEs from the creative industries, health and advanced manufacturing sector with relevant knowledge and competences to deal with

digital transformation and enable them to develop their own new digital business model. The blended learning training is a mixture of on- and offline training offer allowing SMEs to expand their knowledge in a flexible and attractive way.

The blended learning methodology combines on one side face-to-face training on application of innovative tools and methods and customized training for implementation of these tools and methods in specific company's context. On the other side supportive online material like handouts and hands-on method descriptions as well as online consultations and further support are offered. This innovative offering refers to the identified needs and expectations of the target groups.

3.2.2 DIGITRANS platform

The [DIGITRANS platform](#) is the digital hub where the DIGITRANS method, tools and guidelines are presented to SMEs, consultants, trainers, HE representatives interested in using the content to develop new digital business model ideas or offer innovative trainings.

The platform contains all relevant state of the art training materials, research papers and information about the transformative business approach to innovation and entrepreneurship with a particular focus on the emerging sustainable economic sectors (Creative Industries, Green Economy and Green ICT). It also serves as an online training tool for all stakeholders interested in digital transformation. In this way it will promote transnational synergy of excellent training methods and business ideas.

3.2.3 DIGITRANS incubation spaces

The [DIGITRANS Incubation spaces](#) are the creative hubs especially set up for SMEs to offer them an inspiring environment to develop new creative ideas.

The power of incubation spaces lies in the collaboration of heterogeneous groups of people from diverse sectors with different levels of expertise and experience – all working towards achieving some kind of goal. By taking them out of their everyday working contexts and forcing participants to take different perspectives when tackling a challenge, creativity and enthusiasm are fostered and their minds are opened.

The incubation spaces are not only meant to help SMEs gaining a better understanding how to transform into the digital age but is also supposed to offer an open environment that is available to anyone that is looking for comfort of mind regarding the digital transformation as a whole, the use of innovation methods or that is simply looking for a place to collaborate with others following trial and error approaches without the fear of failure.

In the context of DIGITANS, the aim of the incubation centres is to a) provide space for workshops and 1-on-1 sessions, b) provide space for interactive and creative working, c) demonstrate to SMEs how creative spaces can be designed, and d) to present the advantages of such innovation incubators to relevant stakeholders like politicians.

4. Policy recommendations

To identify relevant measures for policy programmes, partners from Germany, Romania, Slovenia, Croatia, Bulgaria, Austria and Hungary conducted regional policy workshops with representatives from business support organisations, regional public administration and SMEs. Within these workshops the following policy recommendations including practical tips to sustainably implement the DIGITANS method for regional authorities and public business support organizations were developed.

4.1 Added value of DIGITANS method for regional digitalization strategies

Digital transformation is not possible without corresponding business model transformation. Therefore, DIGITANS developed a SME appropriate innovation method enabling SMEs to create competitive digital business models. The project focused on the sectors Creative Industries, Health and Advanced Manufacturing, which are relevant to regional digitalization strategies. Furthermore, the project partners identified in collaboration with stakeholders various benefits of DIGITANS method for regional digitalization strategies:

4.1.1 Benefits of DIGITANS method:

- Easily accessible for companies
- Applicable across sectors
- Region-specific customizable
- Combining various tools and guidelines for practical application (direct access to methods for developing strategies)
- Benefit to established regional digital hubs (e.g. using materials / training concepts in own offer)
- Valuable for SMEs daily working processes

4.1.2 Chance for regional SMEs to ...

- Become aware of necessity for digital transformation and the topic's complexity (change of mindset; new thinking processes by using new methods; Sensitization of SME)
- Include different perspectives
- Follow digital trends on the part of customers and stakeholders
- Improve their abilities and qualifications in relation to digital transformation
- Exchange knowledge and experiences / network / interact
- Self-learning that allows SMEs to learn when and where they want by setting their own pace of learning
- Educate employees / development of new skills / reduce fears and mental blockade
- Experience advantages over other companies

4.2 Practical tips to implement DIGITRANS method

In order to sustainably integrate the DIGITRANS method in the regional digitization strategies in the long term and to promote digital transformation of SMEs the following specific key-requirements must be fulfilled within SMEs:

- **Awareness** (of necessity for digital transformation)
- **Time** (to implement digital transformation processes)
- **Employees** (who understand the importance and the necessity for digital transformation / who are willing and able to adapt the essential skills)
- **Leader** (person responsible for digital transformation processes)
- **Financing** (different possibilities of financing)

Furthermore, the following three key-factors to sustainably implement the DIGITRANS method successfully have been identified:

4.2.1 Promotion / Motivation

- Promotion of DIGITRANS method, trainings & platform
- Promotion through case study results (success stories) of digital transformation processes within companies SME (overview of best practice examples)
- Organisation of events like "Fuckup Nights" to learn from bad practice
- Ensuring courage and increase failure tolerance in companies
- Outlining the free access to DIGITRANS' tools and demonstrate its added value to the SMEs

- Networking of the companies among each other to promote the DIGITRANS offer

4.2.2 Information

- guidelines and tutorials for using DIGITRANS method, training, incubation centres, platform and the embedded tools
- educational programmes
- funding opportunities

4.2.3 Cooperation

- collaboration of actors of the “quadruple helix” (industry /companies, academia / R&I institutions, government, authorities and public institutions, users & civil society)
- involving decision makers in the process of planning regional and national digital transformation initiatives
- continuous communication and cooperation between different stakeholders (combination of personal speech and accompaniment) → SME must be further mentored after the Trainings (follow-up phase)
- compatibility of national and regional digital transformation strategies

4.3 Tasks of business support organizations & public authorities to a successful implementation of DIGITRANS method and trainings

The different tasks of business support organizations and public authorities to successfully implement the DIGITRANS method and the trainings are divided into three main parts: raising awareness / encouraging SMEs, educating trainers / employees and networking / connecting:

	Business Support Organizations	Public Authorities
Raising awareness / encouraging SMEs	<ul style="list-style-type: none"> • Promotion of Events • Promotion of DIGITRANS method and tools • Information about digital trends and technology • Highlighting best practice examples and successes • Publishing articles within various media channels (scientific & economic) 	<ul style="list-style-type: none"> • Integration of digital transformation in regional development strategies • Innovation fund (financing of regional innovation and digital transformation)

	<ul style="list-style-type: none"> • Support of initiatives for building digital infrastructure for digital transformation to authorities • Ensuring objective monitoring of achievements related to digital transformation • Demonstration of concrete benefits • Promotion of e.g. innovation vouchers (after participation in a workshop) • Support of transparency and overview of existing offers on regional and federal level to support SMEs in their digital transformation process 	
Educating trainers / employees	<ul style="list-style-type: none"> • Information about digital trends and technology • Providing access to DIGITRANS method 	<ul style="list-style-type: none"> • Availability and accessibility information and resources related to digital transformation • Set up bodies or organizational units responsible for offering practical support • Involvement of experts and user experiences • update strategic documents (goals and objectives) taking current business and social situation into account
	<ul style="list-style-type: none"> • tackling regional development challenges and solutions (e.g. initiatives for overcoming digital divide for encouraging development of digital skills for elderly people) 	
Networking / connecting	<ul style="list-style-type: none"> • Local platform for better collaboration and network between SMEs, Public Authorities and Business Support Organizations 	

	<ul style="list-style-type: none"> • Meet-UP social events for interdisciplinary teams including people decision makers in local region • Networking of Digital Hubs nationally and internationally, offering trainings about innovation methods using DIGITRANS method 	
	<ul style="list-style-type: none"> • Connection of all the stakeholders within digital transformation process 	

4.4 Relevant actors

In cooperation with stakeholders of the “quadruple helix” the project partners identified important actors, who need to be involved to facilitate the success of DIGITRANS method and trainings. If you belong to a business support organisation or public authority, you should think about the following stakeholders:

[X] **Think about business support organisations (BSO)**

BSOs play an important role as intermediaries to boost the digitalization of SMEs’ business models. They should implement the DIGITRANS method into value by offering additional services to SMEs and to support policy stakeholders in establishing an entrepreneurship and innovation friendly environment.

- Which BSOs should be involved in your region?
- Create a list of important persons to address + contact details

[X] **Think about regional public authorities (RPA)**

RPAs are important actors supporting the establishment of entrepreneurship and innovation friendly environments in the Danube region.

- Which RPAs should be involved in your region?

→ Create a list of important persons to address + contact details

[] **Think about SMEs from different sectors**

SMEs as the end users of the DIGITRANS method are the most important target group to be addressed.

→ Which SMEs should be involved in your region?

→ Create a list of important persons to address + contact details

[] **Think about higher education and research**

Universities should be addressed, to transfer fundamental and up-to-date theoretical knowledge and technology into new products and services that are of higher value for SMEs. By doing this products and actions for the digitalization process of SMEs, which have beneficial consequences for society and economy can be developed. Thus, those can use the DIGITRANS training material to revise their own curricula and offer up to date trainings to their students.

→ Which institutions must be involved in your region?

→ Create a list of important persons to address + contact details

[] **Think about trainers and consultants**

T&C are important players as they can use the DIGITRANS method e.g. training material to offer similar trainings within the DIGITRANS partnership area. In addition, trainers and consultants are important stakeholders to transfer the DIGITRANS outcomes also within other regions of the Danube program and by this, they support the sustainable uptake and implementation of the project.

→ Which T&Cs should be involved in your region?

→ Create a list of important persons to address + contact details

[] **Others ...**

5. Conclusion

In order to ensure the sustainability of the DIGITRANS project and to implement the DIGITRANS method in the individual regions, various measures have been adopted. For that reason the project consortium together with the actors of the “quadruple helix” (industry /companies, academia / R&I institutions, government, authorities and public institutions, users & civil society) developed policy recommendations for increasing competences to cope with digital transformation in special “regional policy workshops” in the different partner regions. The results were summarized in the Guideline on sustainable integration of DIGITRANS method for regional authorities and business support organizations.

6. Relevant links

DIGITRANS – Platform	https://digitrans.me/psm/home
DIGITRANS – Website	http://www.interreg-danube.eu/approved-projects/digitrans
DIGITRANS – Incubator	https://digitrans.me/psm/incubationspaces
DIGITRANS – Method	http://www.interreg-danube.eu/approved-projects/digitrans/section/digitrans-method-framework
DIGITRANS – Train the trainer guide	Link to Trainers’ subpage which should be online in the next days
LinkedIn Community	https://www.linkedin.com/groups/8645535/
Social Community	https://social.digitrans.me/index.php?r=dashboard%2Fdashboard