



The D4SME Global Initiative: Structure of Activities

The OECD Digital for SMEs Global Initiative (D4SME) aims to promote knowledge sharing and learning on how to enable all SMEs to make the most of the digital shift, placing specific emphasis on the diverse opportunities and needs of the large “missing middle” of SMEs and entrepreneurs, and on their role for an effective, inclusive and sustainable digital transition.

The Initiative is a response to a call from Ministers and high-level representatives from over 50 countries and 12 international organisations to “foster conditions for SME adoption and diffusion of innovative and digital technologies, investment in complementary knowledge-based assets and digital security” ([2018 OECD Ministerial Conference on Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth](#)). In particular, Ministers asked the OECD to strengthen multi-stakeholder dialogue to inform policies that shape conducive framework conditions and remove obstacles to SME digitalisation.

Three pillars underpin the development of the Initiative: **Analytical Research, Sharing SME experiences, and Network and policy dialogue activities**. Activities under each pillar will inform the work of the OECD Working Party on SMEs and Entrepreneurship (WPSMEE) on “Enabling SMEs to benefit from digitalisation”, as part of its Programme of Work and Budget.

| | PILLAR 1 | PILLAR 2 | PILLAR 3 |
|---|---|---|--|
| | Analytical research | Sharing SME experiences | Network and policy dialogue |
| OBJECTIVES | <ul style="list-style-type: none"> Develop new research, leveraging OECD analysis, along with data, expertise and resources of interested D4SME partners. Build synergies with, and feed into OECD work on “Enabling SMEs to benefit from digitalisation”, e.g. final publication on SME digitalisation, Policy papers on “Blockchain for SMEs and Entrepreneurs”, and policy paper on “AI for SMEs”. | <ul style="list-style-type: none"> Collect relevant SME case studies of digital transformation from the D4SME network members that exemplify different pathways to digitalisation, key factors of success, as well as persisting challenges. Identify powerful stories for outreach purposes, to be disseminated through “SME blogs”, video interviews or online media. | <ul style="list-style-type: none"> Continue building and expanding the initiative’s network of SMEs, to account for geographic and sectorial diversity, different digital challenges and pathways, etc. Organise dialogue activities between SMEs, large firms, experts and governments to foster knowledge exchange on best practices of SMEs going digital. Collect regular feedback and relevant experiences from SME and large business representatives. |
| Cross-fertilisation of pillars 1-2-3 | | | |
| <i>Tailored communication efforts to showcase key findings and messages</i> | | | |



2020 Programme of Work - “SME digitalisation in response to the COVID-19 crisis”

There are signs that the COVID-19 outbreak could give a big push towards digitalisation and the transformation of SMEs. However, an impromptu transition will not come without risk.

Social distancing imposed during confinement, workers kept home as schools closed doors, and the closure of many businesses requiring physical contact, often in sectors where SMEs are the majority (e.g. retail trade, recreation, hotels and food services etc.), have all highlighted the limits of non-digital business models. As countries slowly start lifting lockdown measures, it is likely that digital and more remote working practices will increasingly become the “new normal” and be adopted across a number of sectors and business models. **The COVID crisis has thus stressed the need to accelerate the SME digitalisation process** for overcoming the crisis in the short term, but also for increasing resilience in the longer term. Anecdotal evidence and early statistics suggest indeed that digitally-enabled businesses may be weathering the turmoil better, and observers have also noticed an increasing number of initiatives by SMEs themselves, who are aiming to make life ‘touchless’ through a range of activities, including moving business activities online out of fear of transmission, need for survival, or simple entrepreneurial opportunity.

The Covid-19 outbreak provides both opportunities and incentives for SMEs to go digital earlier than planned. However, most of them are ill prepared for a radical transformation on such a particularly short notice. **Gaps in digital capacity and infrastructure that existed prior to the outbreak remain**, with rising threats on SME cybersecurity and data integrity, growing inequalities between the ‘have’ a digital profile and the ‘have not’, and an overall risk to lose many viable businesses on the way.

The 2020 Programme of Work of the D4SME Initiative will focus on how SMEs, large enterprises, business associations, and national and local governments are responding to the emergency in light of the need to speed up SMEs’ digital transformation. The work will aim to draw concrete lessons for policy makers and enable them to accompany the digital transition of many diverse SMEs, as well as ensure their resilience and that they can all benefit from digitalisation.

| | PILLAR 1 | PILLAR 2 | PILLAR 3 |
|---|---|--|--|
| | Analytical research | Sharing SME experience | Network and policy dialogue |
| PROPOSED ACTIVITIES FOR 2020 | <ul style="list-style-type: none"> ▪ Produce analysis in cooperation with partners, e.g. on <ul style="list-style-type: none"> ○ Impact of the lockdown and disruptions in supply chains for SMEs and GVCs, ○ Impact on SME participation in e-commerce, with a possible regional and/ or sectoral focus. ○ Integration of data analytics in SMEs’ business processes and decision making; ○ Other to be determined | <ul style="list-style-type: none"> ▪ Develop a databank of SME digitalisation experiences during the COVID-19 crisis. ▪ Identify pre-conditions and profiles, the challenges faced and solutions found, as well as the role of governments and public policies in this context-including experiences and views of companies accessing governments’ support schemes. ▪ Highlight inspiring stories through “SME Blogs” and video interviews, also to provide practical examples to SMEs willing to learn from each other | <ul style="list-style-type: none"> ▪ Virtual workshops or webinars on topics to be determined, e.g. SME Digital policy responses to COVID-19, SMEs and AI, emerging opportunities and the role of policies and initiatives from both small and large digital service providers (Q2-Q3); ▪ Second D4SME High level Policy Roundtable, one-day event in Seoul (Korea) (Q4) (pending uplift of travel restrictions) |
| Cross-fertilisation of pillars 1-2-3 | | | |
| <i>Tailored communication efforts to showcase key findings and messages</i> | | | |