

**Conference on the digital transformation  
of European industry and enterprises**

*Brussels, 16 February 2016*

**Declaration on the digital transformation  
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Digital technologies are currently driving the ‘fourth industrial revolution’. Empowered by digital investments, disruptive business models and improved production processes, European companies are generating international market opportunities with new products and services. In today’s globalised world, the transition to a digital economy is essential for Europe’s competitive edge and to deliver much needed economic growth and jobs. To this end, the conference participants urge Europe’s policy makers and industry leaders to take immediate and bold action, notably in the following areas.

### **Speed is of the essence: accelerating digital transformation to seize business opportunities**

Europe has to build on its traditional strengths in competitive manufacturing and in creative and innovative services. Industries and digital players are converging at a rapid pace, offering new value propositions. Digital transformation enables and accelerates the smart integration of products and services, placing the customer at the centre. Industries like engineering, automotive, healthcare and pharmaceuticals are being impacted as value is shifting rapidly along the value chain. The major power of the fourth industrial revolution lies in the combination of digital technologies with other advanced technologies in order to achieve maximum resource efficiency and boost EU competitiveness. These challenges require innovative leadership and organisation within companies and greater cooperation across different value chains. European business cannot be left behind in this race.

We urge European industry, enterprises and public administrations to demonstrate leadership and drive forward innovation in their organisations as a matter of urgency. We call upon the European Commission and European policy makers to create a smart regulatory and investment framework to facilitate the transition to a smart, clean and sustainable European industry, and to enhance cooperation among all stakeholders.

### **Magnitude matters: mobilising investments to reap the full benefits of a European data-driven economy**

Investments in infrastructure and intangibles are essential for the creation of a single European data economy. Over 50 billion things, devices and machines are estimated to be connected to the Internet by 2020 according to DHL and Cisco. The need to manage and analyse large data volumes at speed is increasing rapidly. Across all industries, data repositories—so-called ‘Data Lakes’—are urgently needed to put an end to data silos and pull together increasing volumes of incompatible data.

For Europe to secure a competitive advantage in autonomous and connected cars, in manufacturing industries and in smart healthcare, urgent investments are needed in cloud computing, 4G and 5G mobile infrastructure, interoperability of digital ID management, cybersecurity, data integrity and the Internet of Things (IoT).

We call on European and national policy makers and industry leaders to work in partnership in order to create a Single European Data Economy, by facilitating public private investments to overcome the infrastructure, technological, regulatory and policy barriers to the mass collection, management and usage of data across the European Union.

## **Reskilling the workforce: digital skills for industry**

Reskilling the workforce across Europe's industrial sectors is a critical necessity and challenge. A significant percentage of the workforce is at risk of 'functional obsolescence'. SMEs cannot afford long and costly training efforts. Digital reskilling for new and better jobs requires a strong sectoral focus as well as the promotion of cross sector e-skills. A comprehensive strategy, including an industry-led toolbox, is needed to provide an adequate response to the digital leap that industries will experience in the next 5 to 10 years. The EU needs new flexible ways of creating and delivering training—defined by industry and based on best practices—in order to provide scalable solutions across Europe. Appropriate certification and quality assurance in ICT education and training is extremely important for employability, professional mobility and sustainable careers. Training curricula have to quickly adapt to new requirements. In this context, multi-stakeholder partnerships should be facilitated and cooperation between social partners, academic institutions and industry players strengthened in order to work towards a common objective.

We call for a comprehensive strategy and the setting-up of industry-led multiple stakeholder partnerships in order to target specific industrial and sectoral skills needs, and an efficient mobilisation of EU funding programmes and instruments commensurate with the scale of the issue at hand.

## **Accelerate the transition to a circular economy through digital transformation**

Europe's current linear growth model is highly dependent on finite resources and thus exposed to resource volatility, limited gains in productivity, and significant losses of value through waste. Forward-thinking leaders have already adopted digital transformation as a means to sustainable growth by capturing, monitoring and analysing data on buildings, vehicles, machines, tools and materials. Advanced new technologies in the fields of biotechnology, nanotechnology and advanced materials can play a key role—when combined with ambitious digital transformation efforts—in the creation of resource efficient processes and smart and clean industries. More business leaders need to take advantage of and continue to develop the synergies that exist between digital transformation and the circular economy. Policy makers and digital transformation enablers should seize the opportunity to make digitalisation a key driving force behind the creation of a viable circular economy. Greater pan-European collaboration needs to be fostered to overcome the barriers for green digital growth.

We call on business and public sector leaders to fully deploy the power of digital technologies for the transition to a circular economy, and for the delivery of more sustainable products and services. This will result in significant efficiency gains along with a more productive use of energy and resources.

## **Empowering mayors, regional leaders and entrepreneurs as digital transformation ambassadors to make cities and regions launch pads for digital transformation**

Cities and regions have a crucial role to play in the creation of a favourable environment for digital transformation in Europe. Leaders at city and regional levels are key facilitators for the transformation of their territories. They are best placed to develop relationships built on trust, bring together local resources and facilitate collaborations between academia, entrepreneurs,

traditional industry, innovative start-ups, incubators, investors and policy makers. Smart public governance and digital strategies can enable cities to provide higher quality citizen-centric services at a lower cost. Cities and regions should therefore be considered as ‘launch pads’ for digital transformation and the creation of new business opportunities.

Joint cross-border programmes and investments are needed to boost the digitalisation of industry at city and regional level. These programmes would allow for the sharing of best practices, and the development of digital platforms and local value chains to support a true circular economy at local and regional level.

We call on mayors, regional politicians and local entrepreneurs to become innovation and digital transformation ambassadors for businesses and public administrations in their cities and regions; to instil a sense of urgency and opportunity amongst their partners and peers, to fairly open public data for businesses and citizens, to actively promote open innovation and to mobilise resources through joint, coordinated actions.

**Making open innovation a best practice in corporate governance**

The potential of digital technologies can be harnessed through ‘open innovation’ to innovate faster, to bring new thinking into organisations and to ensure that the best ideas are implemented and successfully brought to market. SMEs face particular challenges in ‘going digital’. Whereas many larger companies have started collaborating with innovative start-ups there is a particular need to also ensure that SMEs are engaging in this type of collaboration. Dynamic and self-sustaining ecosystems are needed for start-ups to have the opportunities to grow and scale up by freely accessing the European market and developing into global champions.

We call on board members and entrepreneurs in established industries to institutionalise fair and open innovation as a best and standard practice, to work together with innovative start-ups, researchers and SMEs to increase the European innovation absorption capacity, taking advantage of digital opportunities and meeting digital challenges.

**Europe needs a new wave of entrepreneurs**

Early stage and established entrepreneurs and intrapreneurs are the drivers of the digital transformation of Europe’s industries and enterprises. Europe is lagging behind its competitors in all types of entrepreneurial activity. The most significant gap is in early stage entrepreneurs, where Europe is at 7.8% of the population compared to the US with 13.8% according to the Global Entrepreneurship Monitor (2014). This represents a gap of 20 million entrepreneurs in Europe. For intrapreneurs, the gap is 5 million. Entrepreneurship is an answer to tackling new business opportunities, boosting market-creating innovations and solving societal challenges. Attitudes toward entrepreneurship and toward risk need to change. Entrepreneurship should also be seen as an opportunity and solution for career conversion and reorientation.

We call on EU policy makers to create a new attractive status for entrepreneurs and intrapreneurs in Europe by providing a sound and harmonised social, financial and legal framework.

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