

## **Using Quality IT Companies and Solutions from the Whole Region to Make Traditional Industries More Competitive Globally**

In the time of the global economic and financial crisis ICT is seen as factor that can increase the competitiveness of the economy. A recent EU strategy defines the key role of Information and Communication Technologies for providing essential infrastructure and tools for knowledge creation, knowledge sharing and knowledge diffusion. ICT is considered a key component of the economy, boosting the innovation capacity of all sectors and contributing to more than 40% of the overall productivity growth<sup>1</sup>

An OECD study<sup>2</sup> reported that the additional productivity of ICT-equipped labour in Finland ranges from 8% to 18%. The increase is much higher in younger firms and in ICT-providing activities. Overall, the added productivity induced by ICT seems to be somewhat higher in services than in manufacturing. One can expect that the use of ICT by the businesses in SEE and CIS regions can have even more positive effects in countries from these regions, because they have lower level of ICT penetration compared to the EU countries and rapid adoption of ICT is possible.

The businesses, particularly in SEE and CIS countries, despite their growing digitalization in terms of ICT usage and Internet connection, face a difficult situation in embarking on efficient ICT enabled strategies and technologies, and taking advantage of the business opportunities related to process improvement and eBusiness as a whole. This is mostly due to the lack of awareness about the possibilities and benefits that ICT offers. This problem can be effectively resolved by multi-national cooperation of governments, industry representatives and the ICT- providing industry.<sup>3</sup>

The RCI ICT Team has initiated a series of initiatives that directly address the need of increased awareness about the benefits of ICT implementation in different economic sectors in the CIS and SEE regions. The main goal of these initiatives is to increase the competitiveness of SMEs through awareness and promotion of tailor-made ICT solutions that meet local needs.

The initiatives build upon the success of the RCI Software Process Improvement Program in the SEE and CIS regions that supported more than 30 local companies to improve the quality of their products and services through the implementation of the IT Mark and the CMMI models. In the course of the program more than 1000 participants from 300 companies attended training courses. More than 30 ICT companies from Bulgaria, Armenia, Macedonia, Moldova, Serbia and Romania launched process improvement programs and more than 20 were certified in accordance with ITMark and CMMI (3). As a part of the project the ICT companies from the region demonstrated their capacity to produce cost-effective tailor-made ICT solutions that meet local needs.

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<sup>1</sup> Strategy for ICT R&D and Innovation in Europe: Raising the Game, COM(2009) 116 final, 13 March 2009

<sup>2</sup> Economic Impact of ICT MEASUREMENT, EVIDENCE AND IMPLICATIONS, OECD 2004

<sup>3</sup> Impact Study No. 10/2008 An Economic Assessment of ICT Adoption and its Impact on Innovation and Performance, A cross-sector e-Business Watch study by DIW Berlin, Final Report Version 4.0, September 2008

Activities to promote ICT implementation in the companies include:

- Focused presentations and discussions about ICT as a factor for competitiveness with key stakeholders from economic sectors (already initiated in the tourism sector)
- Analysis of the solutions developed in the region and preparation of a catalogue of local products. The catalogue will be distributed in paper and electronic format among the representatives of the economic sectors. (in advanced stage of preparation)
- B2B workshops at the regional level with participation from ICT and other economic sectors
- Networking promotion for ICT and industrial associations in the region
- Supporting ICT implementation in pilot companies

Using the accumulated experience and the established relations among the regional ICT community of practice, the RCI ICT Team analyzed the potential of the ICT firms in the SEE and CIS regions to provide ICT solutions that can increase the competitiveness of other economic sectors. The information is used in the development of a business-needs-oriented ICT catalogue and in the planning of a number of relevant activities.

The catalogue will promote the use of Information Technologies (IT) in order to improve competitiveness in the region and connect companies from different economy sectors and different countries as well. The catalogue will raise awareness about ICT and will support companies in their search for easily accessible and more effective ways of improving the competitiveness of their business. The catalogue is intended to encourage direct contacts between companies from the ICT sector and companies in the other sectors of economy. As result both the ICT companies and other sectors can further develop their business and increase their competitiveness.

We would like to extend special thanks to the USAID missions and the local ICT associations in the region for their valuable cooperation in spreading the word about the catalogue.

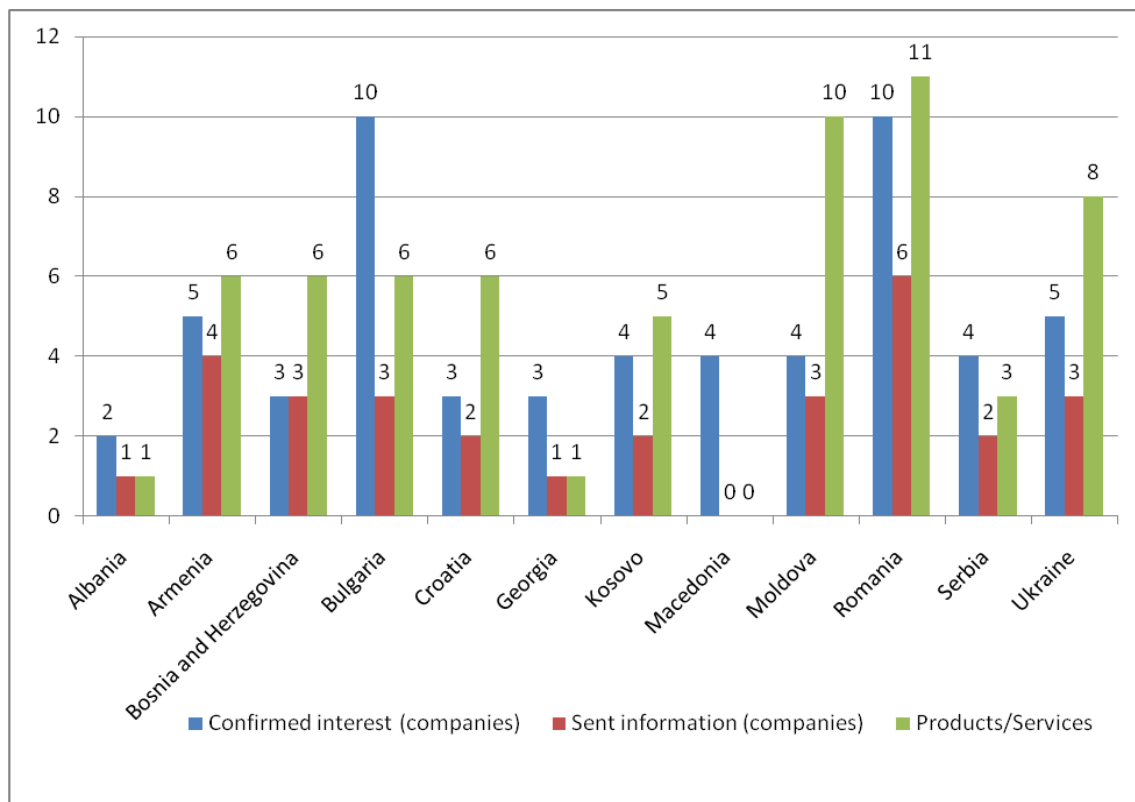
Approximately 190 companies from 12 countries were informed about the possibility to present their ICT products in the catalogue. In addition 10 USAID missions and projects in different countries and 10 local IT associations were invited to support the campaign.

By the 22<sup>nd</sup> of May 2009, 56 companies from Albania, Armenia, Bosnia and Herzegovina, Georgia, Bulgaria, Croatia, Kosovo, Macedonia, Moldova, Romania, Serbia and Ukraine had confirmed their initial interest and subsequently received structured questionnaires, so that they can submit their contributions to the catalogue. 30 companies have already sent the filled-in questionnaires back, thus presenting 63 products and services<sup>4</sup>.

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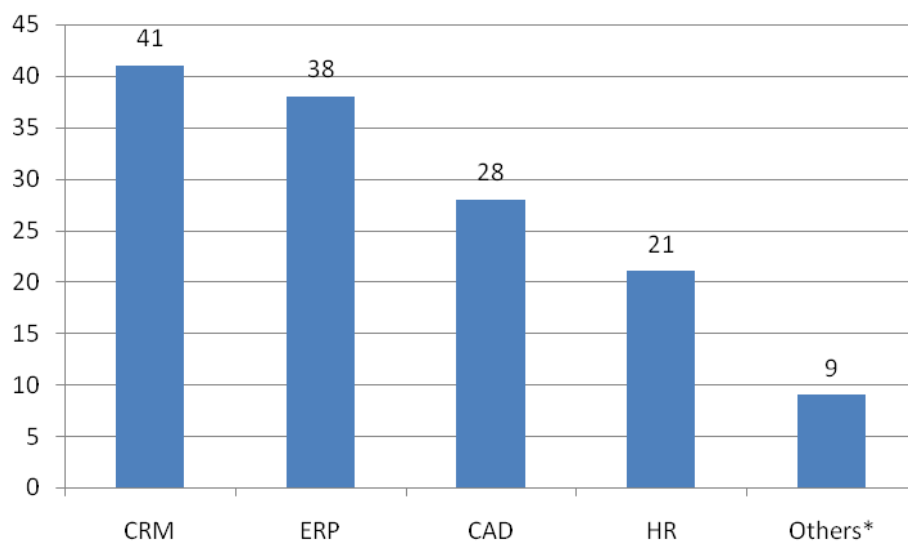
<sup>4</sup> Does not include products and services for which companies provided insufficient information or offer the companies can not offer them in the region.

**Figure 1 Interest in Participation in the Catalogue by Country**



Many of these solutions provide integrated approach for business process automation and cover ERP, CRM, HR and other functionalities. The providers categorized their solutions as follows:

**Figure 2 Number of Solutions/Services by Category**



CRM – Customer Relationship Management

ERP – Enterprise Resource Planning

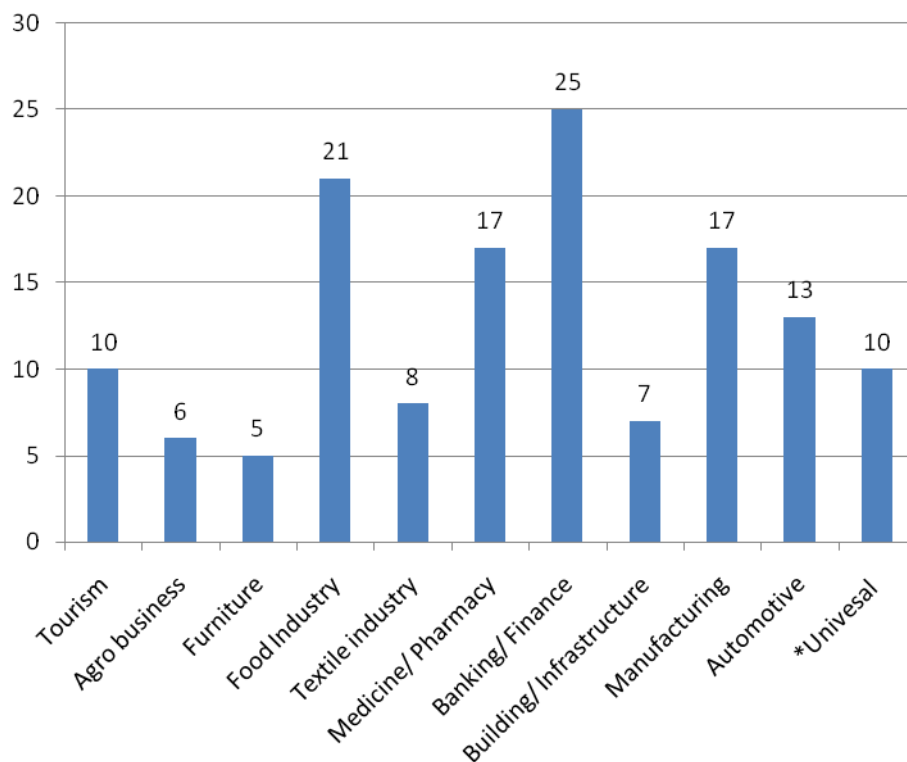
CAD – Computer-Aided Design

HR – Human Resources Management

\*Others: traffic control, information security, on demand software development, mobile service development and eLearning

Most of the products are general solutions for management improving in various economic sectors. The companies categorized the solutions in the following sectors:

**Figure 3 Number of Solutions Directly Applicable to Selected Economic Sectors:**



\*Universal: Relevant to all sectors

The project has the following milestones:

- May 2009 confirmed interest by companies
- Jun 2009 short pilot version of the catalogue featuring 10-15 selected solutions
- Sep 2009 final selection of the solutions
- Oct 2009 final version on paper and electronic format completed

The catalogue will be disseminated to various stakeholders, such as:

- Specialised events: trade fairs, B2B meetings, road shows, and others.
- Business associations
- USAID missions
- Business support programs

The source information of the catalogue will be made available to the interested parties should they decide to publish additional copies.

In order to realize further synergies, the development and dissemination of the catalogue will be coordinated with other activities and projects that support the competitiveness of the CIS and SEE regions.

For more information please do not hesitate to contact us at: ESI Center Bulgaria/Eastern Europe, email: [office@esicenter.bg](mailto:office@esicenter.bg), tel. +3592489974