

Interreg
North Sea Region
COM³
European Regional Development Fund



com³



POLICY BRIEF

Driving Digital Transformation in Rural Businesses

Results from the COM³ Project



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Introduction

This brief presents the results of a survey of businesses and organisations that had engaged in or received digital support through the COM³ project ("Building competencies for competitive companies"). Sixty-two organisations responded to the survey, representing all seven countries within the COM³ Interreg partnership. The majority, 61%, were micro-enterprises employing 9 people or less, 24% had 10-49 employees and 15% employed more than 50.

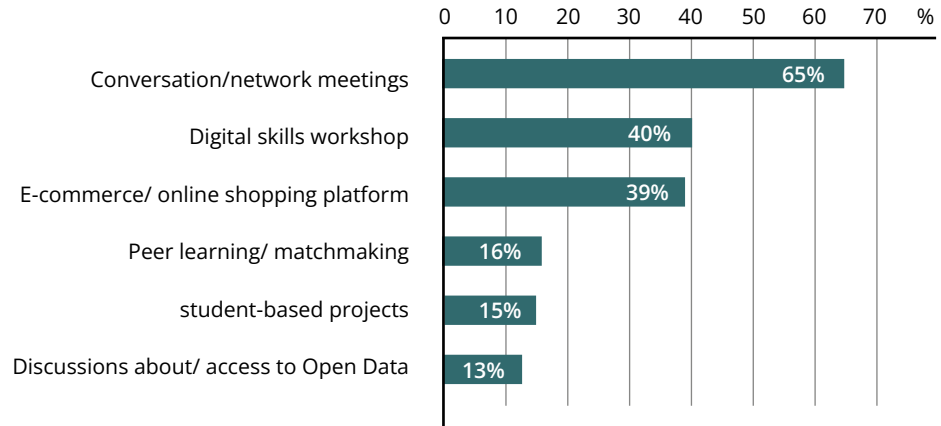
Summary

- Businesses engaged in COM³ in a variety of ways, including networking, digital skills workshops, support for online sales, peer learning, student-based projects and discussions about open data.
- 84% of businesses identified that participation in COM³ made a difference to their understanding of digital technology, while 74% identified that it had made a difference to their use of digital technology.
- Participants in digital skills workshops and e-commerce support were most likely to report a difference in their understanding of digital technology. Those engaged in open data activities and student-based projects were most likely to report change in use of digital technology.
- As a result of their participation in COM³, 79% of businesses introduced new digital products and services. These included e-commerce, social media marketing, online training, video promotion, access to data, and a new website or app.
- Businesses identified many wider benefits from their participation, particularly working more closely with government or universities (71%), collaborating more effectively with other organisations (69%) and developing new business ideas (63%).
- Participation in COM³ supported business growth and resilience: 25% of businesses reported a growth in sales, 36% stated it had helped maintain previous levels of sales, and 28% that it had helped them retain their existing workforce.

How did businesses engage in COM³?

Businesses engaged with COM³ in a variety of ways, and 42 out of the 62 businesses engaged in more than one type of activity. More than two thirds engaged in conversations and networking with COM³ partners and other businesses. More than a third participated in digital skills workshops or received support for e-commerce or became part of an online shopping platform. Some businesses (16%) participated in peer learning or match-making activities, while others engaged in student-based projects (15%) or discussions about or access to open data (13%).

How has your organisation engaged in COM³?



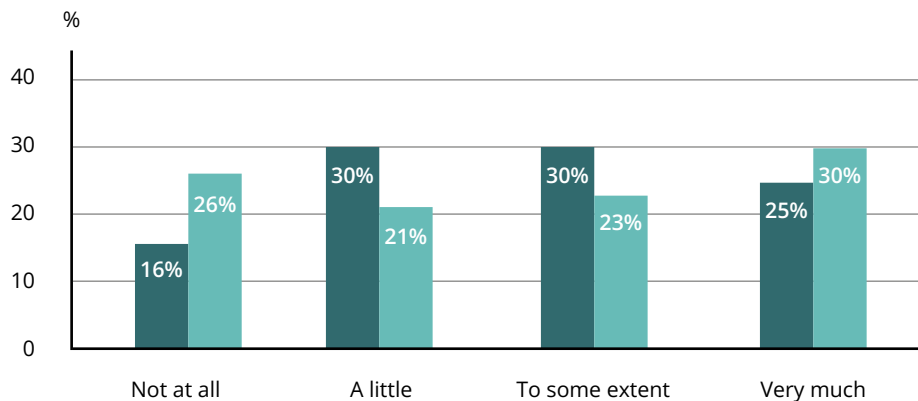
What difference did **COM³** make to businesses' understanding and use of digital technology?

The vast majority, 84%, of businesses, identified that participation in COM³ made a difference to their understanding digital technology. 74% identified that it had made a difference to their use of digital technology, with 30% stating 'very much'.



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What difference did COM³ make to businesses' understanding and use of digital technology?

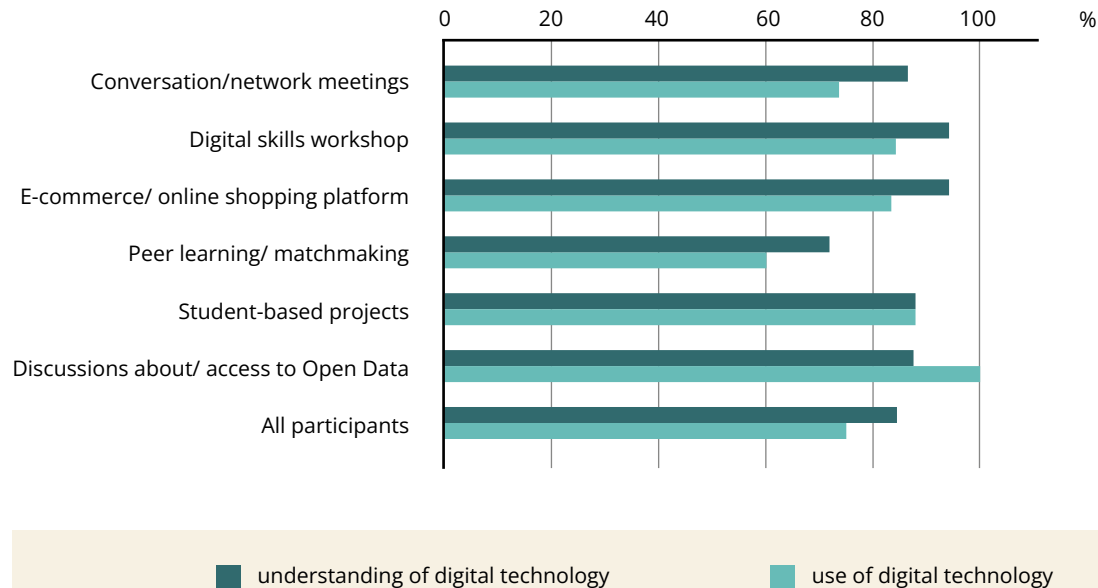


■ understanding of digital technology

■ use of digital technology

Those who had attended digital skills workshops and received support with e-commerce were most likely to report a difference in their understanding of digital technology. Those engaged in open data activities and student-based projects were most likely to report change in use of digital technology. Conversations, networking and peer learning were associated with a lower proportion reporting a difference in use of digital technology, but with at least 70% reporting a difference in their understanding of technology.

Proportion of organisations reporting a difference in their understanding and use of digital technology, by type of support received



What digital products and services did businesses introduce?

As a result of their participation in COM³, 79% of businesses had introduced new digital products and services, with many reporting more than one type of product or service. The most frequently reported were e-commerce (37%) and social media marketing (26%). Some (18%) had introduced online training, while 15% invested in video promotion or provided access to data. 1 in 10 had developed a new website, while 5% had introduced a new app. A small proportion of businesses had introduced online booking systems and inventories or had established new online communities.

New digital products and services introduced by participating businesses

	% of responding businesses
E-commerce/online sales	37%
Social media marketing	26%
Online training	18%
Access to data	15%
Video promotion	15%
A website	11%
Online booking system	5%
Online communities	5%
An app	5%
Online inventories	2%

What were the other benefits of participating in **c·m³**?

The majority of businesses reported the **networking and community benefits** of COM³, including working more closely with government, universities and other organisations. Half of businesses reported becoming part of a digital community. This reflects the role of COM³ in engaging both intermediaries and businesses, and in building local partnerships focused on digital transformation.

Many businesses reported **business model changes**, including new businesses ideas (63%) or a new business model (47%), and 26% diversifying their range of products and services.

Others had improved their **external profile and reach**, with 52% reporting improved communication with customers, and 40% a more professional image or brand. 45% had broadened their market geographically, and 13% had reached new international markets.

Many identified **process improvements**, such as improvements to internal processes (53%), improved awareness of cyber security (37%) and more effective use of open data (23%).

Benefits of participating in COM³

	% of responding businesses
Work more closely with government or universities	71%
Collaborate more effectively with other organisations	69%
Develop new business ideas	63%
Improve internal processes	53%
Improve communication with customers	52%
Become part of a digital community	50%
Develop a new business model	47%
Broaden market geographically	45%
More professional image or brand	40%
Improve awareness of cyber security	37%
Diversify range of products and services	26%
Use open data more effectively	23%
Reach new international markets	13%



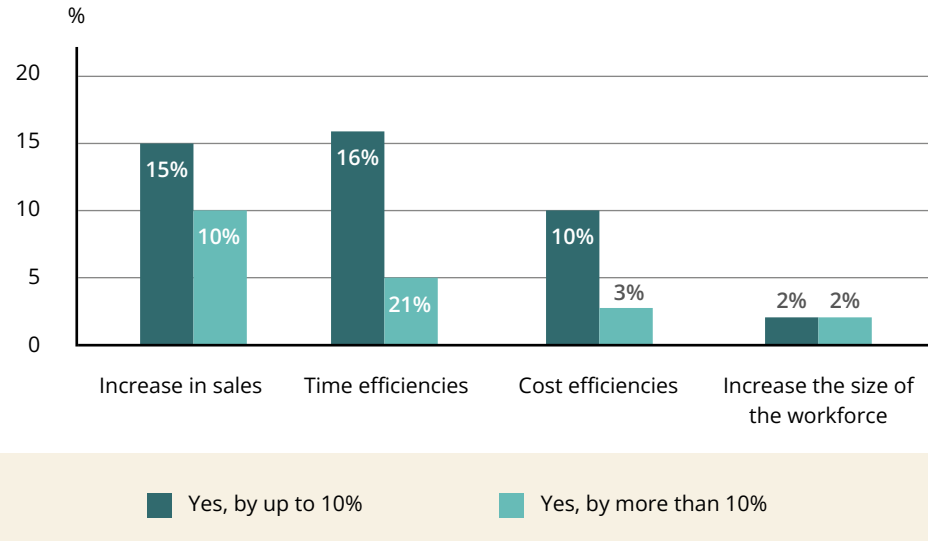
How did affect business growth and resilience?

Businesses were asked how COM³ had affected the growth of their business, specifically sales and workforce, and whether there had been any time and cost savings. Twenty-five percent reported a growth in sales, with 10% reported that this was greater than 10%. A smaller proportion, 4%, reported growth in their workforce, with 2% reporting growth of more than 10%.

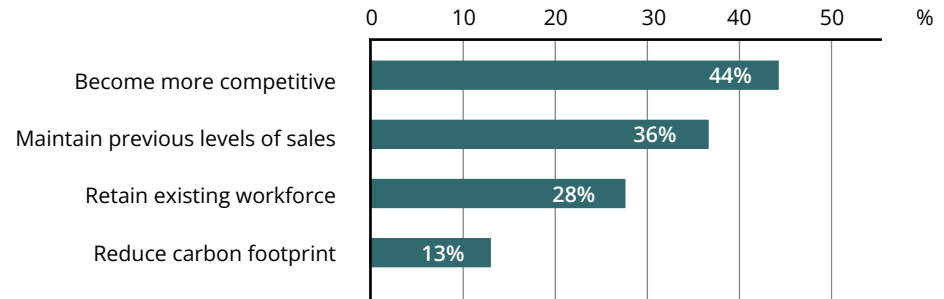
1 in 5 businesses reported improve time efficiencies, with 5% reporting more than a 10% improvement in time efficiencies. 13% reported cost efficiencies, with 3% reporting more than a 10% improvement.

In addition to growth, businesses were asked how their participation in COM³ had affected their resilience and sustainability. Given that the Covid-19 pandemic occurred during the four years of the COM³ project, being able to maintain previous levels of sales and retain their workforce is arguably a positive outcome. Thirty six percent reported that their participation had helped them maintain previous levels of sales, and 28% that it had helped them retain their existing workforce.

Effect of COM³ on growth of sales, jobs, and time/ cost efficiencies



Effect of COM³ on business resilience and sustainability



About the author



Liz Price is a Senior Research Fellow at Lincoln International Business School in the UK. She conducts research into regional and local economic development, rural broadband, skills, and labour markets, and business support. Her recent research focuses on the role of digital hubs and learning in improving digital skills and technology adoption in rural small businesses.

In the COM³ project, *Liz Price* contributed to the project methodology and development of training solutions. She also participated in UoL4.0 Challenge, the pilot at the University of Lincoln. The UoL 4.0 Challenge engages local businesses and students in exploring opportunities for digitalisation. Teams of students pair with small companies and explore how digital technology could lead to new commercial ideas and new ways of interacting with customers and suppliers.

Project partners

These 19 partner institutions from seven North Sea Region countries are working together towards digitally enabled and transformed Small and medium-sized enterprises (SMEs) in rural areas of the North Sea Region:

- **Intercommunale Leiedal** | Belgium
- **Designregio Kortrijk** | Belgium
- **atene KOM** | Germany
- **Collective municipality of Hüttener Berge**
Germany
- **University of Groningen** | The Netherlands
- **Province of Drenthe** | The Netherlands
- **Vejle municipality** | Denmark
- **Aalborg University** | Denmark
- **Alexanderson Institute** | Sweden
- **University of Stavanger** | Norway
- **University of South-Eastern Norway** | Norway
- **Vinje municipality** | Norway
- **Cluster on Industrial Asset Management** | Norway
- **Oldambt municipality** | The Netherlands
- **Värmland County Administrative Board** | Sweden
- **Torsby municipality** | Sweden
- **Compare** | Sweden
- **University of Lincoln** | United Kingdom
- **Lincolnshire County Council** | United Kingdom

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