

The Vodafone Enterprise Observatory

SMEs

Study of the state of digitization of Spanish enterprises
and Public Administrations

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The Vodafone Enterprise Observatory

The results of this report are the seed of the **Vodafone Enterprise Observatory**. After identifying the needs, concerns and challenges of Spanish enterprises and public institutions, the Observatory's editorial team has backed up its analysis with the best digitization experts and businesses from different fields that already have success stories to tell.

The Observatory is a living platform that is always updated; a place that encourages debate, training and inspiration through interviews, reports and infographics for any professionals, enterprises and public institutions that are devising their digital strategy.

From day one, the Enterprise Observatory has teamed up with three great strategic partners that are experts in the digital reality of business. Firstly, **Google**, which provides an extensive range of digital solutions for enterprises, and secondly, two highly-prestigious institutional allies, namely **MIT** and **Harvard**, through the Spanish editions of their publications "MIT Technology Review" and "Harvard Business Review". The experience, contents and success stories, not to mention the analysis of these partners, all combine to enrich the contents of the Vodafone Observatory platform.

ObservatorioVodafone.com

Introduction

Spanish SMEs have decisively started to go digital

This report shows the results of an in-depth study that **The Vodafone Enterprise Observatory** has conducted to ascertain the state of digitization of Enterprises and Public Administrations.

The study shows the response of more than 2,400 professionals and senior executives of enterprises and institutions from all over Spain and that represent all the sectors and types of enterprise and administrations. The results are outlined in four major reports, in line with the different segments:

- Professionals and Small Enterprises (1-9 employees)
- SMEs (10-99 employees)
- Large Enterprises (More than 100 employees)
- Public Administrations

According to the National Institute of Statistics, there are 3.2 million active companies in Spain, more than 3 million of which have less than 9 employees. Additionally, there are 133,251 registered enterprises with 10 to 100 employees, and this report will be focusing on this group.

The SMEs with a headcount of 10 to 99 employees interviewed by The Vodafone Enterprise Observatory have shown that this sector still does not regard digitization to be one of its top priorities, but has begun the process in a determined way. Indeed, a large majority of them regard themselves as being at an intermediate or advanced stage of this change.

For many of this sort of companies, the importance of digitizing their company scores 6 out of 10, although few have named it spontaneously among their biggest concerns. As seems logical, they focus on increasing their supply of products and services and on growing their customer base.

When they invest in digital services, they will do so most heavily in security and connectivity-related issues. They understand that digitization will make them much more management-efficient and their biggest hurdle when broaching it is worrying about the high cost.

Methodology and technical details

	QUALITATIVE PHASE
Type of study	Qualitative (Regarding SMEs with 10 to 99 employees)
Technique used	In-depth, open-ended interviews
Analysis universe	CEOs, Managers, Project Managers, Heads of production, system directors, etc., of the enterprises and Institutions.
Details of the methodological approach	The Observatory conducted 9 in-depth, open-ended interviews
Field work completion date	From 26th April to 2nd June 2017
Study conducted by	Advice Strategic Consultants S.L.

QUANTITATIVE PHASE

Type of study	Quantitative (Regarding SMEs with 10 to 99 employees)
Technique used	Telephone interviews
Analysis universe	CEOs, Managers, Project Managers, Heads of production, system directors, etc., of the enterprises and Institutions
Details of the methodological approach	<p>A total of 700 interviews were conducted among Professionals and Enterprises with between 10 and 99 employees, with a sample error of ± 3.78 for a confidence level of 95.5%. The interviews were distributed as shown below:</p> <p>SMEs (10 to 49 workers): 417 interviews ($\pm 4.9\%$) SMEs (50 to 99 workers): 283 interviews ($\pm 5.9\%$)</p> <p>Subsequently the data were weighted according to the actual weight of the actual distribution of Professionals and Small Enterprises in line with the number of workers, Autonomous Region and sector according to Central Company Directory (DIRCE) data as at 01/01/2016</p>
Field work completion date	From 26th April to 2nd June 2017
Study conducted by	Advice Strategic Consultants S.L.

Conclusions

SMEs, which are the Spanish economy's engine, have already begun going digital, even though the majority do not have any specific plan.

SMEs, as the driving force behind the country's economy, are well aware that adapting is the key to keeping their businesses going and, in this regard, digitization has become one of their best allies. The vast majority of them have already begun getting digitized, although in many cases they do not have an established plan. They say that going digital will help them to be more efficient, and they place less emphasis on how it might benefit their growth.

SMEs with fewer than 100 employees are one of the groups that was hit hardest by the economic crisis of recent years. Despite this, they have made great efforts to turn their businesses around and adapt them to the increasingly digital needs demanded by the market.

- Despite the crisis' effects on SMEs, they have managed to adapt and today are moderately optimistic about themselves. 56% believe that their business will improve in the next years due to a general improvement of the economy and when consumer spending picks up.
- Even so, these entrepreneurs' main concern is whether their businesses will recover, both through a rise in demand for their products and services (19%) and growth by attracting new customers (15%).
- In addition, more than half of SMEs think that their customer relations are now better because they have adapted both their customer care service and the range of services and products they offer; and more often than not, they have adapted them after introducing new technologies into their business.

Almost all SMEs with fewer than 100 employees have already started going digital, to a greater or lesser extent, and many are at an intermediate stage, which they have reached through strong investments, made in terms of identified needs.

- SMEs have reached at an intermediate stage of digitization and practically 100% of the interviewees report having started to transform their business.
- While 46% report having reached an intermediate stage, three out of every ten businessmen say they are at an advanced stage or have finished taking their enterprise digital. By sectors, the services sector is the most advanced (43%), followed by transport & logistics (38%), while construction and agriculture are the sectors that have least adapted their companies to new technologies, within this segment.
- Despite these good figures, there are still few companies that report having a specific digitization plan (19%) and more than half of these have allocated a budget to tackle the process.
- However, the great effort they have made in recent years in digitizing their businesses is evident. The average investment made in recent years is €42,903, and even larger for SMEs with more than 50 employees (€79,401).

Few SMEs with less than 100 employees have a defined digitization plan, nor are they clearly aware what their business needs to move forward. However, they are aware of the benefits of using ICTs, mainly in their in-house operations.

- SMEs find it hard to identify their business' main needs, and 48% of the respondents did not name a specific need.
- The Observatory has identified their main short, medium and long-term needs as being adopting digital marketing solutions to help them grow their business, as well as Big Data solutions and Cloud-based internal management services.
- SMEs with fewer than 100 employees mainly resort to digitization to make their internal operations (29%) and internal management (19%) more efficient, and they are very clear about its benefits. 84% say that using ICTs saves time and money, and also highlight the benefit of having information that helps them to make decisions (82%).
- The perceived high cost is the main barrier that stops companies from going digital, even if they do not know much about the process.

With major challenges ahead and a clear trend towards digitization, SMEs do not have enough specialized resources within their organizations to complete the digitization process that they have embarked upon. That is why they are the companies that need the most external help.

- Only three out of every ten SME employees have digitization skills. This figure increases by half in the case of SMEs with more than 50 employees.
- 79% of SMEs say that they need support from outside companies to further the digitization of their businesses.
- Telecommunications operators (30%) and consultancy firms (28%) are portrayed as their main support in this process, especially for SMEs with more than 50 employees. For SMEs with fewer employees, large IT solutions companies are also an alternative to take into account.
- The SMEs that set out to take their business digital do not drop their plans. 91% say that they have completed their digitization plan right to the very end.



Context and concerns

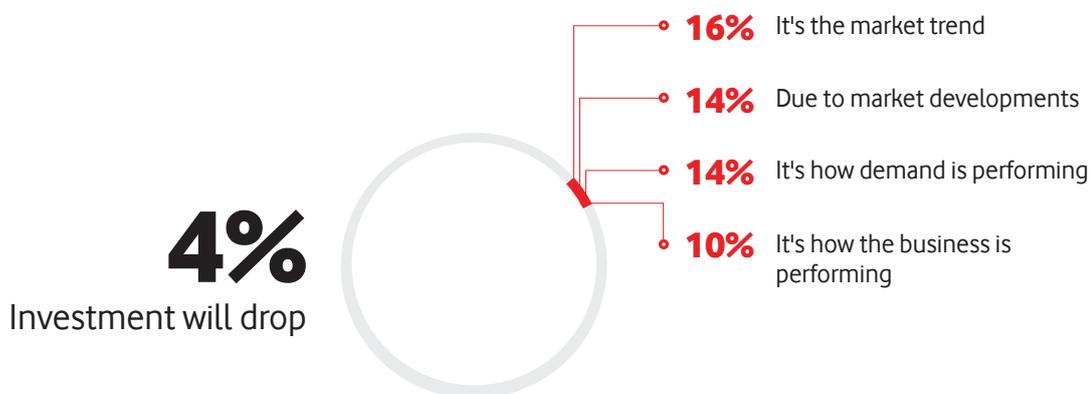
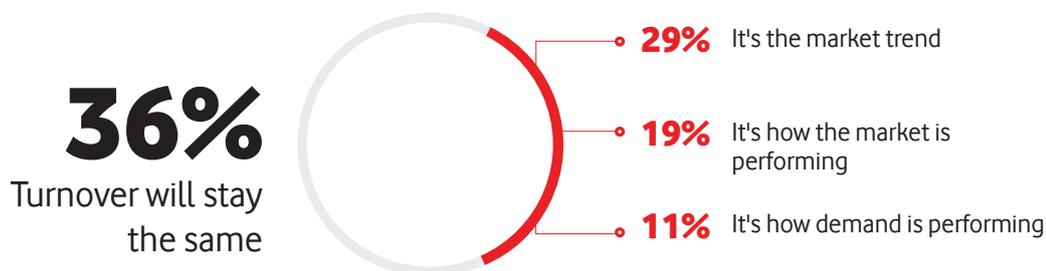
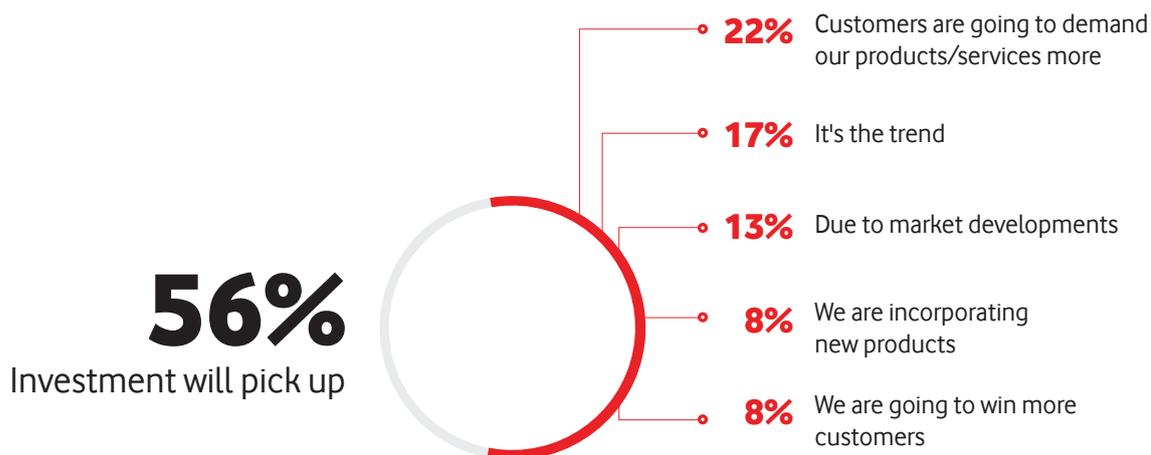
Spanish SMEs believe that the state of the economy will pick up this year; the more digitized they are, the plus optimistic their outlook is

The economic and social context of SMEs is that they are just beginning to emerge from a profound economic crisis. Over the next twelve months, they do not expect any huge rise in turnover, although the majority of this segment's respondents consider that there will be a slight rise, triggered more by an improvement in the general economic situation than by SMEs own actions.

The survey's data also show that the most highly digitized SMEs are more optimistic about turnover increasing in the coming year. Some short and medium term opportunities are perceived, albeit modest in terms of increased turnover and access to new markets, sometimes associated with a new offer of products and services.

How they expect their enterprise's turnover to perform in the next twelve months and reasons why

After a profound economic crisis, the SMEs segment is moderately optimistic about the future. They say that their turnover will stay the same or rise slightly thanks, among other things, to the fact that customer demand for their products and services will increase.



4%
DK / NA

Basis: Total SMEs interviewed.

The main concern of Spanish SMEs is to boost their sales, attract more customers, and the economic situation of their sector

Many of the advantages of digitization appear among the most repeated answers to the major concerns. However, digitization per se does not rank at the top of spontaneous responses.

Their business' two main concerns right now



*Open-ended question (no answer is suggested to the interviewee).

Basis: Total SMEs interviewed.

Digitization is behind factors such as: profitability, customer acquisition, labour costs and the state of the economy, among others

When asked to rate a specific list of issues that might concern SMEs, digitization scores close to average. According to Spanish SMEs, this business segment's level of concern scores 6.3 out of 10.

The score is higher among SMEs in the retail trade, services sector and among SMEs with 50 to 99 employees.

How they rate (from 0 to 10) how concerned they are about different business-related issues.
(Suggested reply)



Basis: Total SMEs interviewed.

MAIN CONCERNS, BROKEN DOWN BY SECTOR

All sectors attach very similar levels of importance to going digital, although it is regarded as somewhat more important by the **retail trade and services**, and considered least important by the agricultural and the construction sectors.

How they rate (from 0 to 10) how concerned they are about different business-related issues

									
		Agriculture, forestry, mining	Industry	Retail commerce	Wholesale commerce	Hotels, Catering	Transport, logistics	Construction	Services
	TOTAL	SECTOR							
									
Profitability	8.0	8.0	8.1	8.0	8.2	7.5	8.3	8.1	8.0
Attracting new customers	7.8	6.8	7.8	8.0	7.5	7.7	8.0	7.6	8.2
Taxes	7.8	7.6	7.7	8.0	7.5	7.5	8.2	7.8	7.9
Labour costs	7.7	7.3	7.5	7.8	7.6	7.9	8.0	8.0	7.9
The general state of the economy	7.7	6.8	7.6	8.0	7.6	6.6	8.4	8.1	7.8
Changes in their market, sector	7.7	7.8	7.6	8.1	7.6	7.4	8.1	7.7	7.7
Demand for their products, services	7.7	7.1	7.8	7.6	7.5	7.5	8.2	7.6	7.8
Legislation, regulatory changes	7.3	7.2	7.0	7.3	7.0	7.4	7.3	7.4	7.5
Competition	7.2	6.3	7.2	8.0	7.5	6.6	7.9	7.2	7.1
Red tape	7.1	6.6	6.9	6.7	6.9	6.3	6.5	7.5	7.3
Hiring qualified personnel	7.0	6.2	6.9	7.2	6.2	6.8	7.5	7.0	7.3
Diversifying one's offering	6.5	5.8	6.4	7.0	6.5	6.3	6.1	6.3	6.6
Digitization	6.3	5.6	6.1	7.0	6.2	6.1	6.3	6.0	6.7
Capital expenditure	6.3	6.0	6.3	6.4	6.0	6.6	7.0	6.2	6.3
Getting finance	6.2	6.1	6.3	6.3	6.0	5.3	6.0	6.7	6.1
Exporting to overseas markets	4.1	5.5	5.2	3.6	4.4	3.1	3.9	2.8	3.8

Basis: Total SMEs interviewed, by sector of activity.

* Significantly **above** average.

* Significantly **below** average.

The state of digitization

The large majority of SMEs are already going digital

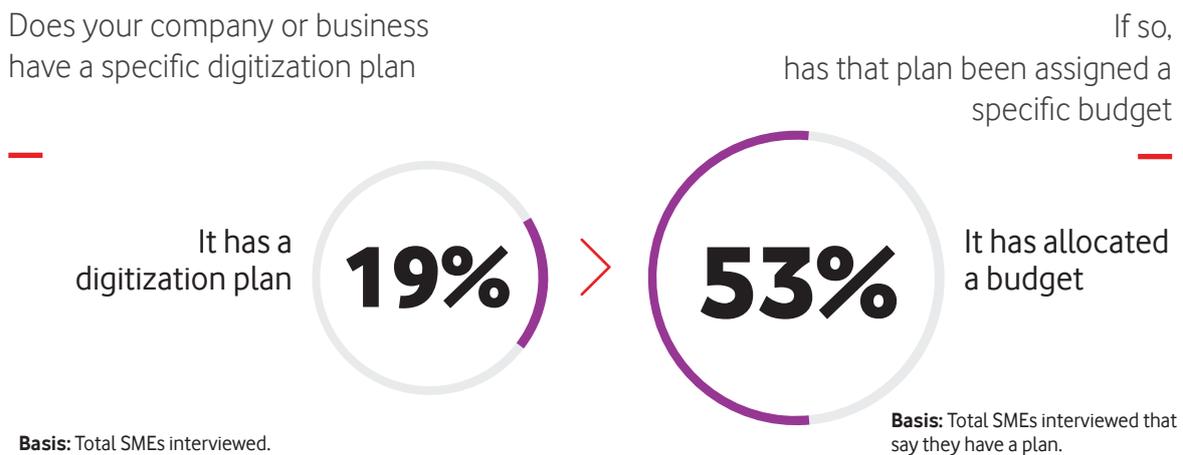
SMEs regard digitization as a necessity, so their attitude is to promote it in the different areas of the company. Carrying it out is an ongoing process because services and applications become obsolete fairly quickly.

Most SMEs move along the digitization road without any specific plans or programmes, tackling the digitization needs as they emerge, one by one.

The presence of a few specialized workers can help to promote the business digitization plans, although the vast majority will rely on external suppliers to carry out their digital plans.

Two out of every ten SMEs have designed a specific digitization plan

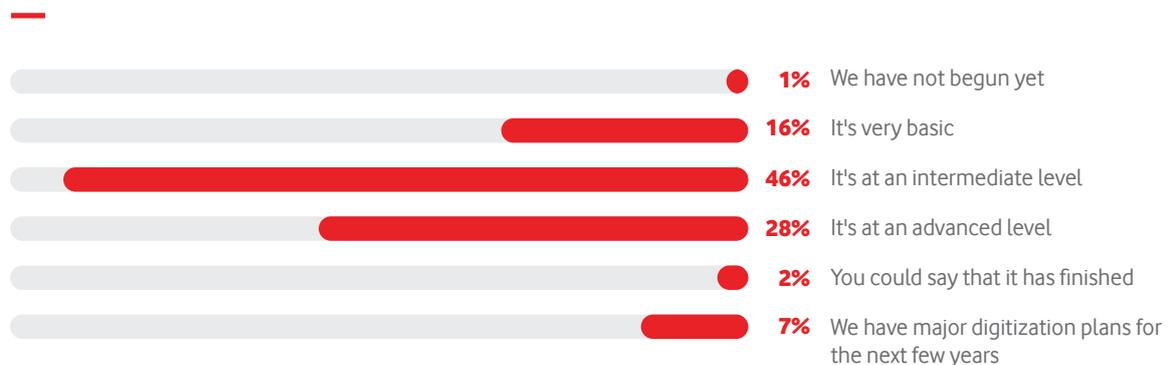
Less than 20% of the SMEs surveyed report having a structured digitization plan and tackle this process step by step, solving technological needs as they emerge. Half of the enterprises that do have a digital plan, have allocated it a budget.



Three quarters of Spanish SMEs claim to be at an intermediate or advanced digital level

Half of the SMEs "see themselves" as being at an intermediate level insofar as digitization is concerned. Nearly a third consider that they have made a lot of progress, or even that they have not finished, and just under 20% consider themselves to be at a very basic level or not at all digitized.

Degree of digitization of their business

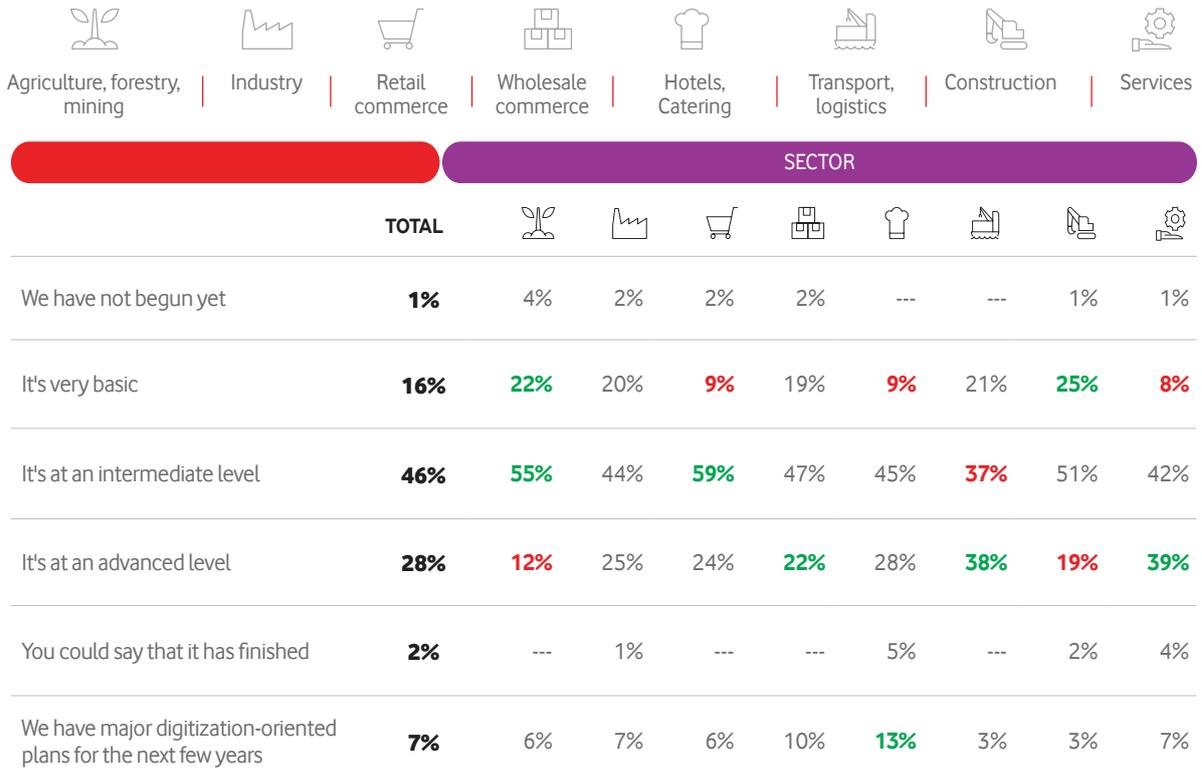


Basis: Total SMEs interviewed.

STATE OF DIGITIZATION, BROKEN DOWN BY SECTORS

The "self-perception" of the degree of digitization is higher in the **transport & logistics and services** sectors, and lower in the primary and construction sector.

Percentage of enterprises that say they are in each of these levels of digitization



Basis: Total SMEs interviewed, by sector of activity.

% Significantly **higher** than the total.

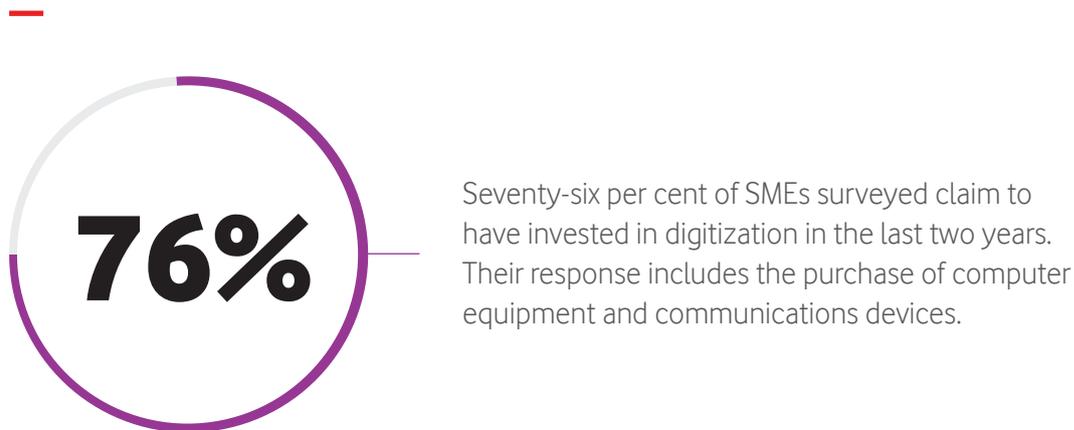
% Significantly **lower** than the total.



The large majority of SMEs interviewed have invested in digitization in the last two years

SMEs can be seen to be genuinely interested in going digital, because a great majority say they have invested in pushing it forward.

Enterprises that have invested in digitization over the last two years



Basis: Total SMEs interviewed.

How much their company has invested in digitization over the last two years



Basis: Total of SMEs interviewed that say they have invested in digitization over the last two years.

INVESTMENT IN DIGITIZATION, BY SME SIZE

Larger SMEs have invested considerably more in digitization in the last two years.



Basis: Total of SMEs interviewed that say they have invested in digitization over the last two years.

INVESTMENT IN DIGITIZATION, BY SECTOR OF ACTIVITY

The **industrial sector** companies that have invested in digitization over the last two years have invested more heavily, while the **transport & logistics and retail trade** companies have allocated fewer resources.



Basis: Total of SMEs interviewed that say they have invested in digitization over the last two years.

INVESTMENT IN DIGITIZATION, BY AUTONOMOUS REGION

The **Basque Country** SMEs that have invested in digitization over the last two years have invested more heavily, while **Madrid-based SMEs** report having invested less.

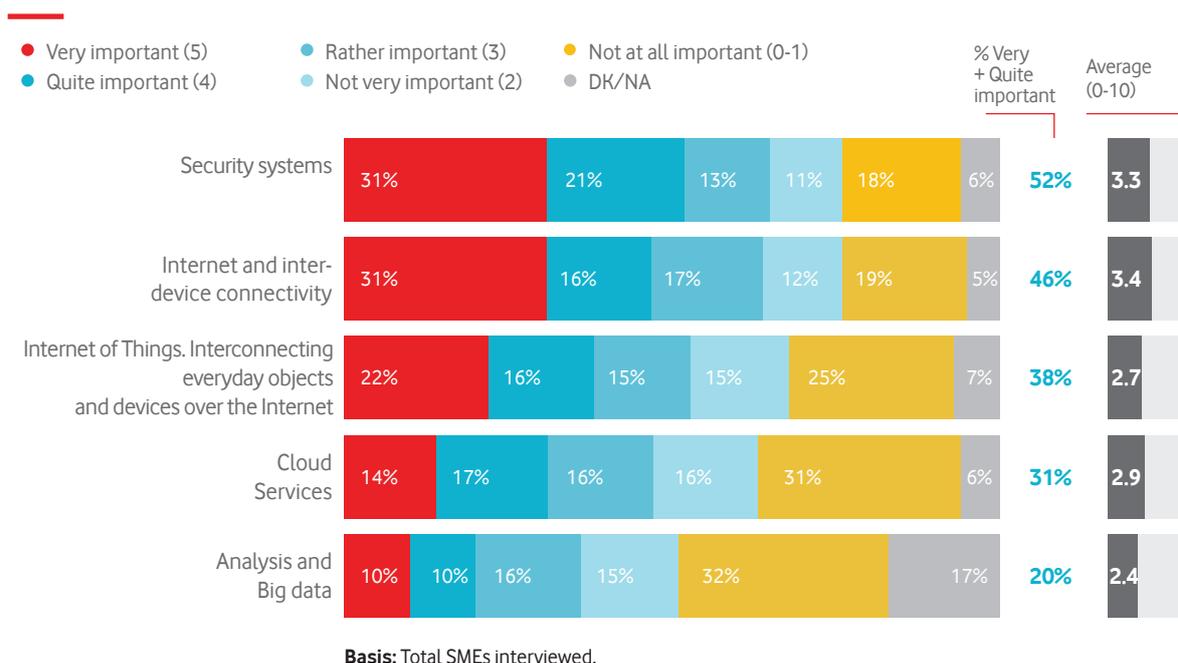


Basis: Total of SMEs interviewed that consider they have invested in digitization over the last two years, by Autonomous Region.

The main technology investment priorities for SMEs are security and connectivity

They attach far more importance, in short-term investment terms, to these aspects than to others that will matter in the future, such as IoT, the Cloud or Big Data.

Importance in terms of economic investment of each of these technologies for their company or business



IMPORTANCE IN INVESTMENT IN DIGITAL SERVICES, BY SME SIZE

The SMEs with most employees find these services more important, although the most significant difference lies in security and connectivity, with very high percentages.

	TOTAL	SIZE OF THE SME (VERY+QUITE IMPORTANT)	
		10 to 49 workers	50 to 99 workers
Security systems	52%	51%	61%
Internet and inter-device connectivity	46%	45%	55%
Internet of Things. Interconnecting everyday objects and devices over the Internet	38%	38%	38%
Cloud Services	31%	31%	36%
Analysis and Big data	20%	20%	24%

Basis: Total SMEs interviewed, by SME size.

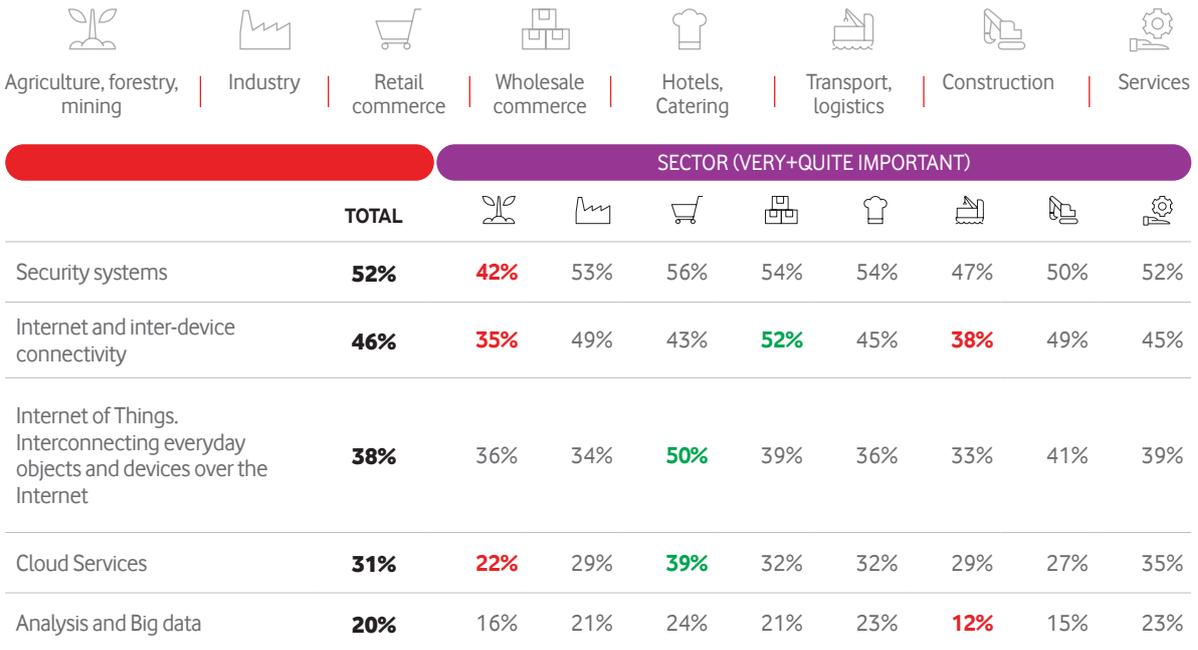
% Significantly **higher** than the total.

% Significantly **lower** than the total.

LEVEL OF IMPORTANCE IN INVESTMENT, BY SECTOR

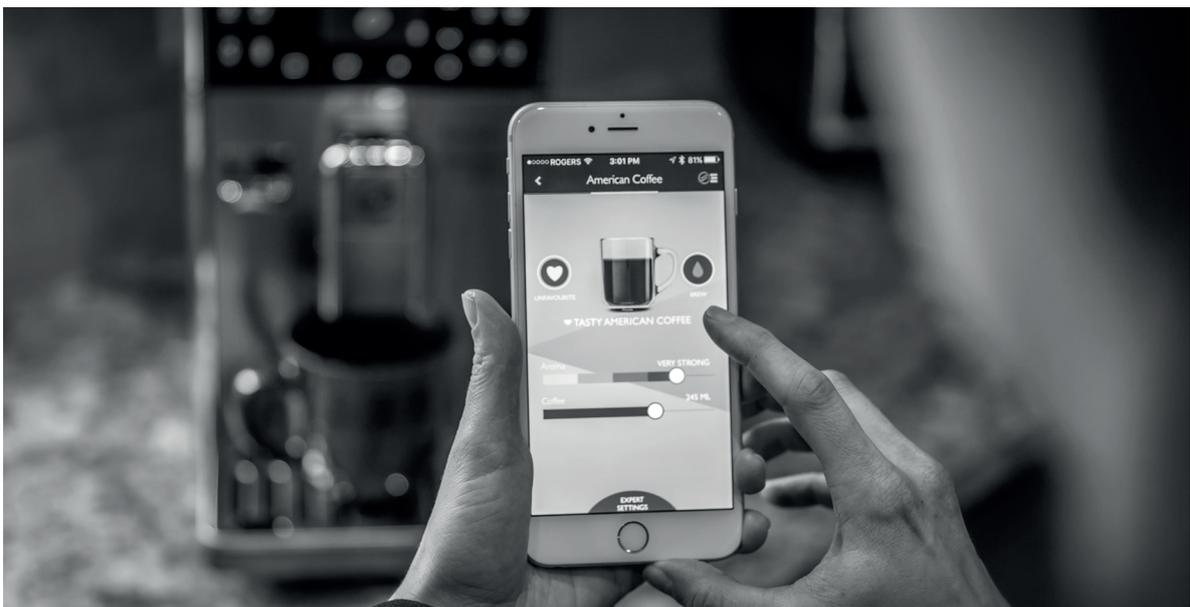
All the sectors agree in giving great importance to investment in **computer security**. The same thing occurs, with the exception of the **agricultural sector**, with **connectivity**. As far as other services go, the retail trade's interest in IoT and Cloud-related issues is quite remarkable. What's more, none of them shows any keen interest in Big Data.

Percentage of enterprises that say that this technology is very important + quite important in their investment in 2017



Basis: Total SMEs interviewed, by sector of activity.

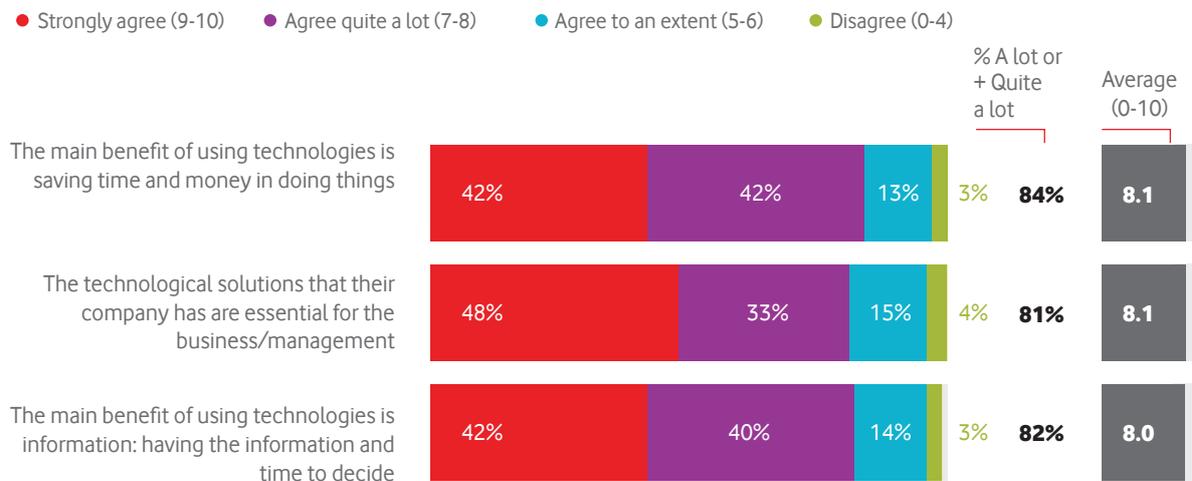
% Significantly **higher than** the total.
% Significantly **lower** than the total.



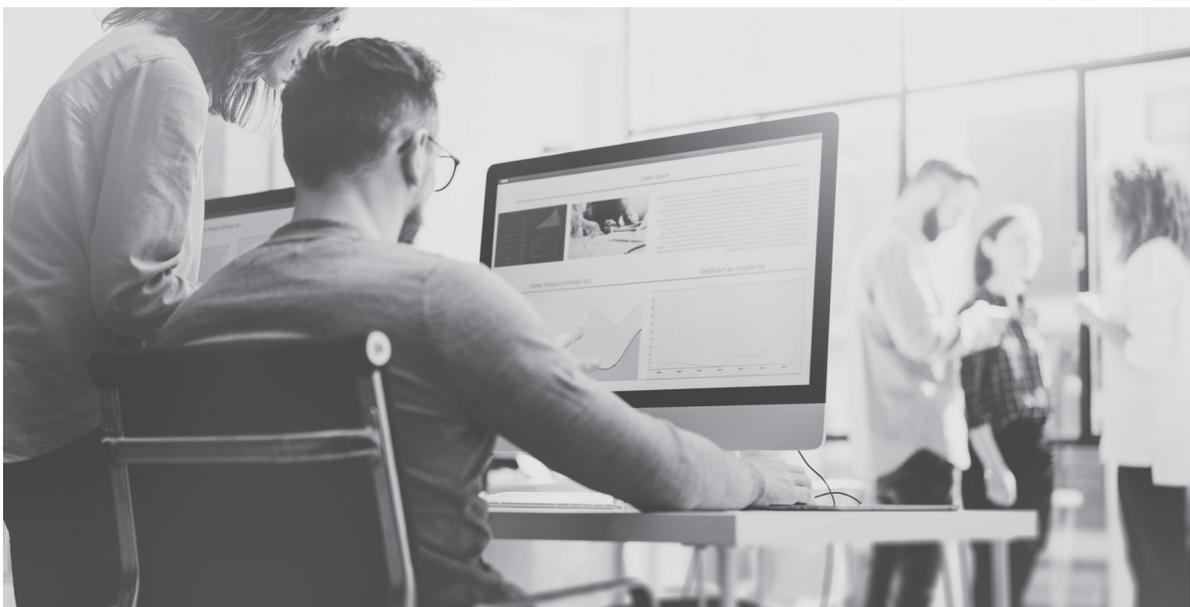
For SMEs, the main benefit of going digital is the saving time and money in doing things

In addition, eight out of ten respondents believe that being digitized means being better informed when making decisions.

How the biggest benefits of being digitized are rated



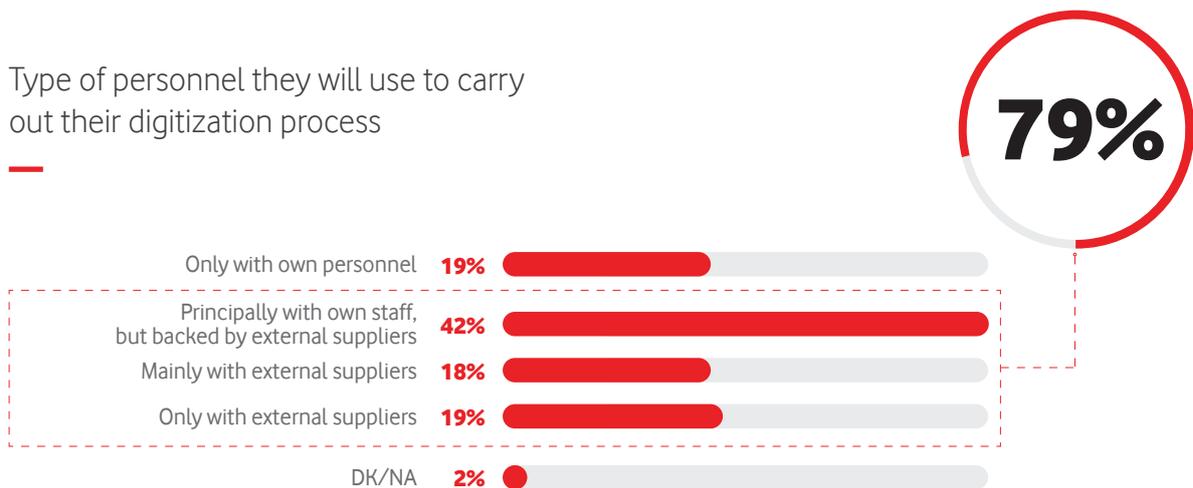
Basis: Total SMEs interviewed.



SMEs say that they will need external help to digitize their businesses

Eight out of ten admit that they would not be able to do this with their own staff, so they will rely on external providers to go digital.

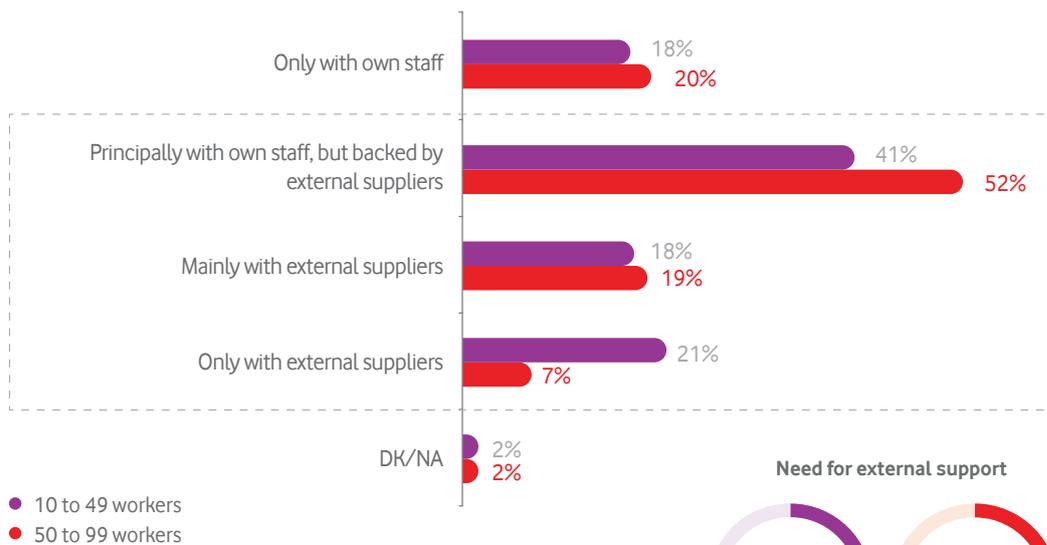
Type of personnel they will use to carry out their digitization process



Basis: Total SMEs interviewed.

DIGITIZATION WORK MODEL, BY SME SIZE

SMEs with most workers say, to a greater extent, that they can complete a large part of the digitization work with their own staff.



Basis: Total SMEs interviewed, by SME size.

DIGITIZATION WORK MODEL, BY SECTOR

The **services** sector, together with **transport & logistics**, are the sectors that require the least external help.



	TOTAL	SECTOR							
Only with own personnel	18%	12%	14%	13%	19%	22%	24%	16%	25%
Principally with own staff, but backed by external suppliers	42%	43%	46%	39%	34%	45%	36%	42%	43%
Mainly with external suppliers	18%	22%	21%	22%	24%	19%	20%	13%	13%
Only with external suppliers	19%	23%	16%	24%	22%	14%	20%	27%	17%
DK/NA	2%	---	3%	2%	---	---	---	2%	3%
Need for external suppliers	79%	88%	83%	85%	81%	78%	76%	82%	73%

Basis: Total SMEs interviewed, by sector of activity

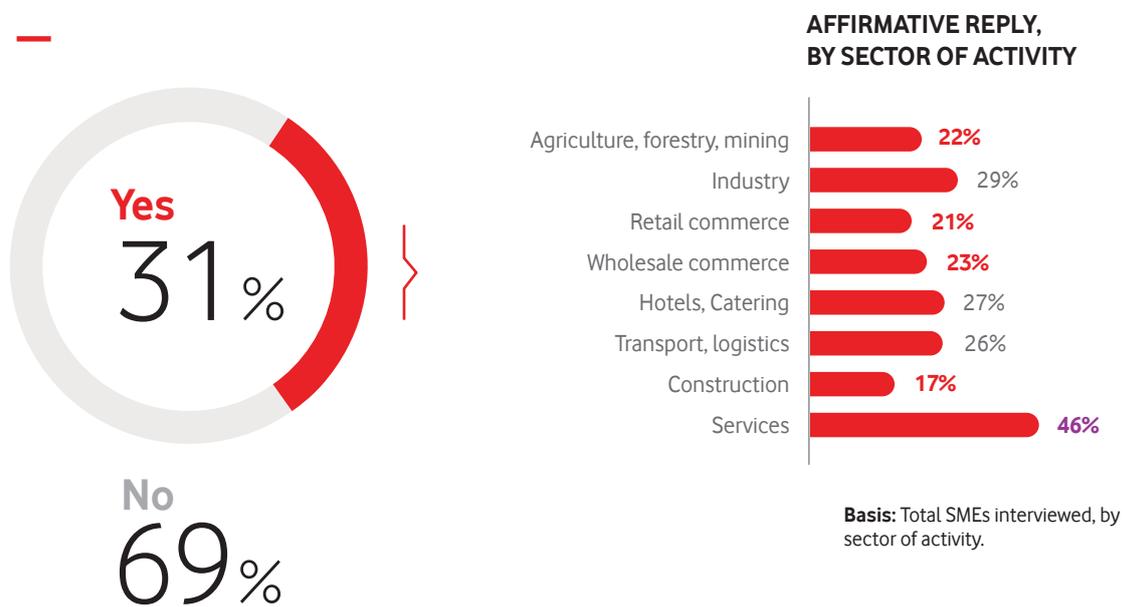
% Significantly **higher than** the total.
% Significantly **lower than** the total.



Very few SMEs have specialized digitization staff in-house.

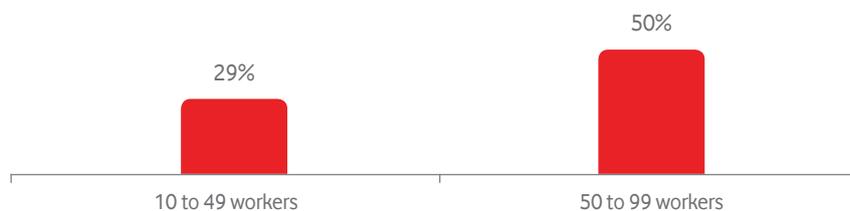
Only a third of the SMEs interviewed say that their enterprise has employees who can be considered digitization specialists.

Existence of digitization specialists in your enterprise



EXISTENCE OF DIGITIZATION SPECIALISTS, BY SME SIZE

SMEs with 50-plus employees almost double the number of affirmative answers when asked whether they have digitization specialists on their staff.



Basis: Total SMEs interviewed, by SME size.

SMEs say that their main digitization suppliers will be telecom operators and consultancy firms

The bigger the enterprise, the more important consultants become compared to IT companies.

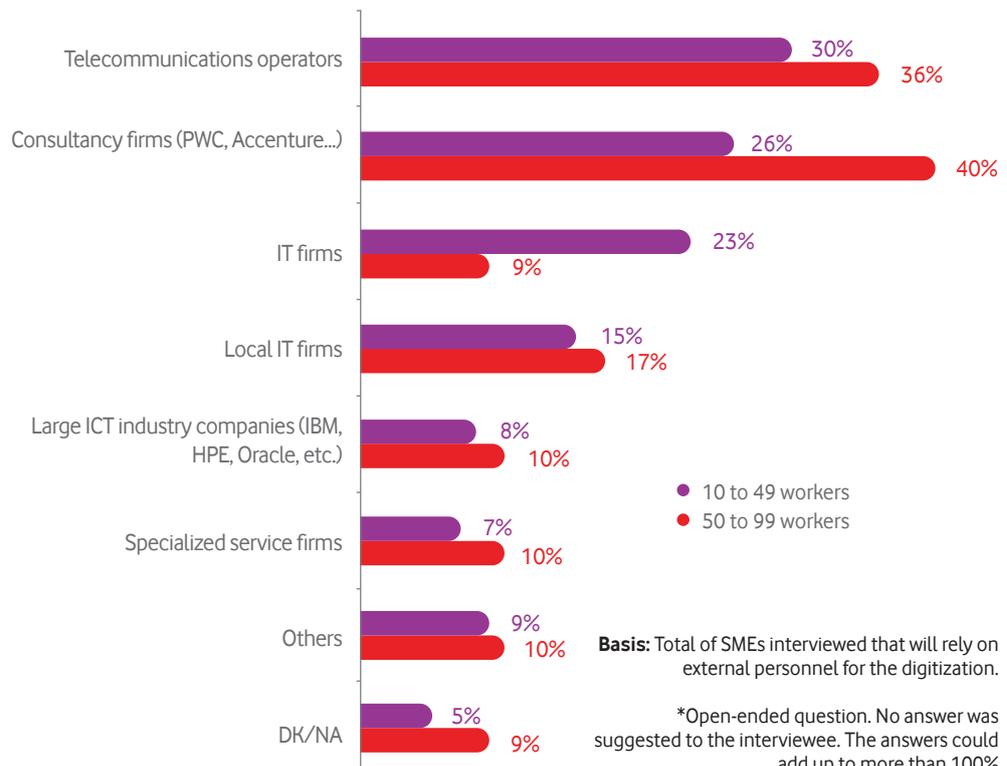
Type of suppliers they will hire for the digitization process



Basis: Total of SMEs interviewed that will rely on external personnel for the digitization.

DIGITIZATION SUPPLIERS TYPE, BY SME SIZE

Small SMEs will rely more heavily on IT companies. However, the SMEs with most employees say that they will outsource their needs to telecom operators and large consultancies.



Basis: Total of SMEs interviewed that will rely on external personnel for the digitization.

*Open-ended question. No answer was suggested to the interviewee. The answers could add up to more than 100%

TYPE OF DIGITIZATION SUPPLIERS, BY SECTOR OF ACTIVITY

Catering and construction are the sectors that look most to telecommunications companies as their digital allies. The wholesale trade will rely more on the big consultancy firms and transport & logistics on large, technology-specialized companies.



	TOTAL	SECTOR							
Telecommunications operators	30%	28%	23%	32%	32%	41%	23%	37%	33%
Consultancy firms (PWC, Accenture...)	28%	23%	32%	23%	34%	18%	28%	18%	29%
Large ICT industry companies (IBM, HPE, Oracle, etc.)	21%	17%	24%	13%	13%	12%	30%	26%	23%
Local IT firms	16%	37%	16%	20%	14%	23%	4%	18%	10%
IT firms	8%	7%	5%	8%	8%	18%	8%	6%	11%
Specialized service firms	7%	7%	9%	9%	4%	18%	7%	4%	7%
Others	9%	14%	7%	15%	10%	---	11%	4%	12%
DK/NA	6%	5%	6%	7%	5%	---	---	9%	4%

Basis: Total SMEs interviewed that will rely on external personnel for going digital, by sector of activity.

% Significantly **higher than** the total.

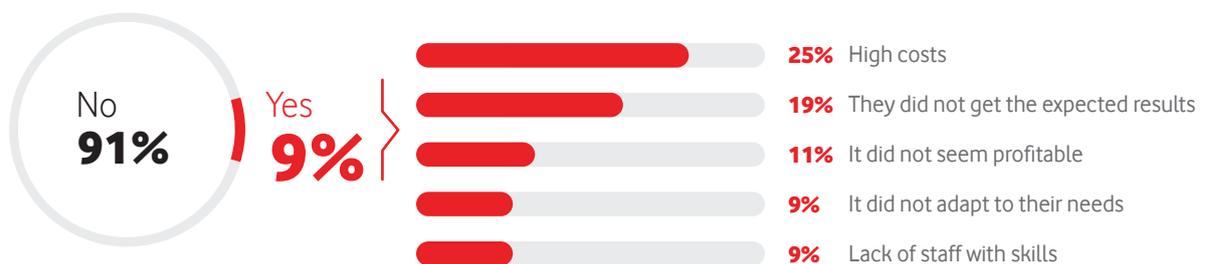
% Significantly **lower than** the total.



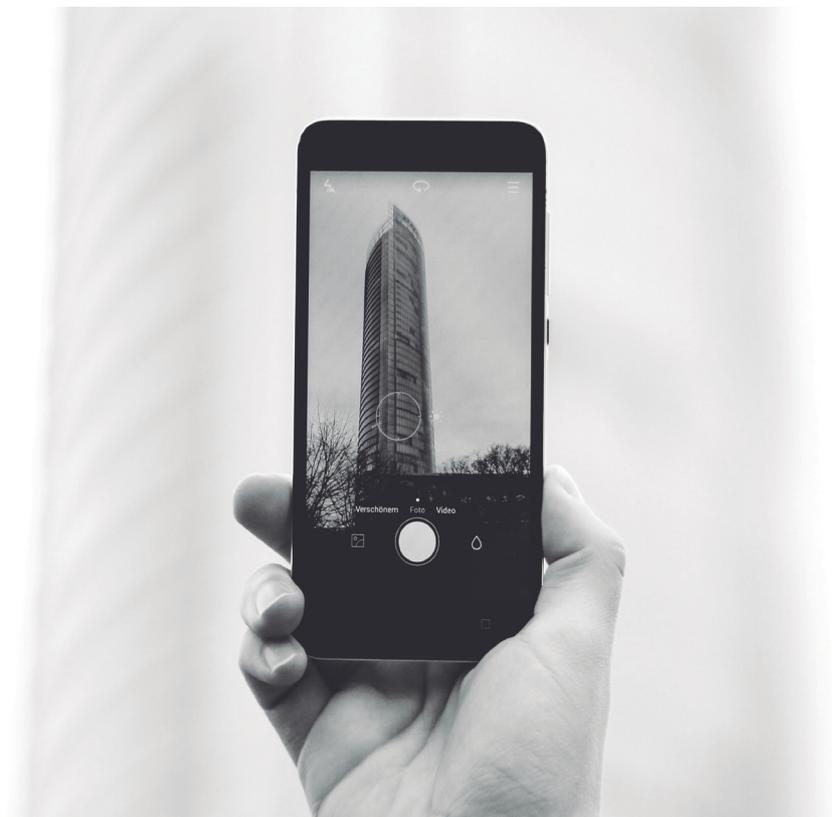
Start-up SMEs stay on the digital path

Very few enterprises give up their digitization process once they have begun, and if they do it is mainly because of the costs or lack of results.

How many abandon a digitization plan and reasons for doing so



Basis: Total SMEs interviewed that say they shelved a digital plan.





Digitization needs

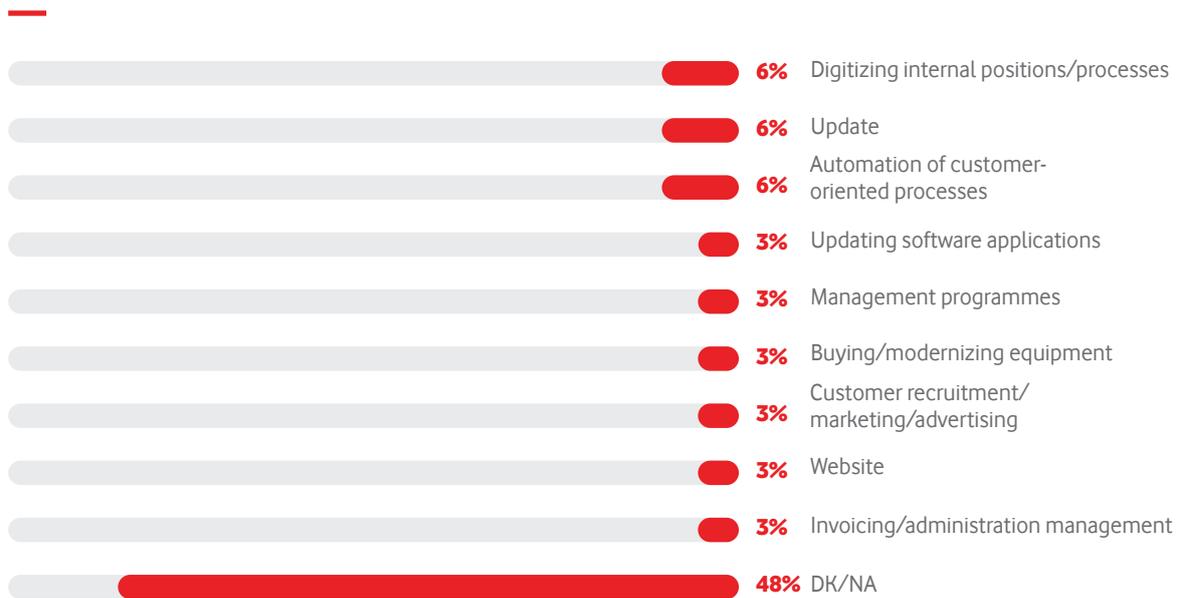
SMEs' main needs in terms of digitization are focused on getting more customers and improving the positioning of their business

Other digitization-related services, associated with Cloud Computing (unlimited storage or office automation applications in the cloud), as well as Big Data (analysis of large amounts of information) rank second in importance; either because respondents say they do not need them or because they believe that the services they already have are enough.

Digitization is not associated with specific needs according to half of SMEs

About half of the SMEs surveyed cannot name a specific digitization need when the question is asked spontaneously. Those who do respond to issues that have more to do with managing and updating the business than with its growth.

Their business' digitization-related needs



*Open-ended question (no answer is suggested to the interviewee).

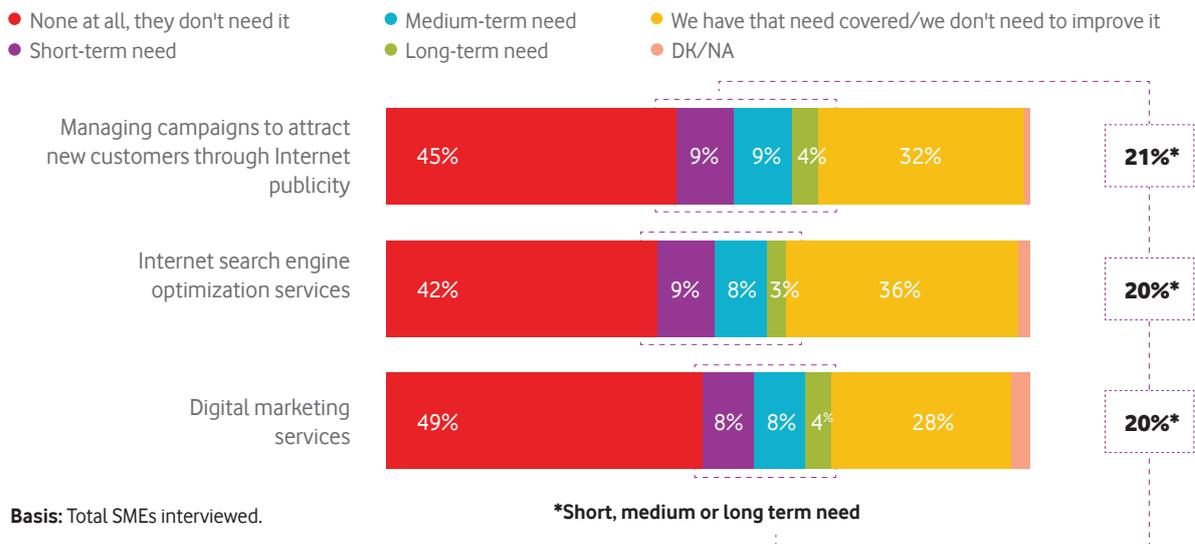
Basis: Total SMEs interviewed.



One third of Spanish SMEs claim to have covered their digital marketing needs

Yet about half say that they do not need to access such digital services to grow their businesses. Furthermore, two out of every ten SMEs do show a need both for advertising campaigns and for SEO for their businesses.

Extent to which they need digital marketing services



Basis: Total SMEs interviewed.

NEED FOR DIGITAL MARKETING TOOLS, BY SECTOR OF ACTIVITY

The **retail trade** attaches the most importance to digital marketing tools. The **catering** is keenly interested in enhancing its search engine positioning.

	TOTAL	Agriculture, forestry, mining	Industry	Retail commerce	Wholesale commerce	Hotels, Catering	Transport, logistics	Construction	Services
Managing campaigns to attract new customers through Internet publicity	21%	17%	21%	39%	23%	14%	14%	20%	20%
Internet search engine optimization services	20%	15%	19%	31%	23%	28%	20%	16%	19%
Digital marketing services	20%	19%	17%	35%	22%	23%	13%	18%	19%

Basis: Total SMEs interviewed, by sector of activity.

% Significantly higher than the total.

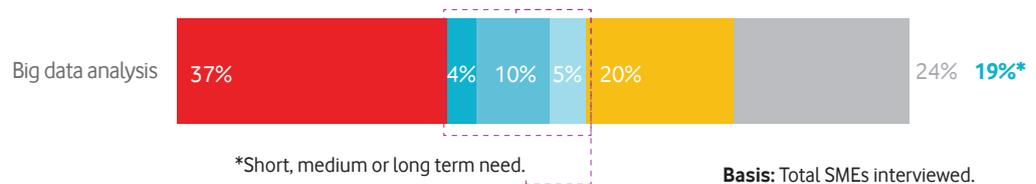
% Significantly lower than the total.

Only two out of every ten SMEs say they need Big Data services

Only 19% of the SMEs surveyed consider that their company is going to need Big Data analysis in the short, medium or long term. 37% say they do not need it at all and a remarkable 24% do not know or do not answer this question.

Extent to which their company needs Big data analysis

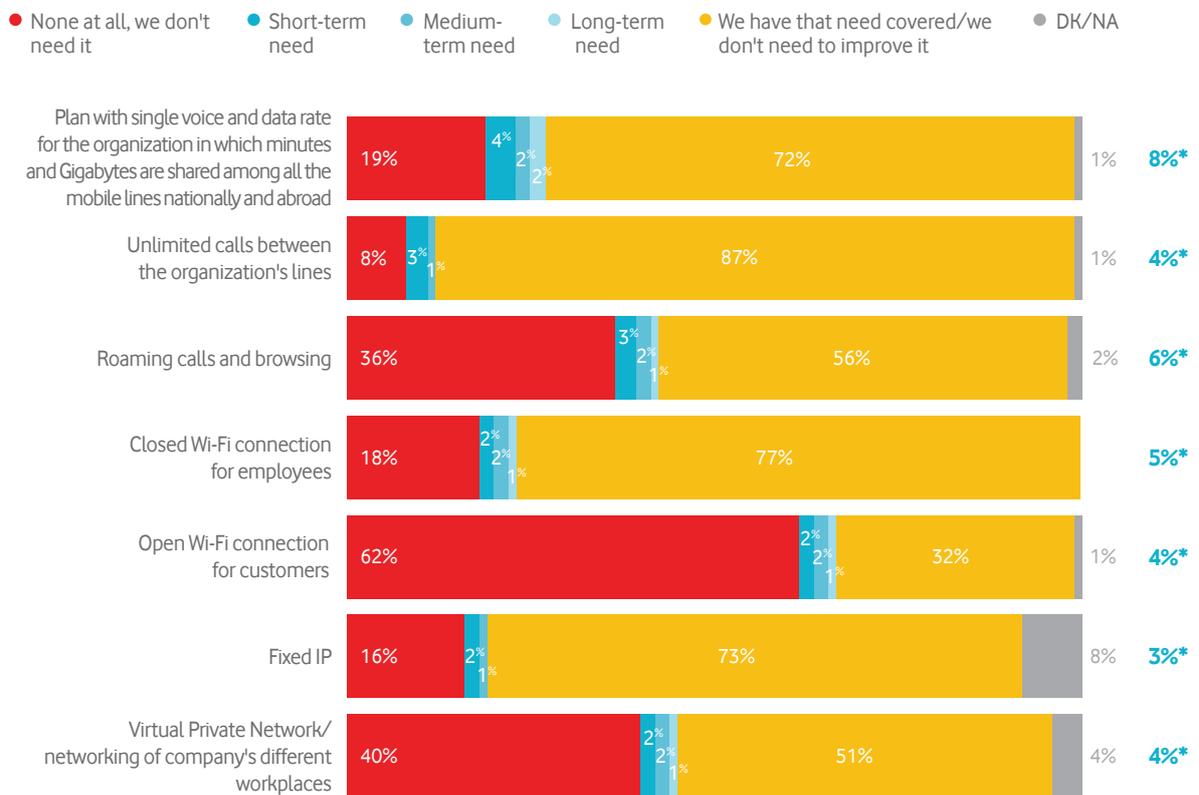
- None at all, we don't need it
- Short-term need
- Medium-term need
- Long-term need
- We have that need covered/we don't need to improve it
- DK/NA



Spanish SMEs are at an advanced stage when it comes to take-up of voice and Internet connection-related services

The vast majority of SMEs asked claim to have resolved their needs for voice or Internet connection-related services. They say that if the services have not been resolved already, it is because they do not need them.

Extent to which their company needs to have the following voice and Internet connection services



Basis: Total SMEs interviewed.

*Short, medium or long term need.

NEED FOR VOICE AND INTERNET CONNECTION SERVICES, BY SECTOR OF ACTIVITY

Broadly speaking, voice and Internet connection services are seen to a greater extent as a need by the **retail trade**, and less so by hotels, catering and transport & logistics.



	SECTOR								
	TOTAL								
Plan with single voice and data rate for the organization in which minutes and Gigabytes are shared among all the mobile lines nationally and abroad	8%	10%	11%	13%	9%	---	---	5%	8%
Unlimited calls between the organization's lines	4%	2%	9%	14%	6%	---	---	3%	7%
Roaming calls and browsing	6%	0%	4%	13%	3%	---	---	3%	4%
Closed Wi-Fi connection for employees	5%	6%	6%	3%	4%	---	---	1%	7%
Open Wi-Fi connection for customers	5%	4%	3%	11%	5%	---	12%	---	6%
Fixed IP	3%	---	3%	6%	3%	---	3%	2%	3%
Virtual Private Network/networking of company's different workplaces	4%	2%	2%	7%	5%	9%	---	2%	7%

Basis: Total SMEs interviewed, by sector of activity.

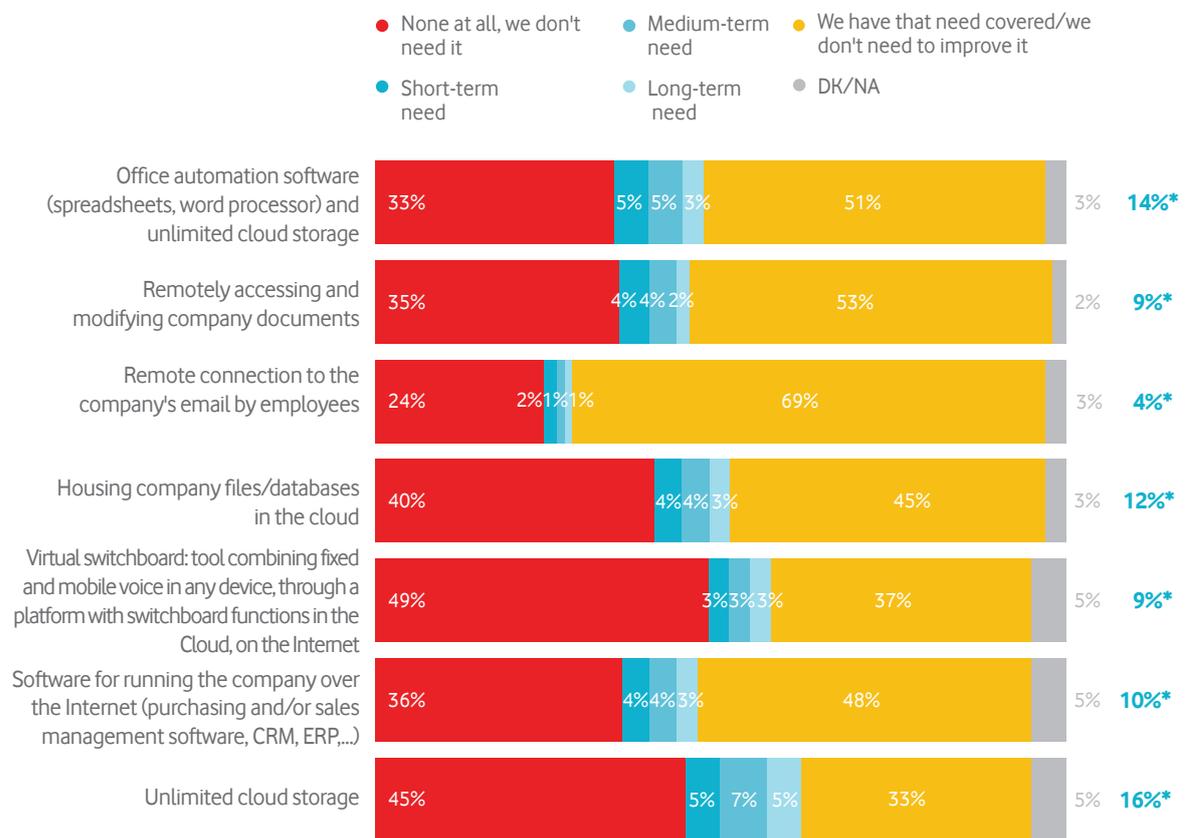
% Significantly **higher than** the total.

% Significantly **lower than** the total.

A large percentage of SMEs say that they have already met their Cloud service needs, or that they do not need those services

The most basic Cloud services, such as remote e-mail access, are the most widespread in use among SMEs. Unlimited storage and office automation software are the Cloud Computing services that this segment needs most of all.

Extent to which their company needs to have or improve cloud services



Basis: Total SMEs interviewed.

*Short, medium or long term need.

LEVEL OF NEED FOR CLOUD SERVICES, BY SECTOR

No sector reports needing cloud services to any large extent. The **retail trade** has the keenest interest in them, especially for remote document access and virtual switchboards.



	TOTAL	SECTOR							
Office automation software (spreadsheets, word processor) and unlimited cloud storage	14%	14%	13%	15%	16%	---	3%	16%	15%
Remotely accessing and modifying company documents	9%	12%	9%	18%	5%	5%	2%	9%	11%
Remote connection to the company's email by employees	4%	6%	4%	6%	2%	5%	---	3%	7%
Housing company files/databases in the cloud	12%	6%	10%	16%	14%	5%	3%	15%	13%
Virtual switchboard: tool combining fixed and mobile voice in any device, through a platform with switchboard functions in the Cloud, on the Internet	9%	10%	13%	16%	9%	...	2%	3%	9%
Software for running the company over the Internet /purchasing and/or sales management software, CRM, ERP,...)	10%	12%	14%	7%	9%	19%	5%	9%	9%
Unlimited cloud storage	16%	16%	17%	15%	15%	16%	15%	16%	15%

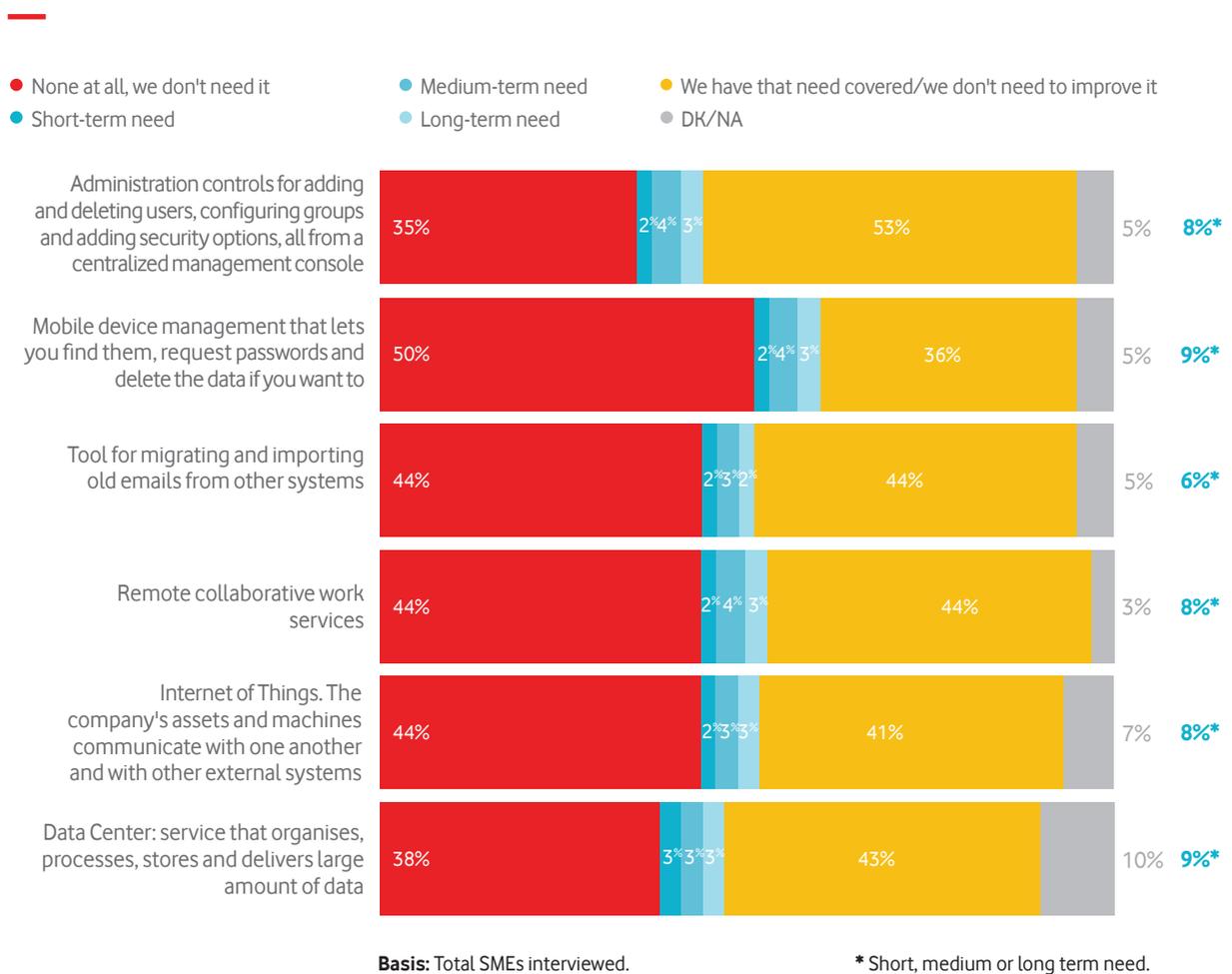
Basis: Total SMEs interviewed, by sector of activity.

% Significantly **higher than** the total.
% Significantly **lower** than the total.

Less than 10% of Spanish SMEs report needing other, more specific digital services

Just like with other services such as cloud-related services, Spanish SMEs show no interest in other, more specific digital uses (remote group administration, mobile device tracking or mail migration tools). Either they say they do not need them, or believe that they have already covered that need.

Extent to which their company needs other digital services



LEVEL OF NEED FOR OTHER USES AND APPLICATIONS, BY SECTOR OF ACTIVITY

The level of the need for this type of services is very low among SMEs. No major differences are seen between sectors for each of these digital uses.



	TOTAL	SECTOR							
Administration controls for adding and deleting users, configuring groups and adding security options, all from a centralized management console	8%	10%	6%	9%	13%	14%	---	6%	10%
Mobile device management that lets you find them, request passwords and delete the data if you want to	9%	11%	9%	7%	15%	5%	5%	5%	10%
Tool for migrating and importing old emails from other systems	6%	8%	4%	5%	8%	9%	8%	6%	8%
Remote collaborative work services	8%	12%	9%	9%	11%	5%	---	2%	10%
Internet of Things. The company's assets and machines communicate with one another and with other external systems	8%	13%	13%	6%	5%	5%	2%	6%	8%

Basis: Total SMEs interviewed, by sector of activity.

% Significantly **higher than** the total.
% Significantly **lower** than the total.

Digitization accelerators and brakes

SMEs believe that going digital will make their internal operations more efficient

The Vodafone Enterprise Observatory study underscores the following digitization accelerators for SMEs:

- Improvement of the enterprise's internal processes (29% of the answers).
- Improved management efficiency, with two aspects: reduction in the time spent and increased profitability (19%).
- Reduction of "internal" costs, derived from more efficient processes (8%).

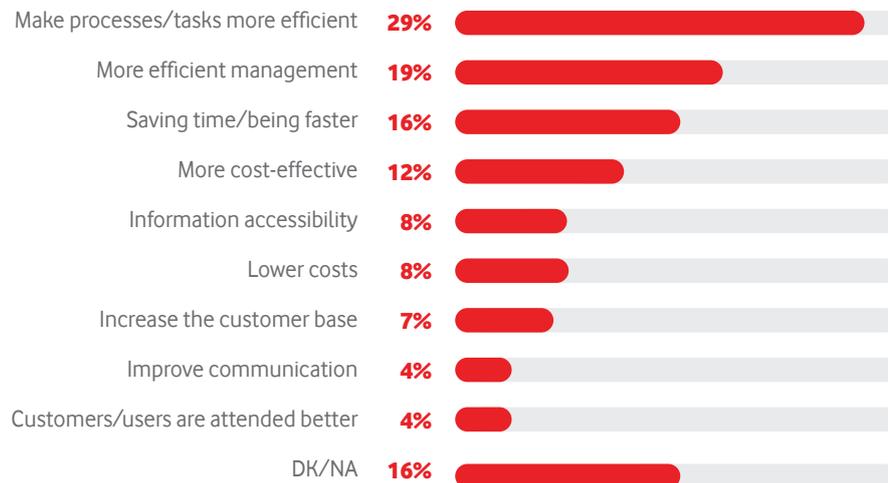
SMEs are at an intermediate state of digitalization and as they move forward in transforming themselves, other aspects regarding their relations with third parties and growing the business will become more important.

As for Spanish SMEs' digitization barriers, the only significant barrier or difficulty mentioned is the high cost of this process (16%).

SMEs think that digitization brings more benefits for the internal management of their businesses than for its growth

A sizeable percentage (16%) do not spontaneously mention any digitization-related benefits. If they do mention benefits, the SMEs that say it lets them improve management, be faster and more profitable outnumber the SMEs that mention winning customers or improving customer relations.

Main benefits of digitization



*Open-ended question (no answer is suggested to the interviewee).

Basis: Total SMEs interviewed



MAIN BENEFITS OF DIGITIZATION, BY SECTOR OF ACTIVITY

Improving processes is the main benefit for all sectors and the **agricultural** sector attaches most importance to it. As for leveraging on digital resources to attract more customers, **catering** and the **transport & logistics** are the sectors to which this matters most.

									
	TOTAL	Agriculture, forestry, mining	Industry	Retail commerce	Wholesale commerce	Hotels, Catering	Transport, logistics	Construction	Services
Make processes/tasks more efficient	29%	38%	28%	35%	25%	22%	37%	30%	28%
More efficient management	19%	29%	18%	20%	14%	23%	21%	17%	22%
Saving time/being faster	16%	19%	13%	9%	19%	14%	9%	14%	18%
More cost-effective	12%	12%	13%	19%	16%	13%	9%	7%	11%
Information accessibility	8%	6%	9%	11%	9%	---	9%	5%	9%
Lower costs	8%	4%	7%	7%	7%	---	5%	4%	11%
Increase the customer base	7%	2%	5%	2%	6%	19%	15%	3%	9%
Improve communication	4%	6%	5%	---	4%	9%	5%	5%	3%
Customers/users are attended better	4%	2%	2%	3%	2%	---	6%	6%	5%

Basis: Total SMEs interviewed, by sector of activity.

* Open-ended question. No answer was suggested to the interviewee. The answers could add up to more than 100%

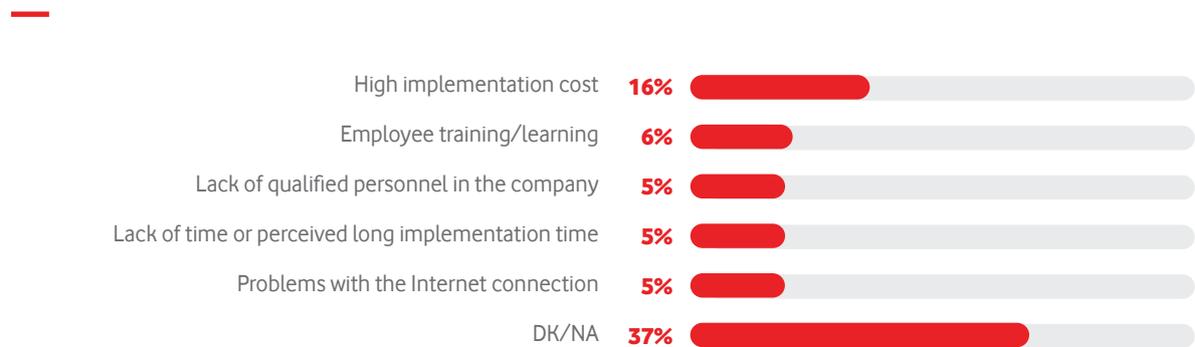
% Significantly **higher than** the total.

% Significantly **lower** than the total.

The perception that going digital will be expensive is the main barrier to doing so

Four out of every ten SMEs surveyed do not report any specific digitization barriers. Among those interviewed who did mention one, cost is the main concern. The lack of qualified employees and their necessary training are also reasons that hinder SMEs in their digitization plans.

Main difficulties and barriers to digitizing their business



*Open-ended question (no answer is suggested to the interviewee).

Basis: Total SMEs interviewed



MAIN BARRIERS TO DIGITIZATION, BY SECTOR OF ACTIVITY

The high cost of implementing the digitalization process is the barrier most often mentioned by SMEs in **transport & logistics** and less by primary sector SMEs.



	TOTAL	SECTOR							
High implementation cost	16%	8%	16%	15%	17%	13%	26%	15%	16%
Employee training/learning	6%	10%	7%	3%	8%	9%	10%	4%	4%
Lack of qualified personnel in the company/business/institution	5%	10%	4%	13%	5%	5%	11%	4%	5%
Lack of time/having time available/implementation takes too long	5%	---	4%	4%	7%	9%	---	7%	5%
Problems with the Internet connection	5%	8%	4%	4%	3%	5%	9%	6%	5%
Employees' resistance to the implementation	4%	2%	6%	5%	7%	5%	3%	3%	3%
Not knowing what new technologies are on the market	4%	4%	2%	2%	3%	5%	5%	7%	4%
Change/adaptation management	4%	2%	3%	5%	5%	---	3%	4%	4%
DK/NA	37%	31%	41%	35%	43%	36%	33%	44%	31%

Basis: Total SMEs interviewed, by sector of activity.

% Significantly **higher than** the total.
% Significantly **lower than** the total.

