

# PAITool

SUMMARY

# **DIGITISATION NEEDS OF SMES REPORT**

2024



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# INTRODUCTION

The main aim of the PAITool project is to develop and test new flexible opportunities for VET on Artificial Intelligence, which will support SME staff in adapting to and enacting digital transformation.

The motivation of PAITool is thus to strengthen the competitiveness of European SMEs, by facilitating the increased uptake and integration of AI systems and tools in business practices.

The SME Digitisation Needs survey carried out during the PAITool project is intended to assess the state of SMEs' readiness, resilience, and capacity to undertake digital transformation through incorporating AI in their business practices, to determine how the training content developed during the project can best address the knowledge gaps need to increase staff confidence in AI and digital competence relevant to modern labour market needs.

# BACKGROUND AND METHODOLOGY OF THE SURVEY

The analysis is based on a survey conducted by the PAI Tool consortium between September 2023 and April 2024, distributed among small and medium-sized businesses.

The Digital Maturity Assessment methodology was used to collect the data.

The Digital Maturity Assessment (DMA) tool allows one to measure the current level of digitalisation within an organisation (SME or Public Sector organisation) and provide a structured pathway to digital transformation and maturity. The tool uses the following dimensions for assessment:

- Digital business strategy
- Digital readiness
- Human-centric digitalisation
- Data management
- Automation & Artificial Intelligence
- Green digitalisation

The data collection took the form of guided interviews with SME managers as well as surveys filled in by individual SMEs in Europe. The length of the interviews ranged from two to four hours, followed by electronic recording of the results.

The object of the PAI Tool project was to analyse the data, generalise the findings and draw conclusions about the status and needs of SMEs in the field of digitalisation.

In our survey, we use a subset of questions from the above methodology. In addition to general questions and digitization strategy, we focus on artificial intelligence and working with human resources.

The survey shows some imbalance between the two countries. In Slovakia, we have used data that SCDI has collected during its cooperation with small and medium-sized enterprises, as SCDI actively helps with their digitalization. Therefore, we were able to include up to 100 SMEs in the analysis.

In Malta, we were not able to obtain a sufficient number of respondents from SMEs. To compensate for this shortfall, we included two experts from public institutions dealing with the relationship between digitisation and human resource development, as well as an expert from a non-profit organisation with a similar background. This gave us a broader view of the situation in companies in Malta. We consider this expert perspective to be so qualified that it allowed us to make a faithful comparison of the situation in both countries.

# CONCLUSIONS FROM THE SURVEY

In processing the surveys in both countries, we identified both similarities and differences. On the basis of the data and the differences identified, we were able to suggest measures that would be appropriate to put into practice in each country.

## Main similarities

The results of the SME needs surveys showed major similarities in the area of **artificial intelligence**, confirming that the development of AI is a truly global phenomenon that knows no borders. Individual technologies are maturing to the stage of usability regardless of current local developments. Frameworks, libraries, and pre-trained models are generally available and are affordable to developers and users alike.

## Main differences

One of the reasons for the differences between the survey results in Slovakia and Malta is the different economic structure. While there is **no major difference** between the countries in **basic digital technologies** such as connectivity, internet, websites, or administrative tools, on the contrary, when we talk about **tools that are directly addressed to the production process or to the service sector**, we see **different preferences**

and needs. These differences are natural and should not be seen as a problem.

One difference worth mentioning concerns working with people who are fundamentally affected by digitalisation. Slovakia is clearly lagging behind in the area of public policies aimed at lifelong learning and state support for the development of digital skills.



## RECOMMENDATIONS

The surveys were conducted in an environment of companies that understand the importance of digitalization and know what it can bring them. This awareness needs to start to be built also in companies that do not yet have this awareness. We therefore recommend intensive education among companies that have not yet reached even a fundamental level of digital skills or have not yet started to deploy advanced digital technologies.

For these less digitised companies, we recommend **using examples to highlight the concept of development**, which is also evident from our survey. It is a trajectory that starts from

data collection, which is the main role of the Internet of Things, proceeds to analytical tools, which may be based on artificial intelligence at some stage of development, and goes all the way to simulations and digital twins. This applies mainly to manufacturing companies, but also to other companies and institutions.

In both countries, but more so in Slovakia, there is a need to strengthen awareness and education about cyber threats and data protection. Awareness should also be accompanied by support from the public funding, as disruptions in companies due to cyber-attacks can also have macro-economic impacts. Information to companies should also include personal data protection and education of staff at all levels where digital technologies are used.

For Malta, we recommend measures to better align digital transformation with workforce adaptation to digitalisation activities. We are talking about greater involvement of workers in digitisation projects and providing support to workers, especially in the first weeks and months after the introduction of new digital tools.

This also applies to Slovakia. However, the fundamental message to the Slovak environment is the recommendation to concentrate considerably more on the **development of human resources**. There is a clear lack of support tools and training programmes guaranteed and financed from public resources. These are measures at the level of the state and educational institutions that are partners of the state or regional institutions.

This is particularly relevant for small and medium-sized enterprises. While large companies have the resources and capacity to assess the level of digital skills of their workforce and align people development programmes with their business needs, small businesses will never be in this situation. The state must therefore step in, both in a methodological and executive role, in order to support SMEs in the development of human resources.

The PAITool project is an example of what such engagement and workforce training should be built on. That is to say, on high-quality and modern content, which is artificial intelligence in its various forms, on attractive formats such as eLearning, and on experts who can combine eLearning with qualified interpretation and their own experience.





## PROJECT PARTNERS



**Slovak Center for Digital Innovation (SCDI)** is a non-profit association applying for the status of European Digital Innovation Hub in the Slovak republic.

**Role:**

Lead coordinator, development of the PAITool course in Slovak & English, organisation of Train-the-Trainers and Upskilling workshops in Slovakia.



**AcrossLimits** is a dynamic Maltese technology research and consulting SME with its roots firmly derived from the innovation and ICT sectors.

**Role:**

Dissemination lead, integration of the PAITool course on the project website, organisation of Train-the-Trainers and Upskilling workshops in Malta.

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**Digitisation Needs of SMEs Report**



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