Level of ICT usage and needs in the BSR

Prof. Gunnar Prause
Wismar University
Hamburg, November 22nd 2007
DEMAND SIDE = VIEWS & VISIONS

The regional players are using the logistic & ICT services and infrastructure

SUPPLY SIDE = ACTUAL SITUATION

The region is offering Logistics & ICT services and infrastructure

DEMIA  now  Experts interviews
Activities

- DEMIA
- 2 Surveys
- Regional profile
- Expert interviews
- Regional key figures

Quality approach
Quantity approach
Quantity & Quality approach
Quality approach
Quantity approach

primary  primary  secondary  primary  secondary
The ICT Survey – objective, target group and characteristics

Goal
- Within each region: describe the existing ICT infrastructure and services and contrast these results with the actual demands
- Within the BSR: compare the results among the different regions

Target group
- whole population of companies in the region, with special focus on SME‘s

Characteristics
- web-based survey
- the same survey in all of the regions (additional: e-mail, phone, interviews)
- translated into local languages
- no open questions ➔ to make it comparable
- > 1,100 responses throughout the BSR
Distribution of companies by size

- Micro: 62%
- Small: 22%
- Medium: 9%
- Large: 7%
Distribution of companies by industry

- **Manuf**: 48%
- **Trade**: 28%
- **LSP**: 15%
- **Others**: 9%

Project part-financed by the European Union (European Regional Development Fund) within the BSR INTERREG III B Neighbourhood Programme
Usage rates: e-mail & Internet (> 75%)
Use of ICT in business areas

ICT is used in a different degree in various business areas. The two areas where ICT is implemented the most as a support of the daily activities are:

Accountancy
- different software tools enabling quick and easy access to information
- indispensable for managing and monitoring tax information

Marketing & Sales
- improves presence of company worldwide
- unexpensive and with a wide coverage

Sourcing & Supply-Chain-Management
- Regional differences in the BSR
Use of ICT in Sourcing/Supply

Country/Region

- Hamburg
- St. Petersburg
- Östergötland
- Latvia
- Estonia
- SW Finland
- Meck.-Vorp.

No of companies (%)

- Use
- Plan to use
- Not use
ICT expenses

- Similar distribution for the 3 types of expenses
  - Modal values for all types of expenses were < 2.5%

- Software expenses are expected to increase the most

- Basic IT knowledge is nowadays common in the newer generations
  → big number of people can handle simple IT issues,
  but specialist are needed for more complex issues
## ICT expenses (hardware)

<table>
<thead>
<tr>
<th>Country</th>
<th>0%</th>
<th>&lt; 2.49%</th>
<th>2.5 – 4.9%</th>
<th>5 – 7.49%</th>
<th>7.5 – 10%</th>
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## ICT expenses (software)

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Project part-financed by the European Union (European Regional Development Fund) within the BSR INTERREG III B Neighbourhood Programme
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Development of ICT expenses in next 3 years

ICT cost expectations in 3 years (Software)

ICT cost expectations in 3 years (Hardware)

ICT cost expectations in 3 years (IT Personnel)
Regional use of Internet & E-Commerce

- Internet access mainly via broadband connection
  coverage problems in rural areas (Modem)

- high usage of company web sides

- But: still high importance of personal contacts

- High acceptance that e-commerce gives competitive advantage

- But: None of the surveyed companies handles more than 60% of their business electronically.
Types of Internet connection

![Bar chart showing types of internet connection for different regions.]

- Broadband
- Modem
- Others

Regions include Hamburg, Meck-Pom, SW-Finland, Latvia, Estonia, and Sweden.
Companie with websites

Websites

Hamburg | Meck-Pom | SW-Finland | Latvia | Estonia | Sweden

0 | 10 | 20 | 30 | 40 | 50

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Ways of communicating regularly with customers and suppliers

![Bar chart showing ways of communicating regularly with companies in different countries/regions. The chart includes personal visits, telephone/fax, e-mail, regular post, and others (EDI, ERP).]
Use of Internet to interact with public authorities and government organisations

Internet is mostly used for:

- Obtaining general information (opening hours, contact persons, requirements for certain formalities, etc.)
- Downloading/requesting forms (tax return forms, regulations, licenses)
- Completing forms online
- Making online payments
Conclusions

The survey revealed following concerns and needs:

- Lack of qualified ICT personnel
- Weak development of e-commerce due to the low awareness of its increasing importance
- Concerns about security issues
- Shortage of e-Government services
Specific Results for M-V

• Mecklenburg-Vorpommern is suffering of
  • weak industrial density
  • lack of skilled workers
  • migration to the West
  • Weakness in innovation

• General lack in language skill and intercultural experience of the companies

• Regional strength in highly developed infrastructure erected since the reunification in 1990 which nevertheless needs to be improved in the upcoming future.
Logistics in MV

• Till 2007 no regional logistics strategy for MV
  • Spring 2007: Logistics Initiative Westmecklenburg
    » Chamber of Commerce in Schwerin
  • October 2007: Logistics Initiative M-V
    » Ministry for Transport, Building & Regional Development

• Underdeveloped cluster structures in the logistical sector
  • No regional coordinated offers in logistics services

• Underdeveloped educational sector in logistics
  • Logistics Master will be launched from Wismar University
Special Outcomes of Expert Interviews in MV

• hugest part of the public money has been spent into the infrastructure since the German reunification
  • not sufficient for a sustainable development of the logistics sector
  • logistics competence inside the regional administration is important for development
  • More investments in regional soft factors
    » development of a regional logistics strategy including usability concepts in logistics & networks
  • Because: The need of concepts and related soft factors are more important as more underdeveloped the region

• In service sectors the regional development is more depending from the governmental competence and the regional soft factors than from the infrastructural situation
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