NETWORKED ENTERPRISE

MCA'S eBUSINESS STRATEGY

2012
2015

mca
MALTA COMMUNICATIONS AUTHORITY

CONTENTS

Size of organisation

The size of an organisation has a significant impact on the level and extent of use of ICT. Organisations are segmented on the basis of size using four main criteria as follows:

	Employment	Turnover	Balance Sheet Total
	No.	€	€
Micro Enterprise	<10	<2 million	<2 million
Small Enterprise	<50	<10 million	<10 million
Medium Enterprise	<250	<50 million	<43 million
Large Enterprise	>250	>50 million	>43 million

IMPORTANT Note on Statistics

Unless otherwise stated all statistics quoted in this document have been extracted from the Eurostat database on http://epp.eurostat.ec.europa.eu or the National Statistics Office (NSO) reports on www.nso.gov.mt during January 2012. Where available, EU averages have been included and used to benchmark Malta's current situation and its progress. Eurostat and NSO do not measure statistics for micro-enterprises. For comparison purposes, both NSO and Eurostat exclude the financial sector when comparing national averages and presenting averages for specific enterprise sizes.

1. INTRODUCTION

In the context of a single market that is built on novel digital channels, Maltese businesses cannot afford to be excluded from the **Networked Enterprise.** For many local businesses, the networked economy has opened up countless opportunities that were, up to a few years ago, unthinkable.

An enterprise that has capitalised on the networked economy is able to: rationalise and optimise its supply chains; reach distant markets that were previously not economically viable; and continuously introduce efficiencies into its operations. Such a business is able to operate in a leaner and more effective manner achieving better outputs and increasing profits. In this strategy we refer to such an enterprise and the collective network of economic players as the Networked Enterprise.

This strategy aims to deliver on the Government's recognition, in its Vision 2015, that ICT is a prime instrument for local enterprises to achieve efficiency, resilience and ultimately, competitiveness. It recognises that local enterprises are not only faced with important new opportunities, but also significant new threats from global competition and eCommerce – realities that will seriously erode a business' value unless effectively countered. This strategy also takes into account today's economic realities where Maltese enterprises are striving to keep afloat in the face of a persistent, global economic crisis.

This strategy recognises ICT as a key pillar on which to base growth and diversification strategies. It champions an economy, which is constituted of networked enterprises that capitalise on the opportunities brought about by ICT.

This strategy has two main streams. On one front, it aims to enable and support business leaders in transforming their ideas into profitable ventures that contribute to the economy. On the other front, this strategy aims to assist the firms and sectors which have not yet capitalised on ICT, to understand the real potential of ICT, thereby facilitating their integration into the Networked Enterprise.

IN ACHIEVING A NETWORKED ENTERPRISE, MALTA WILL BENEFIT FROM:

i. **Economic gain:** ICT is a catalyst for entrepreneurship and growth and brings about opportunities for efficiency gains, increased economic activity and employment;

ii. **An improved market proposition:** ICT transforms markets with cascading effects on competition, entrepreneurial avenues, market reach and product offering;

iii. **Better export possibilities:** ICT enables the Maltese enterprise to leverage on its unique strengths, whilst overcoming geographic boundaries and size limitations;

iv. **More entrepreneurial cohesion:** ICT offers the means to achieve better communication between the different players in a supply-chain, opening up unprecedented opportunities to collaborate and find synergies;

v. **An opportunity for starting up:** ICT lowers entry barriers and allows for further diversification giving start-up ventures a better possibility to establish and succeed in their venture;

vi. **Industry rejuvenation:** Within the dynamic market environments and the context of the current crisis, ICT opens up opportunities to reinvent, transform and reposition ailing industries and market offerings; and

vii. **Niche opportunities:** In the context of a single European market within a global context, ICT gives the small Maltese economy the opportunity to boldly establish itself as a specialist in specific niches with global reach.

2. OVERVIEW OF ICT TAKE-UP BY THE MALTESE ENTERPRISE

Statistics show that internet use has become pervasive in enterprises of all sizes and across all operating sectors. As expected, internet use is highest amongst the larger enterprises and in specific sectors such as the ICT Sector and the professional, scientific and technical services sectors. Usage is lowest in the construction and in the accommodation and food services sectors.

As expected, service-oriented industries have a higher proportion of employees who make use of the Internet in comparison to those involved in the more industrial sectors of the economy.

Smaller enterprises seem to have more employees using the Internet than their larger counterparts, possibly because employees in larger enterprises tend to be specialised.

Figure 1
Percentage of enterprises with Internet access

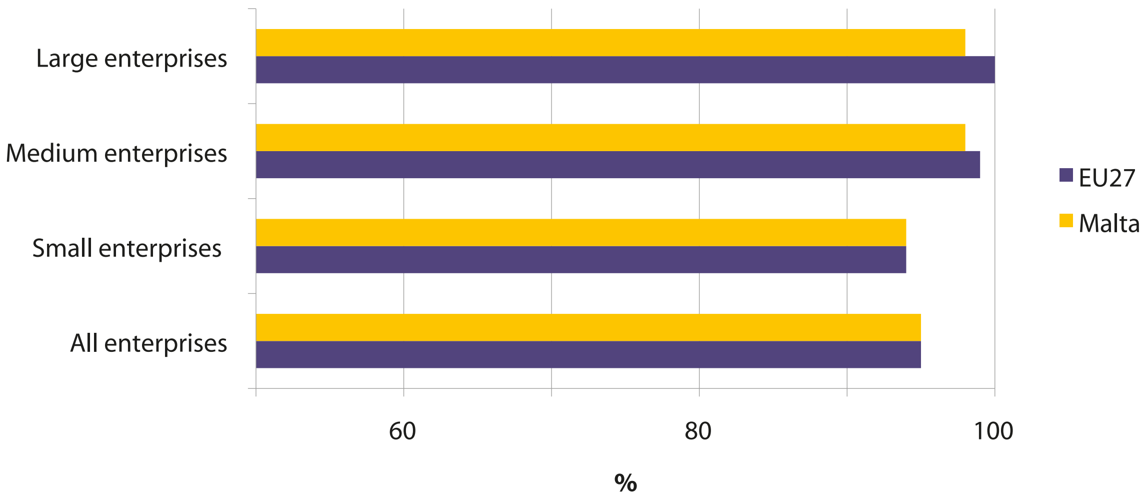
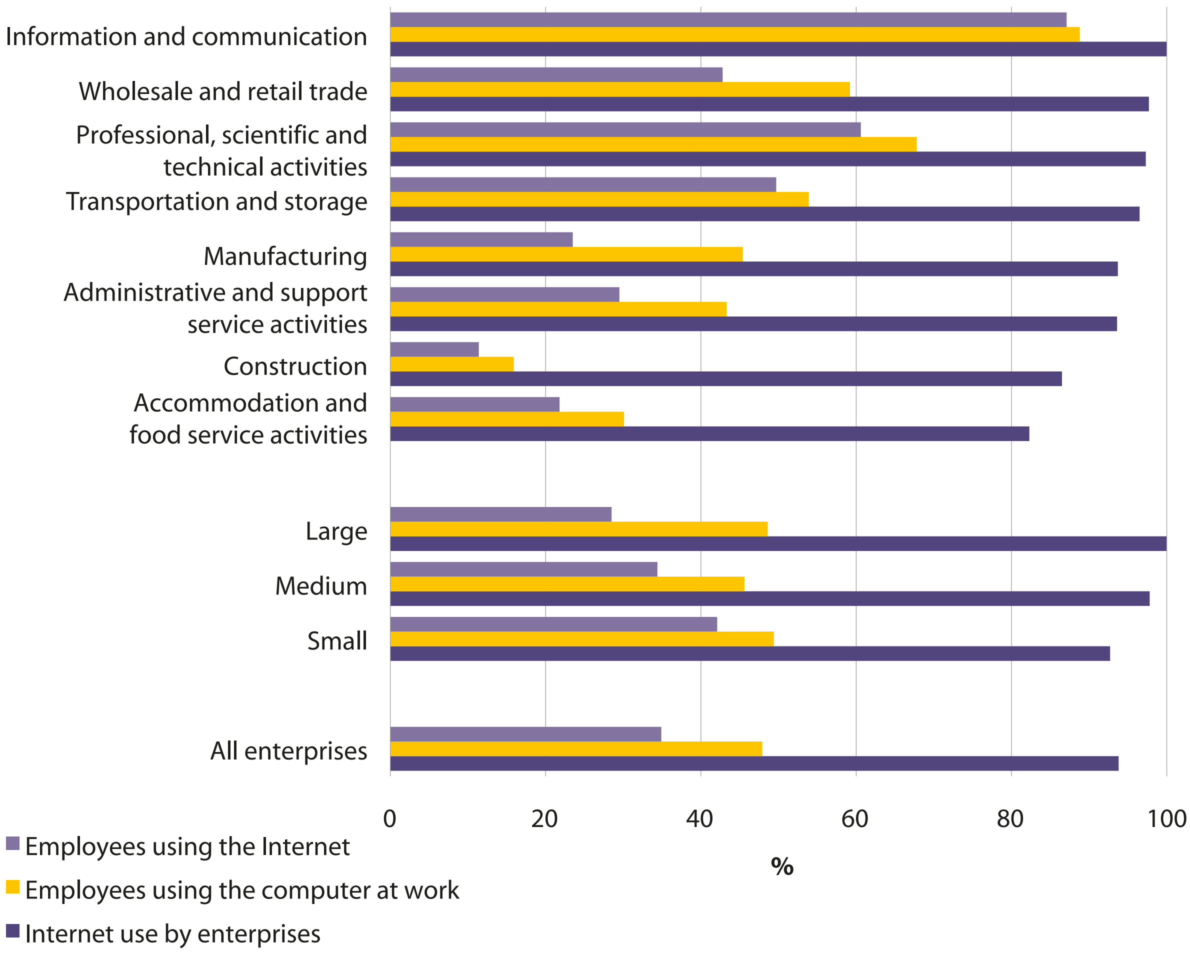
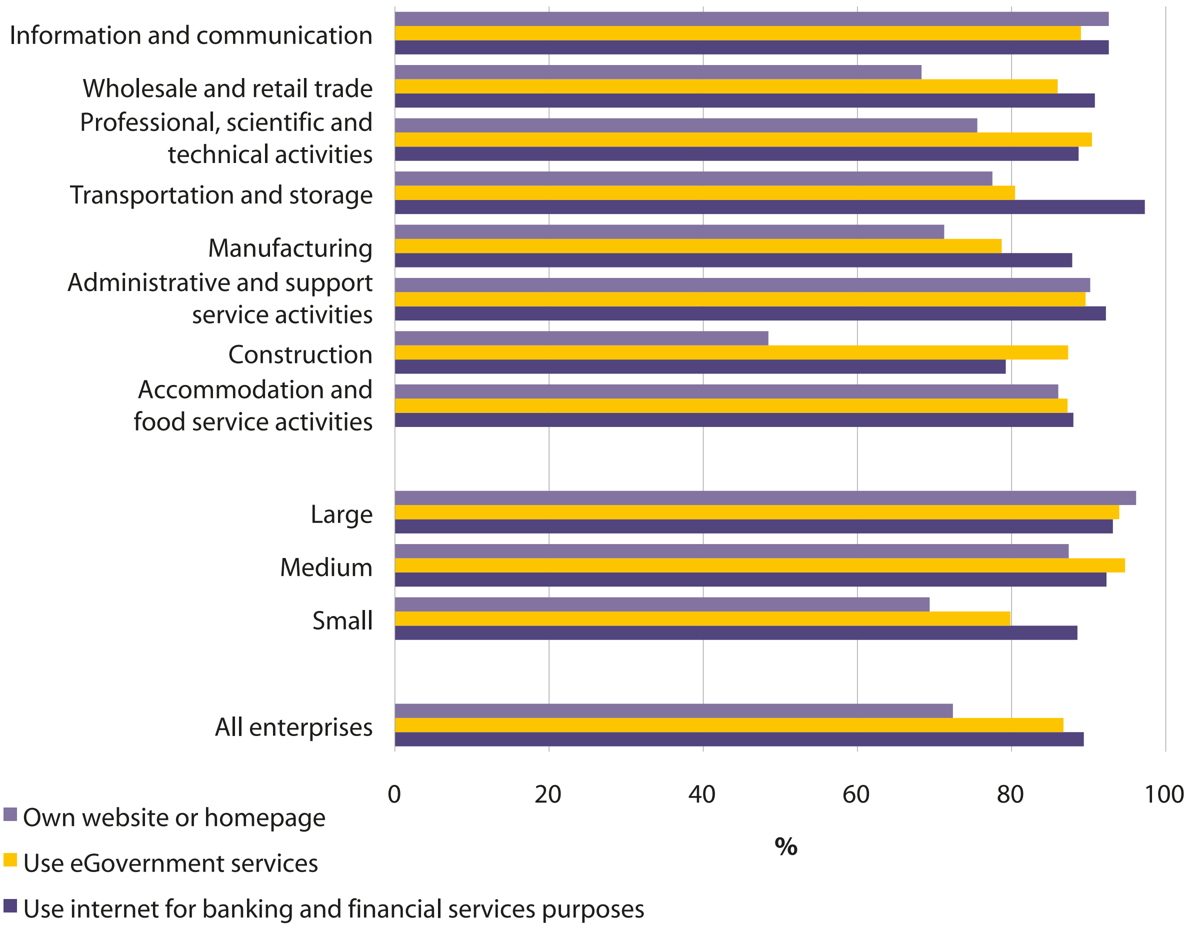


Figure 2
Internet use by enterprise size and sector



Whilst the ICT Industry understandably makes widespread use of most internet services, other sectors appear to favour specific services. However, it is not clear whether this is because these services best fit the needs of their specific activity, or because the players in the particular industry are not sufficiently conversant with ICT to make more extensive use of it. Compared to their larger counterparts, small enterprises are lagging behind in both web presence and usage of internet service.

Figure 3
Internet websites and services by enterprise size and sector



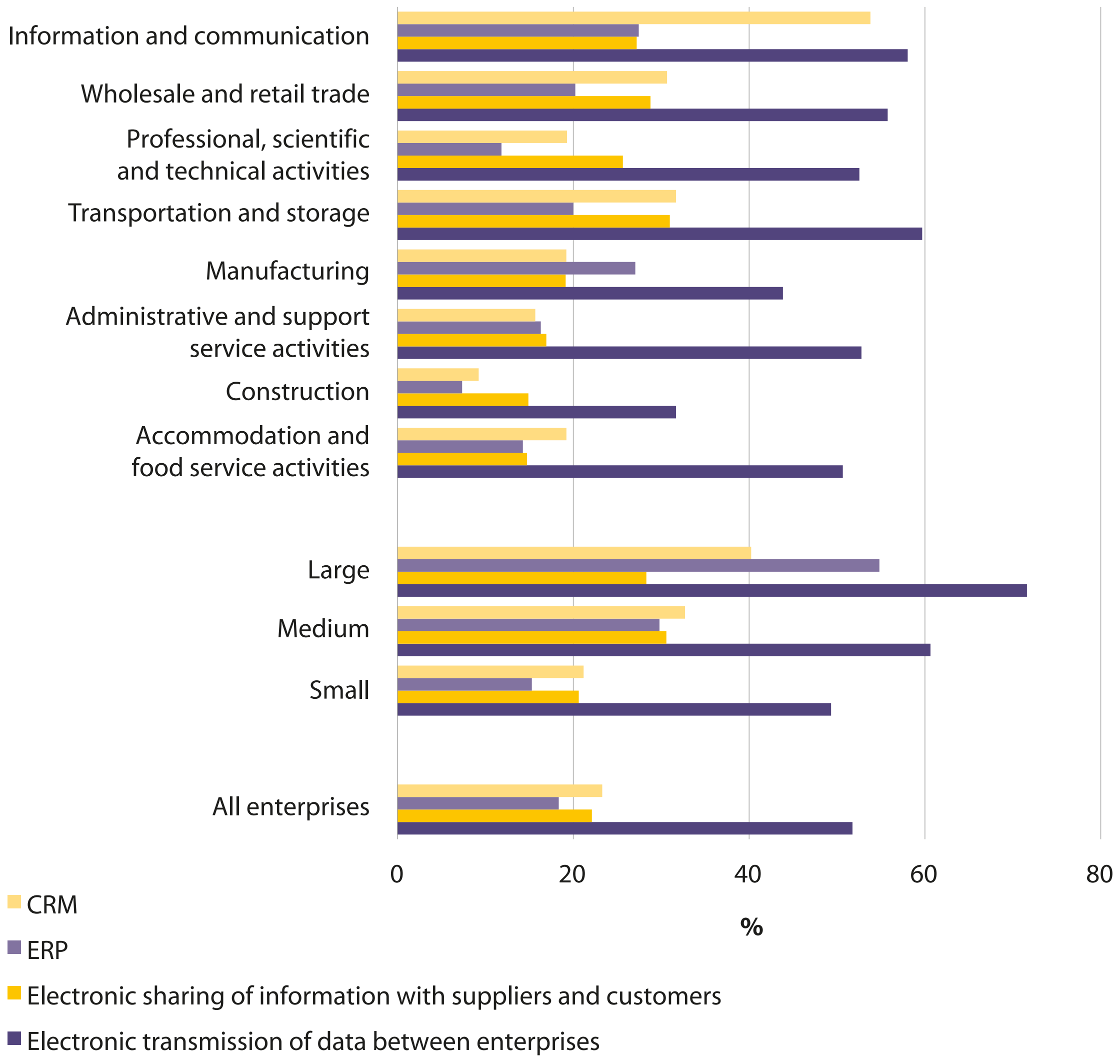
Despite the fact that many Maltese enterprises are connected and using the Internet in their business processes, only half are using electronic systems that allow users to transmit information such as orders, invoices, and payment transactions. Furthermore, only 23% of enterprises are using automated systems which share information between firms operating in the same supply-chain.

Statistics also show that there is a very significant discrepancy in use between the different industry sectors. These figures indicate that some sectors are more prone to using ICT-integrated means of communications than others. This discrepancy can be attributed to the nature of the sectors' operations that may yield different levels of benefits. Alternatively, this discrepancy could also be the result of business leaders' perceptions, where in specific sectors there may be a shared belief that such systems do not bring value to the industry. Another factor which could be inhibiting take-up could be the absence of the network effect given that no firm can use such communication systems in isolation. Such systems will fail to penetrate, unless a critical mass of players in a supply chain or an industry adopts the solution or standard.

Similar results are observable for Customer Relationship Management (CRM) and Enterprise Resource Planning (ERP) systems. In fact, these not only show that there are different adoption patterns between sectors, but also confirm the lack of take-up of all forms of ICT applications by certain sectors, such as the construction industry.

These figures also confirm the relation between enterprise size and ICT use. In general, smaller enterprises appear to use ICTs applications less. This may be due to the fact that smaller enterprises may either find such systems too costly, or may not have the resources necessary to adopt these solutions. Others could consider their activity as too small to justify a business case for a solution, or they may simply lack the ICT expertise to make a sound commercial judgement on the implementation of such systems.

Figure 4
Electronic sharing of data



Only 18% of Maltese businesses engage in eCommerce sales whilst 25% purchase from eCommerce suppliers. The total sales and purchases effected through eCommerce account for only 21% and 24% respectively of total transactions undertaken.

Once again, different sectors show different eCommerce behaviour patterns. The food and accommodation sector leads in eCommerce sales, possibly as a result of the global intermediary setup of the hotel industry. On the other hand, the information and communication sector shows that it favours online channels, possibly due to the intangible nature of certain products procured by this industry.

Figure 5
Enterprise engaged in eCommerce by size and sector

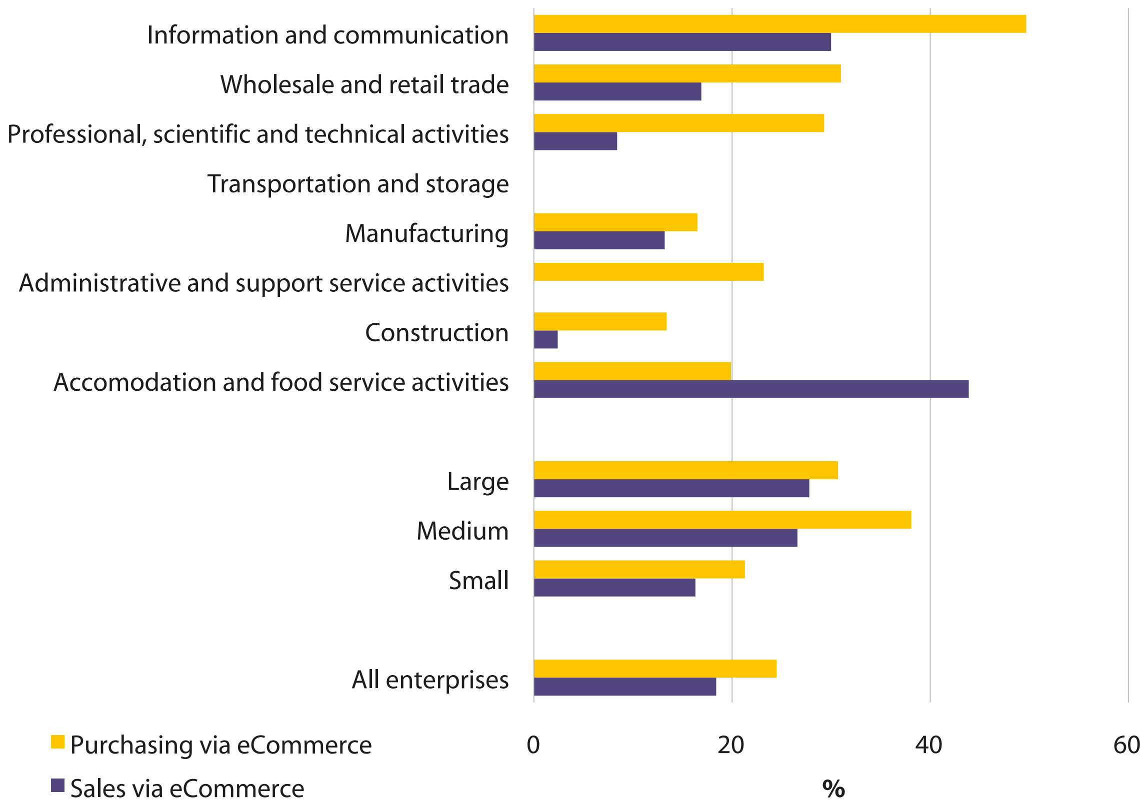


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Figure 6
eCommerce transactions as a percentage of total transactions by enterprise by size and sector

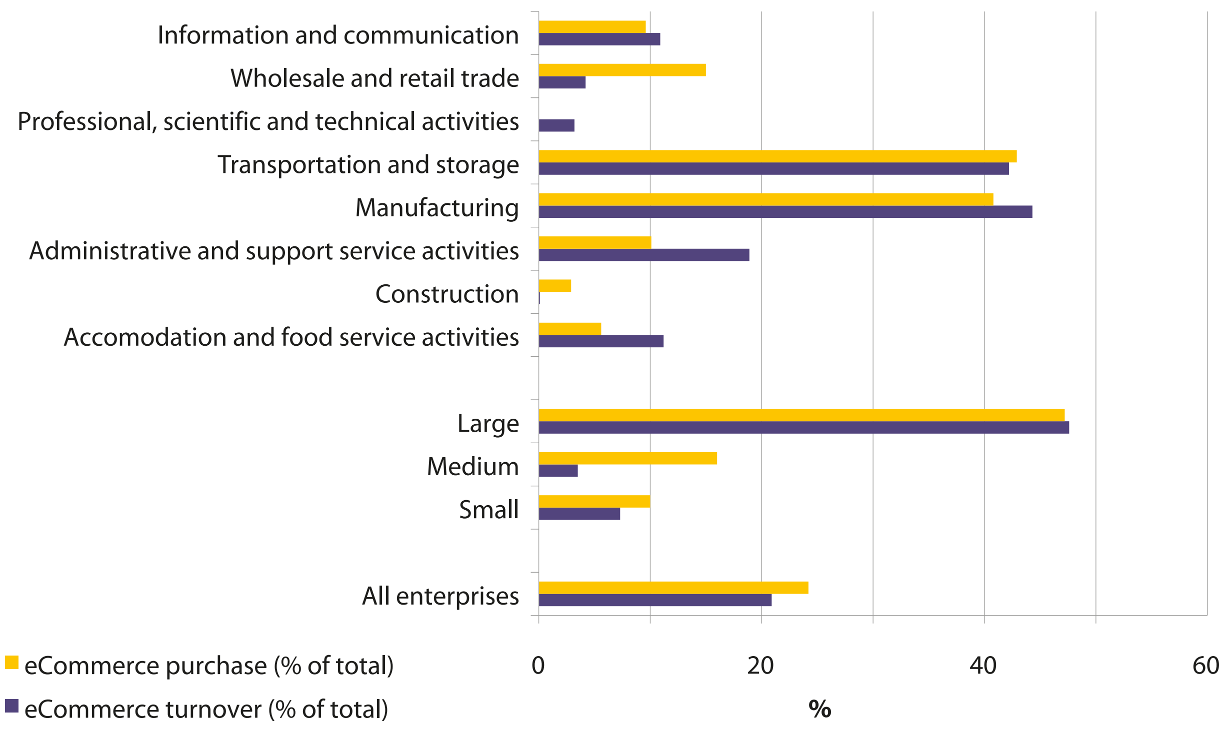
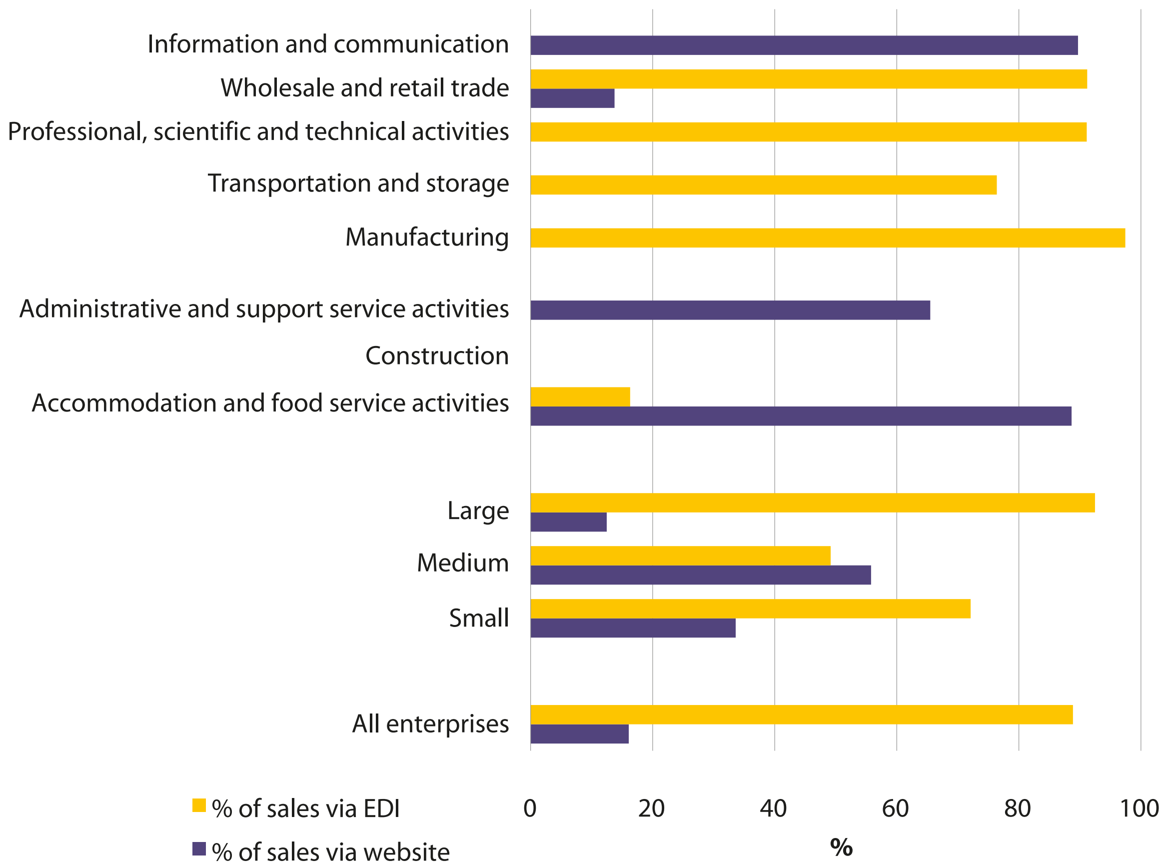


Figure 7 below provides a breakdown of eCommerce sales distinguishing between Electronic Data Interchange (EDI) and website sales.

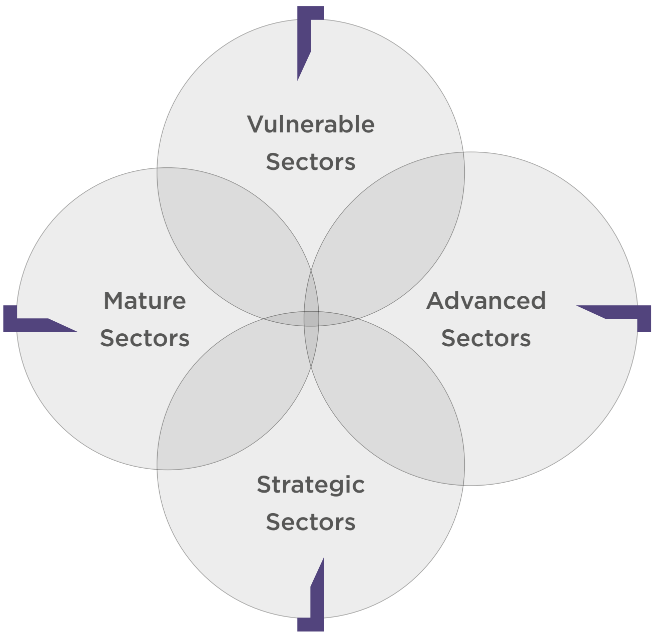
It is evident that most eCommerce transactions occur via EDI. Such transactions generally relate to direct trading within a supply-chain, or in-trading within a group of companies. eCommerce via website activity is considerably low.

Figure 7
Percentage of eCommerce sales by enterprise sector and size



3. SEGMENTING THE BUSINESS COMMUNITY

On the basis of the above analysis, for the purpose of this strategy, Maltese enterprises have been segmented into four sector groups as indicated in the diagram below:



3.1 VULNERABLE SECTORS

Vulnerable sectors are defined as those industries that have a generally low uptake of ICT and for which the workforce is generally characterised by a low ICT skill readiness. The key sectors identified as being vulnerable include the following:

3.1.1 The Construction Industry

The construction industry under-performs on all counts of ICT take up. This may be the result of the industry's makeup that is characterised by a high concentration of small enterprises and the labour-intensive properties of the service provided by the industry.

3.1.2 Agriculture and Fisheries

Being regarded as primary industries, the proportion of enterprises operating in the sector and their direct contribution to the Gross Domestic Product remains insignificant. Notwithstanding this, Agriculture and Fisheries still remain important strategic industries which need to be nourished with appropriate support.

3.1.3 Declining Manufacturing Sectors

Seismic shifts in the economy have meant a change in the fundamental paradigm away from a focus on low cost to high value-added manufacturing. Traditional manufacturing sectors such as textiles, leather and clothing continue to decline as the cost of labour increases. People employed in these sectors are not only exposed to a high risk of redundancy, but have a greater challenge to find other employment opportunities due to their skill obsolescence.

On another front, the dismantling of trade barriers arising from membership in the EU has heightened competitive pressures on specific local manufacturing industries, in particular the furniture manufacturing industry, which has had to face an onslaught from large international players who can outprice the local industry due to economies of scale.

Product innovation and reduced lead times are essential for businesses to remain competitive. In this context, ICT can play an important role.

3.1.4 Micro-enterprise

Micro-enterprises are not a business sector *per se*, however, for the purpose of this strategy, two types of micro-enterprises have been categorised as forming part of the vulnerable group.

The indigenous micro-enterprise
Possibly family-owned and passed on from one generation to another, these types of businesses are likely to have long been established at the heart of the communities they serve. These are often being challenged by new entrants that tend to be more dynamic and less burdened with legacy business processes.

These enterprises may view investment in ICT as a major financial hurdle and, in some cases, the economies of scale may be insufficient to justify investment in an ICT system. Moreover, a number of these enterprises are characterised by high levels of ICT illiteracy. These firms need to be assisted in understanding the full potential of ICT and how this can be applied and integrated into their business models to make their operations more efficient, diversified and profitable.

Start-ups
Whilst these firms are considered high-risk, they tend to be more flexible and willing to adopt new technologies and business procedures, which longer established enterprises might be too inert to consider. These businesses need an ICT-enabled environment that supports innovation and entrepreneurship.

3.2 MATURE SECTORS

Mature sectors are those well-established industries which have reached saturation point in the market place and therefore need to tap new market opportunities in order to grow and survive. These industries would typically have higher ICT readiness than those categorised as vulnerable. The key industries which have been classified as mature sectors include the following:

3.2.1 Wholesale and Retail Sector

The wholesale and retail sector has not only reached saturation point in Malta, but has more recently started to face stiff competition from online shops, which have provided a wider choice to consumers, often at a lower cost. ICT may provide an opportunity for organisations in the wholesale and retail sector in Malta to re-invent themselves and reach out to new markets, while also achieving efficiency gains in their day-to-day operations.

3.2.2 Food and Beverage Manufacturing

The food and beverage sector is the largest manufacturing sector made up of locally-owned enterprises. Most of the sales generated by the food and beverage industry are primarily focused towards the local market and are largely generated through the food wholesale and retail industry itself. To the extent that it is focusing on the local market and not exploiting export opportunities, the food and beverage manufacturing industry is categorised as operating in a mature sector.

3.3 ADVANCED SECTORS

ICT is integral to the day-to-day operations of a number of industries in the advanced sector group. Employees working in these sectors need to be well versed in the use of both basic and specialised applications that are related to their work. Key industries which may be categorised as advanced users include the following:

3.3.1 Publishing and Printing

The Internet has brought about revolutionary changes in this industry as new forms of communication are competing aggressively with the traditional printed media. As a general trend, publishing is becoming a complex, multi-channel, rich-media content delivery business. Nevertheless, the core competence of publishers remains to collect and package content into media products which are then marketed to readers and advertisers.

ICT has far-reaching implications for the organisation, operation and management of printing activities. The industry is changing roles, from mere manufacturing to full-scale service provision. Print management also integrates backwards into publishing. Digital technology is a key driver of innovation in this industry, as practically all solutions are becoming digitally integrated. New business models range from digitally generating and printing, e.g. regional and local newspapers, to digital post-press activities. Moreover, conventional printing technologies face disruptive digital technologies and services, such as e-book or print-on-demand services and end-user devices.

In the local context, the publishing and printing industry in Malta comprises a mix of local indigenous players and a few flagship firms who are considered to have become international players in their field. In a similar vein to the trend experienced by the food and beverage industry, the publishing and printing industry has also reached the maturity stage of the industry life cycle in Malta and may need to engage in appropriate rejuvenation strategies. In view of the current trends in converting published content in an on-line format, it is believed that the publishing and printing industry has the potential to become an advanced user of ICT, particularly in the design and development of on-line content.

3.3.2 The Business Services Industry

Whilst the business services industry is typically made up of micro and small businesses, most organisations in the industry are generally very well equipped with basic ICT infrastructure. More than 90% of all employees are working in companies with internet access and use basic applications such as e-mail. The fact that not only large, but also small, companies have a good ICT infrastructure, distinguishes the business service sector from many other sectors. Even for small companies, the respective percentages are at 90% or higher. The most important use of ICT in this sector is for accessing, managing and exchanging information. The 'www' is used more intensively than in other sectors and online technologies are also used more often for exchanging documents with customers and performing collaborative work.

3.3.3 The Real Estate Sector

The real estate sector is characterised by a high penetration rate of PC usage. The Internet can facilitate the identification of suitable properties by providing detailed information on basic characteristics and the environment, as well as through visualisation. The Internet can also provide additional information such as price comparisons, financial services links, removal information, legal assistance and checklists.

3.4 STRATEGIC SECTORS

Strategic Sectors comprise those industries which have been earmarked by the Vision 2015[1] document to become key centres of excellence for the Maltese economy as a whole. The key sectors to be included as part of the strategy include the following:

3.4.1 Advanced Manufacturing

The manufacturing industry was and still remains a key pillar of the Maltese economy. Albeit being negatively impacted by the general economic recession, the manufacturing industry still has a role to play in the Maltese economy. The nature of activities carried out by the industry has progressively changed from low cost (such as traditional textiles) to higher value-added manufacturing (including rubber and plastics, pharmaceuticals and electronics). This has necessitated a drive to focus on automation to reduce manpower count through the introduction of technology. The manufacturing industry will now need to ride the third wave of revolution to focus on research, development and design activities, with a view to continuously improve processes and/or add new products and services to be offered to clients. All of these activities may be appropriately supported through the deployment of information and communication tools such as Computer Aided Design and advanced modelling tools.

3.4.2 Advanced Logistics and Transport

The transportation, storage and communication sector in Malta is characterised by a strong level of internet use and eCommerce activity, with the application of electronic sharing of information being relatively high in comparison to other sectors. The results of this sector may however be largely influenced by the telecommunications sector, which is highly oriented towards the use and application of ICT.

This sector is largely expected to experience the digitalisation of its business processes. A number of specialised software applications have been developed specifically

[1]https://opm.gov.mt/vizjoni-2015

for the sector, including cargo handling systems, fleet control systems and intermodal transportation management systems. EDI based standards will continue to play an important role for exchanging information in transport, logistics and storage industries. In the case of freight transport, eCommerce applications being used include initiating, tracking and acknowledging shipments on-line amongst users and e-service providers.

3.4.3 Financial Services

Accounting for around 12% of the Gross Domestic Product, financial services are set to grow even further in the next years in light of attractive fiscal incentives a strong local banking and financial community and high quality and cost effectiveness of the workforce deployed in the industry. ICT may play a vital role in leveraging further the success of the industry, through improved business intelligence tools in processing financial information and transactions, as well as a wider accessibility to the public in general, through the improved levels of adoption of eCommerce channels.

3.4.4 Tourism

ICT has had a revolutionary impact on the tourism industry through the disintermediation of traditional tour operators and the re-intermediation of new global players in the field. Moreover, ICT has also brought about opportunities for streamlining processes of operations including online ticketing, online check-in for flights and self check-in at hotels, amongst others. ICT has a tremendous potential for support growth and competitiveness in the tourism sector by driving improvements in the efficiency of operations, allowing access to increased intelligence on customers' attitudes and preferences and facilitating improved service delivery. On the other hand, given that this sector faces intense global competition, any failure on the part of the local industry to capitalise on these opportunities could have a seriously detrimental effect on the sustainability and growth of this industry in Malta.

3.4.5 Training and Education

Training and education services can attract foreign students to pursue training or academic formation in Malta. Malta has already developed a good reputation as a base for teaching English as a foreign language. Through eLearning technologies, education providers established in Malta can reach a much wider student market.

3.4.6 Health Care and Life Science Industry

The health care industry is earmarked as a key sector for development in the Vision 2015. The significant investment made in Mater Dei Hospital is in line with this policy. Furthermore, as part of this drive, a Life Science Park is being developed and set up in San Gwann. Numerous private initiatives in this field are also taking place.

ICT brings about many opportunities in healthcare, especially in the context of an aging population. In line with the local eHealth policy, enterprises in this sector may find themselves connecting to the national healthcare infrastructure, allowing for a seamless and better service for patients. The industry may also benefit from supply chain automation opportunities allowing for better supplying and stocking of pharmaceuticals and related supplies, improved resource scheduling and unprecedented sharing opportunities and a patient-centred health care delivery, to give some examples.

3.4.7 Creative Industries

Those businesses that generate and commoditise knowledge, information and creative products are collectively referred to as the creative industries. These include marketing, arts and crafts, design, fashion, film, music, performing arts, publishing, research and development, software, toys and games, TV and radio and video games.

Malta's investments in developing human capital on both the ICT and creative fronts are yielding new economic opportunities within this sector. Having the right skills pool is however not sufficient to sustain the emergence of such an industry. Malta must also ensure accessible, affordable and resilient communication services, as well as a robust legal and regulatory framework, particularly in the field of intellectual property.

3.4.8 The Information and Communication Sector

Clearly the ICT sector is a leader in the use of technology in the operation and automation of its business processes. The industry is characterised by a high intensity of investment in ICT and eBusiness technologies and is also considered a catalyst for the proliferation of ICT innovation across other industries.

4. A STRATEGY FOR THE DEVELOPMENT OF A NETWORKED ENTERPRISE

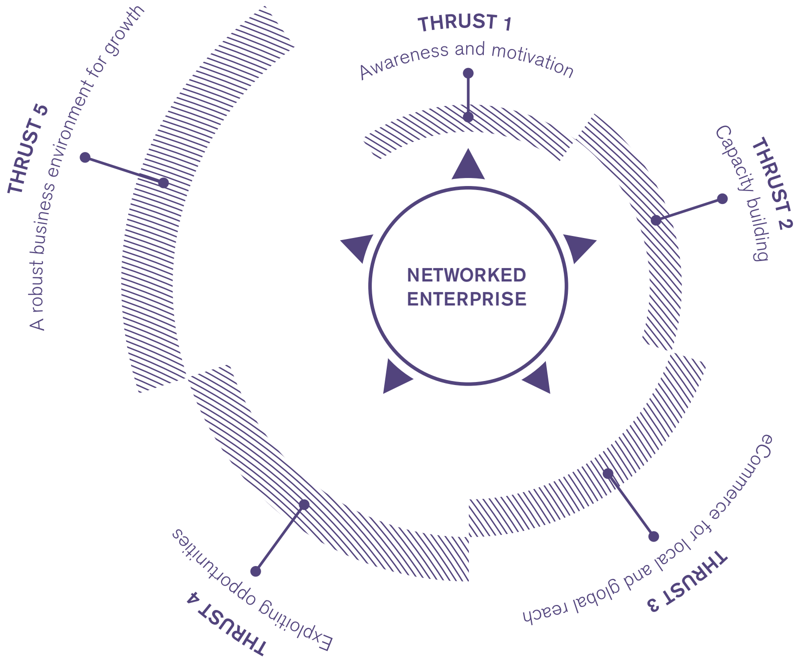
In an ever-more globalised market shaped by technological developments and market opportunities, the success and growth of Maltese enterprises is dependent on their ability to capitalise on ICT in order to become more competitive, entrepreneurial, efficient, and resilient.

This strategy sets out a three-year work programme for the Malta Communications Authority (MCA) which is aimed at facilitating the emergence of a Networked Enterprise in Malta. It forms part of a wider national drive to place ICT at the centre of the country's economic and social development and aims to assist the Maltese entrepreneur to identify the available ICT tools, integrate these into business processes and maximise profit through increased business value.

This strategy also looks at facilitating the establishment of an environment that is conducive to the adoption by industry of new ICTs and their various applications. This can be achieved through continuous monitoring of market trends, the constant review and timely updating of the legal and regulatory frameworks and, where warranted, by supporting the establishment of self and/ or co-regulatory initiatives.

Further to the above, this strategy seeks to support businesses that lag behind in ICT adoption by giving them an opportunity to catch up and improve their competitiveness through ICT use.

More specifically, this strategy is based on the activity thrusts indicated:



4.1 INITIATIVES 2012 – 2015

THRUST 1 – AWARENESS AND MOTIVATION

A sharp divide exists between businesses that have harnessed ICTs as part of their daily operations and those that are still alien to technology and the opportunities of the networked economy. This thrust is aimed at the latter category and attempts to inspire those lagging behind to learn about the opportunities brought about by technology and how these opportunities can be applied in a relevant context to business.

To ensure context and relevance, these initiatives will be based on local and foreign best practices and testimonials of success cases. The initiatives will reach out to decision makers within firms of all sizes, but mostly targeting the vulnerable and mature sectors.

1.1 eBiz campaigns

Jointly with industry representative bodies, the Authority will organise a series of three education campaigns targeting vulnerable and mature sectors. The campaigns will focus on promoting and showcasing ICT applications in specific business contexts and giving the target audience an opportunity to understand and experience the benefits of ICT business integration.

1.2 Best practice showcase

The Authority will identify, document and promote six best practice case studies of local ICT applications within the advanced or strategic sectors. This will serve as an opportunity to promote entrepreneurship and creative business solutions. Case studies will be published on a bi-annual basis.

1.3 MCA eBiz Awards

The Authority will hold the annual eBiz awards with a view to showcasing and promoting the best 'ICT in business' solutions implemented in Malta. The event will also serve as an opportunity to give exposure to both service providers and innovator enterprises.

1.4 Social media marketing seminars

In collaboration with industry stakeholders, the Authority will organise a series of seminars on social media marketing and its impact on customer relationships. These seminars will be tailored for the needs of enterprises of different sizes and operating in diverse sectors. The seminars will appeal to marketeers and business decision makers.

1.5 eBusiness information sessions

In collaboration with industry stakeholders, the Authority will organise a series of information sessions for micro and small businesses, with a view to make participants more aware of the potential of ICTs.

1.6 Business executive campaign

The Authority will run a campaign targeted at business leaders in the mature and advanced sectors. The campaign will showcase testimonials and best practices from foreign executives who have managed to transform business through ICT and entrepreneurial flair.

THRUST 2 – CAPACITY BUILDING

Having skilled staff is a critical prerequisite for any enterprise to be able to undertake any form of eBusiness activity. However, capacity is not solely delimited by technical skills and technology readiness.

Irrespective of size, many firms show an inability to appreciate and understand the true potential of eBusiness. As a result, many firms opt not to explore and pursue the digital route. Others may take-up eBusiness without having strategically planned and mapped out clear business objectives and rethought business processes. To successfully conduct eBusiness, an enterprise requires the right mix of entrepreneurial flair and problem solving abilities, as well as a good understanding of technological solutions and their potential applications.

This thrust proposes a set of initiatives aimed at building the capacity of enterprises operating mainly in vulnerable and mature sectors. The thrust gives particular importance to small and micro enterprises as these are often the least prepared due to their limited access to skills, expertise and resources.

This thrust also aims to help larger enterprises provide basic ICT training to their employees in order to improve the abilities of the workforce, whilst also facilitating ICT integration in operations.

2.1 ICT skill audit kit for micro-enterprises

Jointly with industry representation, the MCA will develop an ICT skill audit kit that enables small and micro enterprises to gauge their level of readiness for ICT take-up. The kit shall also serve as an instrument to identify skills gaps and training needs.

2.2 ICT skills gap analysis for small and micro enterprises

Basing on the skills audit kit, the Authority will continue to conduct regular skills gap analyses with a view to provide a picture on the level of ICT skills amongst micro-enterprises operating in specific sectors.

2.3 Training for vulnerable enterprises

Jointly with industry representation, training providers and the Community Training and Learning Centres (CTLC), the Authority will identify, promote and facilitate training opportunities for enterprises in sectors considered as vulnerable. Three streams of training will be promoted:

i. ICT and Entrepreneurship development (building on the Epitome ESF project)
ii. Office tools for employees with clerical duties
iii. Basic appreciation of ICTs for all employees.

2.4 Employee basic ICT skilling programme

The Authority will support large players from the mature and vulnerable sectors to give unskilled employees basic ICT training. This initiative is intended to make employees more capable and flexible at the workplace, whilst also improving their job mobility within the enterprise.

2.5 Digital marketing and client relationship training

A training programme on digital marketing will be developed with the aim of inducing practitioners and executives to continuously update skills, competences and strategies in dealing with marketing and client relationships, particularly by exposing new trends such as social media marketing.

THRUST 3 – ECOMMERCE FOR LOCAL AND GLOBAL REACH

With a population base of over 500 million inhabitants, the EU is indeed a highly attractive market place. Yet, in the past, a multitude of barriers have limited the scope of cross-border trade in the region. eCommerce enables local enterprises to reach a wider market not otherwise possible through a brick and mortar operation.

This series of initiatives is aimed at facilitating the proliferation of eCommerce activity by increasing awareness amongst both potential sellers and buyers on the opportunities brought about by using technologies to sell online and by ensuring an environment that is conducive to building trust in consumers.

3.1 Consumer survey

The Authority will conduct an annual survey on consumer awareness, perceptions and behaviours. The study will serve as a longitudinal instrument to measure eCommerce trends and to identify barriers hindering take-up and growth.

3.2 eCommerce analysis

The Authority will conduct a series of studies on eCommerce take-up by businesses with a view to identify actual activity, perceptions and intentions of businesses and the key enablers and inhibitors that are influencing eCommerce activity in Malta.

3.3 Building consumer awareness and trust

A series of initiatives including an online consumer portal and a media campaign will be developed with the objective of increasing consumer awareness and trust in eCommerce.

3.4 eCommerce Forum

An eCommerce Forum will continue to be held every six months and will discuss topics pertinent to eCommerce activity. The Forum will target practitioners in the fields of eCommerce, including marketeers, solutions developers, and policy makers to jointly discuss and explore local trends and ways how to improve the local eCommerce environment. The Forum will also continue to serve as a networking opportunity for the industry.

3.5 Website advisory support

With the support of industry stakeholders, the MCA will launch a service aimed at small and micro enterprises with a view to help them identify their web development needs and to plan, develop and promote their websites. The scheme will include on-site advice on planning, development and promotion, as well as day-to-day operation and maintenance.

3.6 Trustmark

The Authority will continue implementing and consolidating the eShop and eInfo electronic trustmarks for consumers and retailers. The trustmark provides a harmonised set of electronic shopping principles that reassures consumers that they will receive reliable and trustworthy services from verified traders.

THRUST 4 – EXPLOITING OPPORTUNITIES

ICT opens up countless opportunities for Maltese businesses. This series of initiatives is aimed at identifying such opportunities, exploring how such opportunities could benefit the economy, locating barriers hindering their exploitation, and intervening where warranted. The initiatives are also aimed at generating awareness about these opportunities.

4.1 Studies on ICT integration

Over a span of three years, the MCA will conduct the studies indicated below, with a view to provide a better understanding on the current state of play and the factors inhibiting diffusion. All studies will include action recommendations for the industry and policy recommendations for public authorities.

i. Study on supply chain automation: The Authority will conduct a study identifying the levels of supply chain automation by industry sectors exploring intra- and extra-firm barriers, and the cost-benefit of full integration.

ii. Study on readiness of logistics services: The MCA will conduct a study on the availability and suitability of the local logistics services and their readiness for supply chain automation and eCommerce. The study should identify the key barriers hindering such systems and present policy and industry recommendations.

iii. Study on business culture and perceptions towards ICT integration: The Authority will investigate how perceptions and culture within local organisations are impacting ICT take-up by local enterprises.

The above studies will feed into the Authority's action plans for the subsequent planning period with a view to implementing an ongoing stream of relevant and effective initiatives. Such initiatives could also be initiated during the current planning period, if warranted.

4.2 ICT for a vibrant single market

The Authority will conduct a campaign showcasing best practice examples of Maltese enterprises using ICTs to reach different European markets. The objective of the campaign will be to stimulate other enterprises to follow suit and consider exploring ICT as a means to target new markets.

4.3 Championing supply chain solutions

The Authority will support the development and rollout of two innovative solutions embarked upon by private industry, which impact a supply chain of indigenous firms from the vulnerable and mature sectors. The idea is to kick-start innovation in sectors that are resistant to ICT innovation. The solutions will be identified through a public call and will be supported in the form of expert advice, liaison between players and employee development.

4.4 Electronic Transactions Manual

In the context of the Single Euro Payments Area (SEPA), the eMoney Directive and the drive towards achieving a vibrant single European market, an educational publication targeting business leaders will be developed to explain the different forms of electronic transactions that can be used to effect remote client payments. The manual will outline the idea, technology, benefits, costs and risks of each model and will also include related business models, best practice applications and testimonials for each.

THRUST 5 – A ROBUST BUSINESS ENVIRONMENT FOR GROWTH

Businesses require a robust legal/regulatory framework to be able to maximise the full potential of eBusiness. The size of the Maltese economy provides an opportunity to keep the legal and regulatory regimes at pace with the dynamic needs of the enterprise and the technologies of the day. Further to this, Malta needs to secure a state-of-the-art infrastructure that allows industry to seize opportunities brought about by emerging ICTs. On its part, the industry must be proactive and concerted in adopting set standards with a view to gaining a determined headstart over potential competition.

5.1 Ongoing legal and regulatory review

The MCA will continuously monitor and review the existing laws and regulations exploring concerns and recommendations put forward by the stakeholders and advise Government on policy direction.

5.2 Sector specific round table

Jointly with industry key stakeholders and representatives, the MCA will chair a series of roundtable discussions on problems encountered by specific sectors with a view to identifying potential solutions. The sessions will also serve to build bridges between the different stakeholders, including public authorities. Outcome of roundtable sessions will be recorded and published.

5.3 Facilitating and promoting interoperability and standards

ICT standards for interoperability cannot be imposed through regulation. Rather, they are established by industry players themselves. The MCA will support local initiatives that attempt to establish interoperability standards across an industry through guidance, training and promotion amongst market players.

5.4 Promoting fast internet

In line with the National Broadband Strategy, the MCA will promote the benefits of fast internet services amongst the business community.

5.5 Exploiting the potential of creative industries

Creative industries, particularly the digital media and design, offer an opportunity for Malta. With its strong human capital, Malta can establish itself as a niche in the sector and attract FDI. However, this can only take place if the country takes pre-emptive action by establishing an environment that is conducive to such business activity. The MCA can play a role by ensuring:

i. A communications infrastructure that allows for the connectivity speeds and resilience required by these industries;

ii. A legal and regulatory framework that can cope with licensing and intellectual property in the context of converged media and in a globalised single market.

The MCA will explore the main trends of this industry with a view to identifying potential economic opportunities and making legal and regulatory recommendations. The output of this report will be shared with the competent entities and Government, for consideration in the development of strategic direction.

4.2 GUIDING PRINCIPLES

In implementing this Strategy, the Authority will follow the guiding principles below:

i. ICT is no panacea for an ailing business, industry or economy that is in dire need for transformation. Nor is it a guarantee to success. ICT can only be considered as a tool in the hands of a business leader who has vision, a sound sense of entrepreneurship and a robust business plan. The MCA must make sure that in undertaking its initiatives, the message delivered retains entrepreneurial competences as the basis for sound business decisions, whilst technology is presented as the means.

ii. The theme of this Strategy spans horizontally across the remits of various public entities. The Authority must limit fragmentation by seeking ways to synergise its efforts with those of the diverse entities involved in the field. Depending on the needs of the specific intervention, the Authority may take a leading or a supporting role.

iii. Representative bodies are better positioned to reach out to the business community. These entities are normally established to serve the needs of specific business sectors and are better equipped to understand the industry and its specific needs. Businesses tend to trust these bodies more than public establishments. Therefore, the Authority will actively support initiatives that fulfil this strategy but that can be undertaken more effectively by representative bodies.

iv. The MCA must work closely and seek the support of the local and multinational private industry. Technological development and its diffusion are globally driven by private initiative. The MCA should capitalise on private industry's efforts to penetrate markets with innovative business models, products and services, and to set standards. The Authority will support and work with private enterprise without forms of exclusivity and solely in the interest of the business community and the economy.

v. In implementing any initiative, the Authority must maximise its resources and operate diligently without conflict of interest with respect to all stakeholders that contribute to its initiatives.

4.3 STRATEGY OUTCOMES

By 2015 this Strategy would have contributed towards achieving these levels of ICT pervasiveness:

i. 97% of businesses using the Internet;

ii. 60% of population buying online;

iii. 50% of enterprises sharing information electronically with clients and suppliers;

iv. 35% of enterprises selling online.

4.4 STRATEGY OUTPUTS

By 2015, the Authority would have implemented the Strategy and delivered the below outputs:

i. 2,000 micro-entrepreneurs reached through awareness-raising campaigns;

ii. 200 micro-entrepreneurs attending ICT basic training;

iii. 300 entrepreneur and business leaders reached through awareness and educational campaigns;

iv. 500 marketeers reached through educational initiatives;

v. Three (3) cases of ICT integration in supply-chain or eCommerce supported;

vi. 40 eShops forming part of the Trustmark;

vii. Issued three (3) annual reports on eCommerce and eBusiness trends.

4.5 KEY STAKEHOLDERS

The success of this programme depends on the synergies that need to be sought, explored and built, linking the work undertaken by the Authority with that of other key public entities that are readily established to work in this field.

Table 1: Key stakeholders

	Areas of collaboration
1 General Retailers and Traders Union (GRTU)	Improving the capacity of local small enterprises and establishing a better online business environment
2 Malta Chamber of Commerce, Enterprise and Industry (MCCEI)	Improving the capacity of local industry and supporting online business opportunity
3 Malta Competition and Consumer Affairs Authority (MCCAA)	Safeguarding consumer rights in online shopping and setting standards
4 Malta Enterprise (ME)	Establishing niche opportunities and attracting FDI in the areas related to creative industries
5 Malta Information Technology Agency (MITA)	Promoting use of eGovernment services and ensuring human capital for local industry
6 Malta Police Force (Cybercrime Unit)	Combating online fraud and establishing a more trustworthy online environment for consumers and businesses alike
7 Malta Tourism Authority (MTA)	Stimulating eBusiness practices in the hospitality industry

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