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² R: Report, **DEC:** Websites, patent filling, videos; **DEM:** Demonstrator, pilot, prototype; **OTHER:** Software Tools ³ **PU:** Public; **CO:** Confidential, only for members of the consortium (including the Commission Services)



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Document summary

This document offers some suggestions on how to appoint an envoy for the SMEs of the AI, Data and Robotics sector in the future, as part of the Task 4.2 objectives of the Adra-e project.



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1. Introduction

Within the **WP4** "Boosting the adoption of Al technology", the **Task 4.2** activities of the Adra-e project include to support the execution of the SME Strategy within Al-based domains by boosting bottom-up knowledge sharing between ADR Al-tech ecosystems across Europe.

Task 4.2 also supports the interconnection of regional ecosystems and boosts channels of feedback between ADR and the regional ecosystems involving the key figures of active ecosystems in regional events.

In order to ensure the sustainability of channels between ADR and established regional ecosystems and to create the avenues for feedback and information sharing, Task 4.2 also aimed to set up an ADR SME envoy to be validated by ADRA.

One of the objectives of Adra-e is to make the AI, Data and Robotics communities' convergence into one ADR community to increase its potential and avoid working in silos.

Despite the fact that the convergence of AI, Data and Robotics communities holds the potential for substantial value creation across various sectors of society and industry, these three fields do not constitute yet an unified community ready to appoint an envoy for the SMEs of the AI, Data and Robotics sector.

2. Key challenges of SMEs within the ADR community

The main takeaways of the Regional Ecosystems events and the Procurement Workshops, held within T4.2 and T4.3 of the Adra-e project, highlight that SMEs in the AI, Data, and Robotics sectors face several key challenges that can impact their growth and success. Here are some of the most significant ones:

Resource constraints

Funding: Securing adequate funding for research, development, and scaling operations is a major challenge. SMEs often struggle to attract investment compared to larger enterprises.

Talent acquisition: Finding and retaining skilled professionals in AI, Data, and Robotics can be difficult due to high demand and competition from larger companies.

Regulatory and compliance issues

Complex regulations: Navigating complex and evolving regulations related to data privacy, Al ethics, and robotics safety can be challenging for SMEs.

Compliance costs: The costs associated with ensuring compliance with these regulations can be prohibitive for smaller businesses.

Market competition

Competitive landscape: SMEs face intense competition from established players and startups in the AI, Data, and Robotics sectors.



Market penetration: Achieving market penetration and gaining customer trust can be difficult, especially for new entrants.

Technological challenges

Rapid innovation: Keeping up with the rapid pace of technological advancements and integrating new technologies into existing products and services can be challenging.

Scalability: Developing scalable solutions that can grow with the business is often a complex task for SMEs.

Access to infrastructure

High costs: Accessing advanced infrastructure, such as high-performance computing resources and robotics labs, can be costly and out of reach for many SMEs.

Limited facilities: SMEs may have limited access to facilities and equipment necessary for testing and development.

Collaboration and networking

Building partnerships: Establishing strong partnerships with other businesses, research institutions, and government bodies can be challenging but is crucial for growth.

Industry visibility: Gaining visibility and recognition within the industry can be difficult for smaller companies.

Innovation and R&D

Funding for R&D: Securing funding specifically for research and development activities is a common challenge.

Intellectual property: Protecting intellectual property and navigating patent processes can be complex and costly.

Market adoption

Customer education: Educating potential customers about the benefits and applications of AI, Data, and Robotics technologies can be a significant hurdle.

Trust and acceptance: Building trust and acceptance among customers and stakeholders, especially in sectors where AI and Robotics are relatively new, can be challenging.

Economic uncertainty

Market fluctuations: Economic fluctuations and uncertainties can impact investment and spending in the AI, Data, and Robotics sectors, affecting SMEs disproportionately.

3. Advantages of appointing an SME envoy within the ADR community

It is often hard for small businesses to voice their opinion and to reach policymakers. An envoy might improve the consultation process between the ADR SMEs and the ADRA association, opening up channels of communication with the European Commission.

With an envoy, ADR SMEs interests and needs might be better identified at an early stage and highlighted to the relevant European Commission services. This way, it might be ensured that their



concerns are taken into consideration, that adequate and efficient measures are implemented, and that the EU and national policies are more ADR and SME-friendly.

An envoy might be an active interface with the ADR SME community, considering their specific interests, needs and concerns in EU programmes and policies. The SME envoy might be able to filter EU initiatives and to signal those that merit attention from the ADR SMEs perspective.

Within the EU list of priority areas already covered by SME envoys, we can find the digitalisation sector, however, particular attention should be given to the ADR sector SMEs because of their specific needs, as listed in the previous section.

Appointing an envoy for the SMEs in the AI, Data, and Robotics sector might offer several advantages that can significantly benefit these businesses:

Advocacy and representation

An envoy can represent SMEs in policy discussions, advocating for regulations that support innovation and growth in the ADR sector.

SMEs might gain a stronger voice in industry decision-making processes, ensuring their needs and challenges are addressed.

Enhanced visibility

An envoy can help raise the profile of SMEs within the ADR sector, attracting attention from investors, partners, and customers.

An envoy can also facilitate media coverage and public awareness of the contributions and innovations of SMEs, highlighting their achievements to help them build credibility and recognition.

Improved access to resources

An envoy can help secure funding for research, development, and scaling operations, providing SMEs with the financial support they need.

SMEs can also gain access to expert advice, mentorship, and technical support through the envoy's network.

An envoy can facilitate the access of the relevant SMEs to advanced infrastructure, such as high-performance computing resources and robotics labs.

Market access and expansion

An envoy can provide insights and data on market trends, customer needs, and competitive landscapes and might thus assist SMEs in entering new markets and expanding their customer base, both domestically and internationally.

An envoy can enhance the international presence of SMEs by promoting collaboration and partnerships with global entities, and helping SMEs stay competitive in the global market through strategic initiatives and support.

Facilitated collaboration and networking

An envoy can foster collaboration between SMEs, research institutions, and larger enterprises, creating opportunities for joint ventures and shared resources.

An envoy can also enable the organization of more frequents industry events, workshops, and conferences where SMEs can connect with key stakeholders and potential partners and create a supportive ecosystem.



Strategic vision and leadership

An envoy can articulate a unified voice for the ADR sector, aligning the efforts of SMEs towards common goals.

Positioning the envoy as a leader can drive innovation, set industry standards and help SMEs stay competitive.

Compliance support

An envoy can assist SMEs in navigating complex regulatory environments, ensuring compliance and advocating for policies that support growth.

An envoy might keep SMEs better informed about upcoming regulatory changes and help them prepare for compliance.

Economic impact and growth

An envoy can amplify the collective economic impact of SMEs in the ADR sector by promoting growth and development, and emphasizing the potential for job creation and economic benefits that can result from having an envoy who supports SME growth.

Talent acquisition and workforce development

An envoy can help SMEs attract and retain talent by connecting them with educational institutions and training programs and can actively support initiatives for upskilling and reskilling the workforce to meet the demands of the ADR sectors.

Ethical and social responsibility

An SME envoy can play a crucial role in advocating for ethical practices in AI, data management, and robotics, addressing concerns related to privacy, bias, and safety.

An envoy can also encourage SMEs to engage with local communities and contribute to social and economic development.

4. How to appoint an SME envoy within the ADR community

Appointing an envoy for the SMEs in the AI, Data, and Robotics sector requires careful planning and timing to ensure maximum impact and effectiveness.

Here are some steps and considerations for a possible way to appoint an envoy:

1. Stakeholder consultation:

- **Engage SMEs**: Conduct surveys, focus groups, and meetings with ADR SMEs to understand their needs, challenges, and expectations from an envoy.
- **Involve existing industry associations**: Collaborate with industry associations to gather insights and support.

2. Define the role and objectives:

• **Clear mandate**: Establish a clear mandate and objectives for the envoy, focusing on advocacy, regulatory navigation, and fostering collaboration.



• **Key responsibilities**: Outline the key responsibilities, such as representing SMEs in policy discussions, liaising with government bodies, promoting innovation and SME-friendly policies, and facilitating international partnerships.

3. Selection process:

- **Transparent criteria**: Develop transparent criteria for selecting the envoy, including expertise, experience, and industry knowledge.
- **Open call**: Announce an open call for nominations or applications, ensuring a diverse pool of candidates.

4. Select the candidate

- Experience and expertise: Choose a candidate with extensive experience in the industry and a deep understanding of ADR SMEs needs. Look for someone who has a proven track record in advocacy and policy-making.
- **Networking skills**: The candidate should have strong connections within the industry and be able to effectively communicate with both ADR SMEs and policymakers.

5. Official appointment

- **Formal procedures**: Follow formal procedures for the appointment, which may include nominations, interviews, and official endorsements by relevant government or industry bodies.
- **Announcement**: Publicly announce the appointment to ensure transparency and to inform SMEs about the new envoy.

6. Support structure:

- **Resource allocation**: Ensure adequate resources, including funding, administrative support and communication channels, are allocated to the envoy.
- **Advisory Board**: Establish an Advisory Board comprising industry experts, government representatives, and SME leaders to support and guide the envoy.

7. Communication strategy:

- Launch Event: Organize a high-profile launch event to introduce the envoy and outline their mandate and objectives.
- **Ongoing Communication**: Maintain regular communication with SMEs and stakeholders through newsletters, webinars, and social media updates.

8. Monitoring and evaluation

- **Regular reporting**: Implement a system for regular reporting on the envoy's activities and progress. This helps in assessing the impact and making necessary adjustments.
- **Feedback mechanism**: Establish a feedback mechanism for SMEs to share their experiences and suggestions with the envoy.



5. Why ADR SMEs might not be ready to appoint an envoy

There are several reasons why SMEs in the AI, Data, and Robotics community might not be ready to appoint a single envoy at this time:

Diverse needs and priorities

Although there is a growing trend towards convergence, driven by the need for integrated solutions that leverage AI, Data, and Robotics, SMEs in these three fields still face different challenges and have diverse needs. AI-focused SMEs might prioritize data privacy and algorithmic transparency, while robotics SMEs might be more concerned with hardware development and safety standards.

Each sector has its own strategic goals and priorities, making it difficult to find a single envoy who can effectively represent all interests.

There might not be a strong consensus among SMEs about the need for a single envoy either. Different businesses may have varying opinions on the importance and role of an envoy.

Achieving agreement among all stakeholders, including industry associations, government bodies, and SMEs, can be challenging.

Existing support structures

There are already effective industry associations and networks that provide support to SMEs in the ADR sectors. These organizations might be already fulfilling the roles an envoy would take on.

Various EU and national programs and initiatives already offer support to SMEs, reducing the immediate need for an additional envoy: Horizon Europe, European Innovation Council Accelerator, EDIHs, EIT Digital, etc.

The multiplicity of support actions coming from Adra-e, Al4Europe and VISION, or the various advocacy efforts by industry associations (i.e., BDVA, CLAIRE, ELLIS, EurAl and euRobotics) might also be sufficient to address regulatory and market challenges.

Focus on immediate business needs

SMEs often operate with limited resources. Allocating funds and human resources to support an envoy might not be feasible, especially when SMEs might be more focused on immediate business needs such as product development, market expansion, and addressing operational challenges.

The strategic focus of SMEs might be at this time on other areas, rather than on appointing an envoy.

Lack of stakeholders engagement

It is not easy to orchestrate all the stakeholders in such a large and disparate community as that represented by the ADR partnership, considering the large number individuals, networks, the multiplicity of support actions, the various associations, as well as the digital innovation hubs and industry stakeholders.

The committed involvement of all parties still needs to be secured in order to reach a strong consensus that might ensure the effectiveness of a single envoy.



6. Conclusions

Appointing an SME envoy might build bridges between the SMEs of the AI, Data and Robotics sector and the European Commission services, and contribute to develop the appropriate environment for the relevant SMEs to drive the transitions and strengthen their resilience.

By appointing an envoy, SMEs in the ADR sector might benefit from increased advocacy, visibility, access to resources, collaboration, strategic leadership, regulatory support, economic growth, innovation, and global competitiveness.

However, appointing a single envoy for the SMEs in the ADR community might not be a priority at this time. Instead, focusing on strengthening existing support structures and addressing immediate business needs could be more beneficial.

The committed involvement of all parties still needs to be secured and, perhaps, the way to achieve this collective unity of purpose and action is by establishing some form of joint responsibility, possibly by having key players participate in governance of the endeavour.

Following up on the possibility of appointing an envoy for the SMEs in the AI, Data, and Robotics sector within the ADRA Policy or Legal Topic Groups, or within upcoming projects, might be a strategic move to support the growth and success of SMEs in the ADR community.

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