



This Project is funded by the European Union.



# Twinning for **Digitalization** Project

## Recommendation Paper

### December 2020



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## Introduction

Twinning for Digitalization Project (T4D) is carried out by Istanbul Chamber of Commerce (İTO/ICoC) in cooperation with Paris Chamber of Commerce and Industry (Paris CCI) with the grant received within the scope of “Turkey-EU Business Dialogue Program” carried out by the coordination of The Union of Chambers and Commodity Exchanges of Turkey (Türkiye Odalar ve Borsalar Birliği / TOBB) and Eurochambres as defined in the Instrument for the Pre-Accession of the European Union. With the Project, started on April 1, 2019, it is aimed to accelerate the digital transformation of the member businesses with a unique structure in the ICoC by taking inspiration from the *Les Digiteurs* Program offered by the Paris CCI.

Twinning for Digitalization Project will establish a basis for the ICoC to address digitalization at the corporate level. It is aimed to meet the digital transformation needs of more than 400 thousand members in Istanbul with a reliable and comprehensive corporate approach within the scope of the project while it is expected from ICoC to review its services with the requirements of the digital age and provide the necessary areas to ensure the digital transformation of these services. The aim is to raise awareness of the SMEs that are at the outset of digital transformation in this regard; to ensure that companies that have reached this awareness but could not take any action to take the first step; to increase the digital maturity level

of the members that are at a certain point in digital transformation.

In the project with activities spanning 17 months, a preliminary report (working paper) was prepared as a draft of the recommendation paper, taking into account the activities carried out and the major outputs, after the first 12 months. In the recommendation paper prepared to include the points emphasized in the preliminary report, it was emphasized which changes the Chamber and other institutions/organizations can make in their service structures within the framework of producing solutions for the needs of SMEs. Again, this study is expected to provide concrete suggestions for joint work areas that can be carried out at European level. While preparing the recommendation paper, previously completed the Position Paper and methodology document were also used.

First of all, the digital transformation phenomenon and the basic elements of the Twinning for Digitalization Project will be discussed; in the second part, digital transformation will be examined in the Chambers and the services provided by the Chambers; in the last part, the importance of cooperation in this context and especially the model partnerships that can be developed on an international scale will be emphasized.



# 1. Digital Transformation and Twinning for Digitalization Project

The changes in business models and ways of doing business in the 2000s have forced companies to make changes in their management and way of doing business. The entire value chain, from product development to sales, is affected by this trend.

Today, digitalization continues to change almost all of the traditional ways of working in the business world. The business processes, business functions and business units are essential elements of digitalization in every business model.

This means the emergence and development of new sectors, which quickly throws the business world into a conjuncture where companies that fail to realize their transformation properly will be weak in terms of competition and therefore have existing problems in the market.

While SMEs' having scarce resources discouraged them from participating in the digitalization process, which is a complex and difficult structure, the proven lack of methodology restricts institutions from taking necessary measures for them. In this respect, in order to eliminate the deficiencies in digitalization and to realize the necessary digital transformations "Twinning for Digitalization" (T4D) project was developed by the project consortium, represented by two important Chambers of the world.

Thanks to the technological changes in the industry, today's companies are questioning their products and services, customer experiences and ways of doing business. The change has also forced firms to change their business model fundamentally and encourage them for new business opportunities.

This change affects the entire chain, and the

convergence of such a transition requires firm-wide differentiation driven by digital technologies.

## 1.1 The Importance of Digitalization Today

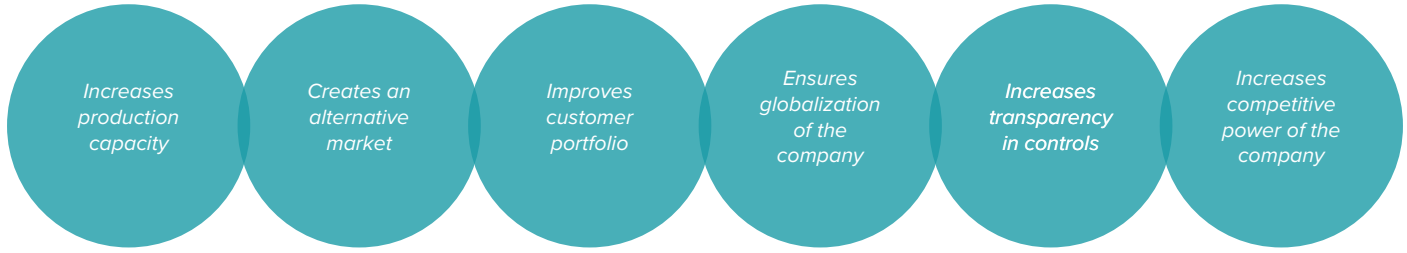
Rapid changes are observed in our areas of interest in the 21<sup>st</sup> century and it is seen that the analog era is left behind. Today, digitalization is one of the megatrends that has a significant impact on our interests. Digitalization is defined as the separation of information from physical carriers and storage equipment by unregistering and converting it into a digital format.

Although digitalization provides a competitive advantage, it is the main element of differentiation of companies. Digitalization is a process where institutions, universities and businesses are transformed and new business models and business practices emerge. Digitalization supports the functional use of design, production, marketing, sales and promotion/publicity issues on the internet and the development of a data-oriented management model, thereby increasing the capacity of companies. In short, digitalization should be considered as a necessary and strategic concept for companies from all sectors. For this reason, digitalization is seen as a strategic tool not only for generating innovation but also for transferring knowledge and technology.

Industrial revolutions are periods that begin gradually, but accelerate with time and affect the ways of production, consumption, communication and movement profoundly in the end. The First Industrial Revolution and the spread of this effect took place in about 200 years, and the Second Industrial Revolution in a little less time, but the impact of the Third Industrial Revolution outreached a pace and magnitude far beyond those two periods. The Third



## Advantages of digitalization for companies



Industrial Revolution is based on the emergence of the information industries and the development of technologies such as computers, fiber optics, digitization, holography and telecommunications, as well as biogenetics (mostly in the second half of the 20<sup>th</sup> century).

Besides, this period is defined as a growing phenomenon characterized by the spread of digital production devices and the resulting democratization of production. This process is characterized by the application of electronics and information technologies to increase the optimization of production processes. The actual symbol of change in this period is the concept of digitalization that emerged with the development of computer technology and the internet.

Industry 4.0 is a concept used to define the Fourth Industrial Revolution. This revolution/period brings along completely different innovations and differences when the previous industry breakages are taken into consideration. Although the mechanization and electrification of manufacturing processes led to the first two industrial revolutions, the third period, characterized by the increase of informatics and automation, is now smoothly transforming into the next industrial revolution (Industry 4.0); it results in a technical integration that brings innovations such as the use of the internet of things and services in industrial processes as well as cyber-physical systems in production and logistics processes.

### 1.1.1 The Digital Age and its Requirements

The world has now become a place where data is produced 24/7. According to the data of Statista, the data analysis company, while the annual amount

of data produced by all users in the world was 2 zettabytes in 2010, this figure increased to 33 zettabytes in 2018. With the effect of technologies such as the internet of things and artificial intelligence, this figure is estimated to reach 175 zettabytes in 2025. To put it more strikingly, the amount of data produced in the last 2 years in the world is greater than the data produced until 2 years before the beginning of humankind.<sup>1</sup>

Today, the main reason why businesses turn to digital transformation is the advantages they get or intend to get from it. These advantages cover almost every channel of the firm's activities (production capacity, customer portfolio, internal control, etc.). However, the digitalization does not only bring a competitive advantage today, it is the main element of differentiation of companies.

### Internet of Things

*It is the extension of internet connectivity to physical devices and everyday objects. Embedded in electronics, internet connectivity, and other forms of hardware, these devices can communicate with, interact with and control others over the internet*

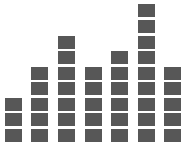
<sup>1</sup>Anadolu Agency "İnsan 7/24 veri üreten bir canlıya dönüşüyor (Man turns into a living being that produces 7/24)"

Date of Access: 28 September 2020

URL: <https://www.aa.com.tr/tr/bilim-teknoloji/insan-7-24-veri-ureten-bir-canliya-donusuyor/1861795#:~:text=Veri%20analiz%20kurulu%C5%9Fu%20Statista'n%C4%B1n,y%C4%B1l%C4%B1nda%2033%20zettabyte%20veri%20C3%BCretildi.>



## ● Digitization



*Making information available and accessible in digital format*

## ● Digitalization



*Improving business practices using digitized information*

## ● Digital Transformation



*Creating new business models with digital formats*

The digitalization is a process which companies, institutions, universities, the public and employees are transformed and new business models and business practices emerge.

Digitalization brings about big changes at the firm level. For example, social media changes companies' interactions with their customers, the services they offer and the integration of information technologies. The concept of big data provides innovations not only for marketing and customer relationship management, but also for data-oriented revenue models and preventive maintenance. In addition, these technologies not only develop competitive advantages, but also have an impact on management practices, decisions and productivity, causing changes in organizations and their functions. This paradigm enables digitalization to be used as a tool to support decisions and serve consumers, thus providing significant advantages over competitors.

While digitalization encounters technological changes that lead to opportunities such as greater flexibility, reactivity and product customization, it also brings along various challenges such as rapid technological change, increasing complexity, changing customer preferences and legal requirements.

Considering that the decision makers in companies are the managers and the people who run the business are the employees, the digital skills of the people come to the fore within the framework of digital transformation. That is to say, it is stated in "Turkey on the way to Digitalization" published by PwC in 2019, while the 34% of the individuals between 16-74 years of age have basic level digital skills, the average rate is 57% in the EU.<sup>2</sup>

While the work force with basic level digital skills is 46% in Turkey, it is 65% in the EU. This factor contains the risk that may cause an important problem for the Turkish economy in terms of competitiveness and the growth.

With the increasing use of digital technologies, digitalization changes the business models of companies and as a result contributes to the increase of firm's performance and business capacity. In other words, the emergence of digital technologies offers unique opportunities for companies to thrive.

### STAGES IN BUSINESS MODEL TRANSFORMATION



### **The importance of digitalization on the basis of digital marketing example**

*Why is digital marketing important for companies? Digital marketing includes all marketing operations using an electronic device or the internet. Businesses use digital channels such as search engines, social media, email, and other websites to connect with existing and potential customers.*

- Opportunity to reach a large number of potential customers
- Marketing a business at a lower cost
- Ability to measure return on investment
  - Ability to target your ideal buyers

<sup>2</sup> Dijital Türkiye Platformu, PwC

"Dijitalleşme Yolunda Türkiye (Turkey on the way to Digitalization)", January 2019

Date of Access: 27 September 2020

URL: <https://www.pwc.com.tr/tr/gundemdeki-konular/dijital/dijitallesme-yolunda-turkiye.pdf>



### 11.2 Covid-19 Outbreak, Projections and Highlighting Digitalization on the Agenda

In addition to all these developments, nowadays, we are going through extraordinary days, when the whole world is under the influence of the Covid-19 (Corona Virus Disease 2019) outbreak. The pandemic has swept everywhere very quickly with the effect of globalization, which has become stronger in the last 15-20 years, and revealed how interconnected the whole world has become without any exception. In this extraordinary period we are going through, we are at a new crossroads in the digitalization route as the whole world.

This effect of the pandemic is expected to lead to swift progress in digitalization - in a forced way, though. Companies that achieved a certain level in terms of digitalization before the outbreak have been less affected by the unfavorable conditions of this period compared to others. The need for digitalization of companies that experience this has accelerated the digital transformation phenomenon, which is already gaining speed.

The Covid-19 outbreak, first affecting China and then the whole world at the beginning of 2020 caused many social and economic changes in the world. The pandemic, which caused radical changes not only in certain areas of the business world, but also in all economic life and consumption habits, has increased the importance of technology and digitalization several times more. The pandemic period has been a guide for some companies in exhibiting what they need in terms of technology. While technology and digitalization mediate people who are boxed in their homes to meet with each other, it cannot be expected that this will not reflect in working life, consumption preferences, management understanding of companies and human resources policies.

Both traditional companies and new initiatives are transforming and changing their way of doing

business to be more digitally as a direct result of the impact of Covid-19 on changing consumer behavior. Likewise, flexible working hours and remote/home working models are preferred by companies.

Within the framework of all these issues, it is understood that the pandemic has significantly changed the consumption habits of people around the world and both social and commercial life have been forced to digitalize to a large extent. The concept of consumption, which meant shopping only from physical stores in the previous years, has started to be replaced by online platforms, not completely though, by taking advantage of the opportunities brought by the internet, and there has been a great tendency towards e-commerce around the world as people have to stay at home.

In the report titled "Industry & Logistics and Real Estate Market during Covid-19" published by Colliers International, an international real estate services and investment management company, it is stated that the share of e-commerce in total retail has increased.<sup>3</sup>

It is reported that following the announcement of the first case, the e-commerce market grew 171% on average in the last 5 weeks compared to the previous 2 months and the country with the most online shopping rate in Europe is Turkey. While the proportion of people shopping on the internet before the outbreak in Turkey is only 10%, it is seen that the rate goes over 50% after the outbreak; only in March 2020, 2.5 million different cards were used for the first single contactless payments.

Changing needs have created new digital habits in the eyes of the consumer. It is foreseen by some circles that, a new world order in which sustainable technologies will play the main role with the effect of Covid-19. Satya Nadella, CEO of Microsoft, stated at the end of April 2020 that we witnessed two years of digital transformation within two months.<sup>4</sup>

<sup>3</sup> Colliers International, "Industry & Logistics and Real Estate Market during Covid-19" May 2020

Date of Access: 25 September 2020  
URL: <https://www2.colliers.com/tr-TR>

<sup>4</sup> Microsoft Web Site

Date of Access: 30 September 2020  
URL: <https://www.microsoft.com/en-us/microsoft-365/blog/2020/04/30/2-years-digital-transformation-2-months/>



What is clear is that with Covid-19, digitalization has gained more strategic importance and this process has accelerated a growing trend towards digitization. Companies that have achieved a certain level in terms of digitalization in the pre-pandemic period were less affected by the unfavorable conditions of this period compared to others. Companies that have experienced this process but not yet taken an initiative in the field of digitalization have started to take these steps quickly in order not to fall behind the sector and gain a competitive advantage.

In the research conducted by *Ernst & Young*, the results of which were announced in August 2020, the dissemination of digital transformation is the top priority by 75% among the issues that companies will prioritize after the pandemic.<sup>5</sup> Improving the remote working experience stands out as the second issue that companies will give priority to, by 60%.

## 1.2 T4D Project realized in compliance with the Digital Age

### 1.2.1 What is the Twinning for Digitalization Project?

It could not be expected that Chambers, professional organizations and business representatives where companies are united under the same roof that have the authority to make decisions that will affect business models in their sectors, would be indifferent to this change/transformation within the framework of digitalization. From this point of view, what is reasonable is that these institutions/organizations take on a mission and take action, and these organizations (Chambers, associations, etc.) develop the necessary support mechanisms to help change in order to enable SMEs to move towards digitalization.

Taking all these into consideration, a Twinning for Digitization Project has been developed with the initiative of the ICoC and Paris CCI in order to eliminate digitalization deficiencies and to realize the necessary digital transformations. While creating

this project, it was inspired by the “*Les Digiteurs*” program of the co-applicant Paris CCI.

T4D Project has been awarded to the EU grant within the scope of “Turkey-EU Business Dialogue” which is the Instrument for Pre-Accession Assistance program.

### 1.2.2 The Purpose, Scope and Concrete Outputs of the Project

#### The specific goals of the Project to accomplish:

- ▶ To provide/develop new services to its members by increasing the capacity of ICoC in terms of digitalization,
- ▶ To realize the transfer of “*Les Digiteurs*”, one of the practices of Paris CCI and to create a network in digitalization as part of the cooperation between two Chambers.

#### The Purpose of the Project and Concrete Outputs

This project, with its outputs, will form a basis for the ICoC to address digitalization at the corporate level. Within the scope of the project, it is aimed to meet the digital transformation needs of SMEs in Istanbul with a reliable and comprehensive corporate approach.

The expected results of the Project are as the following:

- Position Paper on Digital Needs of SMEs in Istanbul
- Special Guidebook on Methodology Transfer and Partnership (Methodology Paper)
- Development of *Les Digiteurs*' early stage structure specific to ICoC
- Competency Development Program
- Training of the staff of ICoC on “Management and Marketing” of the transferred platform
- Recommendation paper for final beneficiaries

<sup>5</sup> Ernst & Young, “Covid-19 Sonrası Bilgi Teknolojilerinin Dijital Dünyada Yeni Rolü (New role of Information Technologies in the post-Covid period)”, August 2020





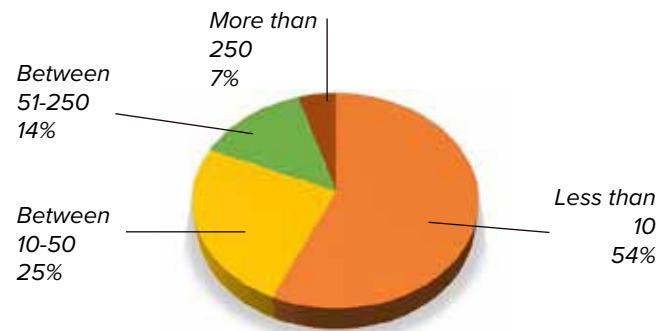
The strategy of the study is based on the inter-institutional cooperation model that provides a common approach to strengthen the capacity of the ICoC in the field of digitalization, while allowing the formation of a network for digitalization, as well as transferring *Les Digiteurs*, the best practice of the Paris CCI.

### 1.2.3 Meeting the Expectations of Companies

In September 2019, within the scope of the project activities, a Position Paper on the digitalization needs and expectations of SMEs operating in Istanbul was prepared by ICoC, the leading partner.

Before the preparation of this document, 3 different questionnaires/surveys were conducted by ICoC in order to define the needs in a better way:

- The first questionnaire consisting of 25 questions prepared for SMEs that are members of ITO was prepared in order to have an idea about the digitalization perspective of companies, the current situation of companies in terms of digitalization and the expectations of companies from organizations such as Chambers and professional associations and over 1000 feedbacks were received.
- The second questionnaire, consisting of 14 questions and shared with the members of ICoC Professional Committees as the sector representatives, was aimed at determining the perspective of the industry on digitalization and the results from about 300 Professional Committee Members were analyzed by the ICoC project team.
- The third questionnaire intended for the foreign Chambers, it was aimed to have an idea about the services offered by the Chambers to SMEs in the field of digitalization and the results from the Chambers in Spain, France, Hungary and other countries of Europe were evaluated in this context. In the position paper, the service structure of



Breakdown of the member companies participating to survey by the **number of employees**

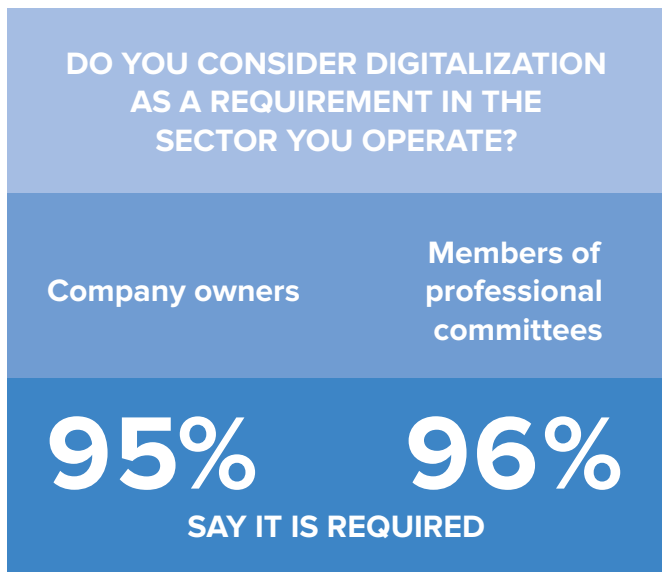
ICoC was described first and in the second part, the perspective of SMEs on digitalization and the current situation in Istanbul was discussed in the light of the survey results and in the third part, the basic needs and expectations of the companies in the field of digitalization were examined based on the survey data.

In the last part, the survey results from foreign Chambers were analyzed, and the services provided by the Chambers in the field of digitalization and the instruments through which these services were provided were emphasized. It has been determined where the services currently provided by ICoC stand in the scale. More detailed information about this questionnaire and its results will be given in the next sections.

Surveys conducted within the framework of the project clearly show that a significant majority of company representatives and sector representatives consider digitalization as the most essential.  $\frac{3}{4}$  of the company representatives stated that business models in the sector were affected by digital transformation. On a sectoral basis, 96% of the members of the Chamber Professional Committees emphasized that digitalization will bring competitive advantage in their sector.



Although a significant part of the companies participating in the survey have taken certain steps in digitalization (for example, 89% of them has a website), it is seen that there are many deficiencies in the field of digitalization (company management, e-marketing, social media visibility). Only 32% of the companies participating in the survey stated that they made sales over the internet. It should be noted that this data reflects the results of the survey for the period between June and September 2019. By March 2020, the pandemic has impacted the sales policies of all firms with its increasing effect. As of October 2020, if the same question was to be asked to the same companies that responded to the questionnaire, it would be highly likely that the rate would exceed 32%.



Currently, the failure of digitalization to reach a certain level within both companies and sectors is basically attributed to two reasons; financial incapability and lack of information. While 56% of our members participating in the survey prepared for SMEs considered the reason for not being able to digitalize sufficiently as lack of financing, 28%

chose to mark the option “I have no idea how to do it” for this question. The rate of those who answered the question, “If you think that digitalization in your industry is below a certain level, what is the reason for this according to you?” that was asked to industry representatives, was 46%. These two questions/ answers highlight that information and guidance are at least as important as financing in increasing digitalization.

Another factor that should be underlined here is that company owners/executives are not aware of the existence of digital solutions that can largely prevent the problems they experience. Companies not aware of the existence of these solutions seek the solution for their problems in more traditional methods and they do not even consider digital choices as the alternatives. In this context, the main thing is to ensure that companies are familiar with digital solutions and to support awareness in this field.

91% of company executives and 94% of sector representatives are of the opinion that companies should be guided by authorized institutions/ organizations regarding the digitalization process. In this regard, a needs analysis has been concluded that direction/guidance activities should be in place for marketing / sales, social media and visibility, company management.

While 23% of company executives stated that this guidance should be through one-to-one consultancy, a considerable proportion of 22% think that seminars can be beneficial. 92% of the company executives participating in the survey state that they would like to attend the seminars to be held in this field if they are to be organized.

The main results to be drawn in this context from the survey studies conducted within the framework of the project and the Position Paper <sup>6</sup> prepared based on these studies are summarized as follows.

<sup>6</sup> For further information regarding the Position Paper, please contact with the project office: t4d@ito.org.tr



1) SMEs deploy their scarce resources for the main functions of production or service development processes and cannot use their resources for digital transformation. SMEs that are not digitalized sufficiently attribute this to two main reasons:

- \*I cannot allocate financing
- \*I don't know how to become digitalized

2) The areas that SMEs feel the absence of "marketing/sales, social media and visibility, in-company management".

3) Companies that need digital transformation expect to be guided by the Chamber and similar professional organizations. Companies that feel deficient in digitalization clearly state their willingness to participate in awareness-raising activities if carried out by Chambers and other professional organizations.

With this study, it has been clearly identified that at what level the member SMEs in the business life expect from the institutions like Chambers; however; it has been revealed that Chambers and other professional organizations have not yet determined a strategy/policy that will directly provide inclusive services to SMEs.

Although some individual studies are being carried out specifically for digital transformation, these studies seem far from fully meeting the expectations of member SMEs. It is considered that making certain inferences from these indicators before it is too late for Turkish Chambers is important in terms of the efficiency of the services.

#### 1.2.4 Service Structure developed within the Framework of the Project

The service structure is designed for the needs of SMEs operating in Istanbul, taking into consideration the surveys conducted within the scope of the project, Position Paper prepared and methodology paper prepared by the project team of Paris CCI.

The activities on raising awareness for digitalization in SMEs and providing guidance for SMEs about digital transformation will be carried out on the [www.dijitalkobim.org](http://www.dijitalkobim.org) web platform created within the framework of the project.



The web platform, which becomes active at the end of 2020 and multi-functional structure has been designed for the highest level of interaction with the user. The system, which is designed to provide one-stop office service for concepts such as digitalization and digital transformation, has a vision of developing a digital ecosystem so that businesses can maintain their competitiveness in digitalization.

As in similar applications, informative articles and awareness-raising contents on digitalization trends and respective areas are presented on the platform. The announcement and organization of training, activities and seminars, etc. to be held are carried out on this site, and the members can register on the site to participate in the activities.

The platform will also provide the management and execution of one-to-one consultancy services planned to be put into service in the next phase of the project. The number of consultants, which will be enriched with experts with high level competence in the following 9 fields, will be offered to users:

<b>Accounting and Finance</b>	<b>Company Organization</b>	<b>Technological Infrastructure</b>
<b>Digital Marketing</b>	<b>Customer Relations Management</b>	<b>Production and Quality Control</b>
<b>Data Management</b>	<b>Human Resources Management</b>	<b>Data Security</b>



What is the size of your business?

Micro (1-9 employees)

**Small (10-49 employees)**

Medium (50-249 employees)

---

Which industry does your company belong to?

**Service**

Manufacturing

---

What are the target areas of your business?

Domestic Market

**Export**

[Start quiz](#)

questions asked before the test. There are 421 questions in 12 different categories in total in the test pool.

On the platform, a digital transformation guide enriched with good practices for companies aiming to create a digital transformation roadmap based on their preferences is also available to users. A curriculum has been prepared by considering all the details within the framework of the project for the ICoc Digital Transformation Academy, which is planned to be activated in the next phase of the project.

In this curriculum prepared for six-day education, different examples are included in addition to theoretical information and it is aimed that the representatives of the SMEs who undergo training will become literate on digital transformation at the end of the training. It is also planned to carry out digitalization academy trainings on the dijitalkobim.org platform.

The differentiating element on the website is that it presents the members an instrument that the members can evaluate themselves on a digital scale.

By means of this instrument, which is called the test-diagnosis structure, the representatives of SMEs can answer a test prepared for them on the web platform, identify their stage in digitalization, in other words, their digital scores, and have information about how much they lack in which field. A basic guidance is provided to them for the areas they lack by the system. Companies' needs for digitalization vary according to many factors such as their field of activity, scale, digitization level, etc.

Considering this situation, the questions asked to the companies in the digital maturity test prepared for SMEs are determined categorically (as seen above) according to the answers they gave to the



**DIGITAL TRANSFORMATION GUIDE**  
for your company

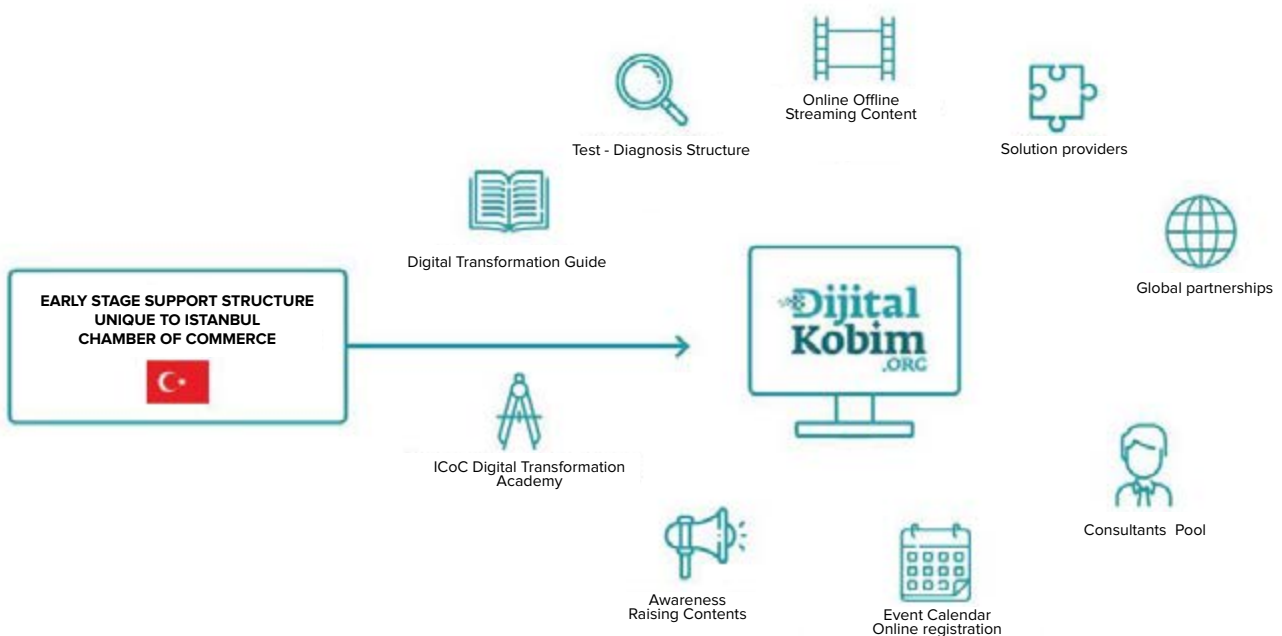
View your guide;  
Guide your company.

[Access to guide](#) [Good practices](#)



Another innovation that the platform will introduce is the solution providers service to be provided by ICoC and established with the principle of transparency and equality. Commercial software and hardware, which are of great importance in the field of digitalization, will be presented to SMEs and the products/services of talented businesses operating in the supply of products will be promoted on the platform.

The “*Dijital Kobim*” (*My Digital SME*) platform attaches great importance to the enrichment of the ecosystem that it wants to develop in accordance with its vision with the leading actors working in the relevant fields and thus to strengthen its impact. For this, in the global partnerships section on the platform, it will achieve a continuous development cycle with the participation of certain institutions that are in the broad spectrum of the digital world and have undertaken active missions in their fields of activity.



## 2. Digital Transformation in Chambers and Chamber Services

The changes in business models and ways of doing business in the 2000s forced companies and institutions to make changes in their internal management and way of doing business. The business process, business functions and business units are subject to digitalization in almost every business model.

Chambers, where companies are united under the same roof, professional organizations, and business organizations that have the power to make decisions that will affect business models in their sectors cannot be expected to remain indifferent to this change/transformation. From this viewpoint, the rational thing to do is that these institutions/organizations undertake a mission and take action and intermediaries in their ecosystems develop the necessary support mechanisms to help this change in order to enable SMEs to move towards digitalization.

### 2.1 Current Structure of the Chambers

#### 2.1.1 Chambers in the Business World

In accordance with the Law on the Union of Chambers and Commodity Exchanges, No. 5174, the Chambers are the legal entities established as a professional public institution in order to ensure the development of the profession in accordance with the general interests, to facilitate the professional activities of the members of the Chamber and the Exchange, to preserve the professional discipline and ethics in their relations with each other and with the public, to carry out the necessary studies for the development of the country and the economy and to perform the services specified in the law.

Chambers work for solving structural and current problems of the private sector, the development of Turkey's international competitive power, providing a safe and stable working environment for development of the national economy.

Chambers of Commerce organizing the conduct of international trade relations have been established

with the start of foreign trade in the world. It is known that the first organization in the world was established as the Chamber of Commerce (Marseille / France) in 1600s. It can be said that relatively modern applications regarding commercial organizations in Turkey began relatively late. The first European-style initiatives started in Anatolia in the second half of the 19<sup>th</sup> century.

Chambers of Industry and Commerce are organizations that represent the private sector, defend and coordinate the interests thereof. Chambers are responsible for issuing the documents necessary for the incorporation of member companies and conducting their economic activities, applying to official authorities on matters related to professional activities and conducting mediation activities for members' problems, providing services like visas and carrying out practices that reduce bureaucracy.

Chambers in the towns of Anatolia, in particular, can play key roles for local development and stand out as institutional tools in the implementation of local development strategies. Creating an effective economic environment, participation of young people in development programs, job creation projects and initiatives, local business development and capacity building at all levels of the local economy can be evaluated within this scope.

Registration procedures of companies are carried out by the Chambers. In addition to registration procedures, approvals of foreign trade documents such as A.TR movement certificate, certificate of origin, D-8 certificate of origin, Form-A document, EUR1 and EUR-MED movement certificate are carried out by authorized institutions including Chambers. The institutions authorized by the Ministry of Commerce to approve export documents are the Chambers of Commerce, Exporters' Associations and the Confederation of Turkish Tradesmen and Craftsmen.

Chambers provide many other services for member companies, apart from their statutory duties. Chambers operating especially in big cities, contribute to the companies finding a market abroad at international fairs through national affiliate organization and bilateral meetings called B2B (*business to business*) at international fairs. In the same way, it is ensured that companies find each other in the commercial framework during events such as supplier days.

Some Chambers also work in coordination with foreign agencies located in Turkey for the development of trade between the two countries. It conducts negotiations regarding visa facilitation agreements with the consulates of the countries in order for the member companies to obtain visas to the countries with which they have intense commercial relations.

The main problems of the sectors are discussed by the Chambers. Professional committees established within the Chambers hold regular meetings where sector representatives meet at regular intervals and evaluate the problems encountered by their sectors.

Chambers also carry out studies for private sector investments to contribute to the local and national economy. With the awareness that entrepreneurship is the driving force in the development of the economy, Chambers also provide training support to new entrepreneurs and SMEs. ICoC acts as the pioneer together with Technopark Istanbul and Commercialization Center of Istanbul (BTM) in providing the infrastructure where many young

entrepreneurs will find a chance. Every year, dozens of young entrepreneurs develop ideas in incubation centers and take part in the market with innovative solutions in many different sectors.

Companies have high expectations from professional organizations regarding training and seminars. In this context, seminars and panels are organized by the Chambers in order to make it easier for member companies to adapt to changing conditions and to meet their information needs.

Chambers can play a key role in guiding SMEs in their digital transformation and enabling companies to take the first steps in the world that is becoming digital day by day. In this context, after analyzing the services of Chambers for SMEs through the example of ICoC, the innovations that can bring to the current structure will be discussed.

### 2.1.2 Services of Chambers for SMEs through the example of Istanbul Chamber of Commerce

ICoC, like the other Chambers in Turkey, works for solving structural and current problems of the private sector, ensuring a secure and stable environment for the development of the national economy to improve the international competitive power of Turkey. Considering that SMEs are playing a very important role in the economy of Istanbul and Turkey, ICoC tries to develop SME-oriented strategies in order to strengthen the capacity of the companies.

ICoC services can be summarized as the following when we classify the services provided by ICoC by taking SME-focused services into consideration:



Services provided for SMES by ICoC are listed below.

### Internationalization Services

#### Commercial Diplomacy

\*Protocolary Visits

#### Lobbying

\*Trade Delegations/Business Delegations

\*Corporate Representation

\*Visa Facilitation Agreements

#### Twining Services

\*B2B Events

\*Turkish Sub-industry Exchange

\*Suppliers' Days

#### Commercial Intelligence Services

\*Country Reports

\*Country Days

\*ICoC News / Web Portal / Journal

\*Market Researches

\*Market Related Stats

#### Projects

\*Development of International Competition (UR-GE)

\*Start Exporting Program

\*Corporate Projects

#### Fairs and Exhibitions

\*Fairs / Exhibitions on Turkish Goods

#### Document Services

\*ATA and TIR documents, Certificate of Origin, A.TR Movement Certificate, EUR1 and EUR-MED Movement Certificates.

### Improving Business Climate

#### Commercial Intelligence Services

\*Sectoral Reports

\*Sectoral Meetings

\*Expertise Committee-Professional Committee Meetings

\*ICoC News / Web Portal / Journals

\*Market Related Stats

#### Lobbying

\*Advocacy

\*Opinion Sharing

#### Resolution of Commercial Disputes

\*ICoC Arbitration Center

#### Vocational Training

\*Vocational School/Industry Cooperation

\*Presenting Opinion to the Vocational Qualification Authority

\*Vocational Training and Education for Enterprises

#### Tailored projects

\*Other Corporate Projects

#### Document Services

\*Capacity and Expertise reports/

Domestic Goods Certificate and other reports

### Network Building Activities

\*Seminars, panels and meetings organized by the Chamber

\*Training Activities

\*Trade Functions- Trade Delegations

\*Committees and Working Group

\*Country Days

\*Suppliers' Days

\*Sectoral Meetings

\*B2B meetings

### Training and Raising Awareness

#### Commercial Intelligence

\*Sectoral Reports

\*Sectoral Meetings

\*Expertise Committees/Working Groups

\*Market Related Stats

#### Access to Financing

\*Guidance/Consultancy for SMEs

\*TOBB Nefes Loan

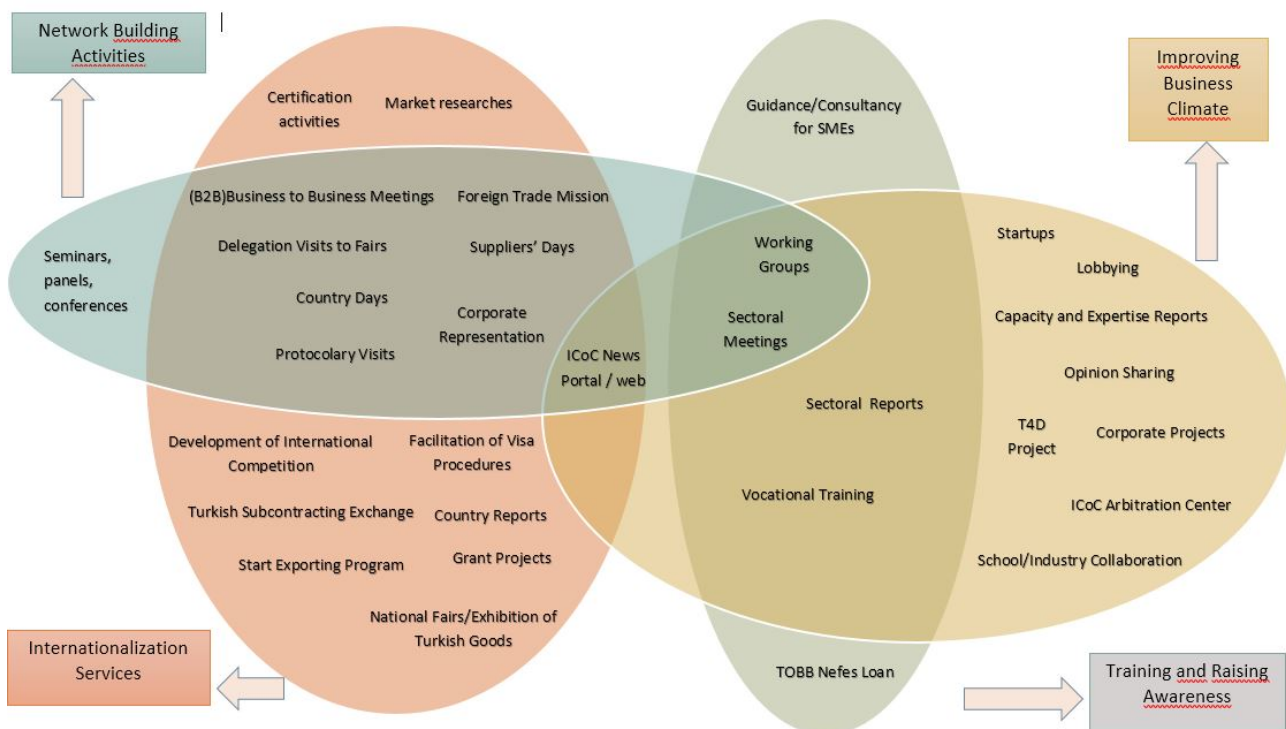




In the table above, the SME-oriented services provided by ICoC are given in 4 groups: Internationalization services of SMEs, services for improving business climate, network building activities, training and awareness raising activities.

Due to the fact that some activities carried out have more than one function, the following table has been prepared in order to better describe the field of activity.

Services for SMEs



## 2.2 Where we are in Digitalization: Innovations to Current Structure

### 2.2.1 Strengthening company organizations and increasing the capacity

As underlined in the first part of the study, the failure of digitalization to reach a certain level is basically attributed to two reasons; financial incapability and lack of information. While 56% of ICoC members who participated in the survey prepared for SMEs considered the reason for not being able to digitalize sufficiently as financial incapability, 28% chose the option "I have no idea how to do it".

91% of company executives and 94% of sector representatives think that companies should be

guided by authorized institutions/organizations regarding to digitalization process. The companies expect guidance and orientation support from authorized institutions/organizations regarding the lack of information, which is one of the two main obstacles to the digitalization of companies.

Nowadays, it is a necessity for Chambers and similar organizations to keep pace with digital transformation and change. It is possible to deal with this transformation from 2 different angles:



## Digital transformation of the Chambers in their internal processes and services

- The digitalization of Chambers' services and operations not only contributes to increasing the productivity within the organization, but also can be a source of inspiration for member companies to realize their own transformations by announcing such transformation to the members. When companies see that digital transformation is realized and put into practice in the services they receive from Chambers, they will observe that such facilities and opportunities exist. This situation will come in as an awareness-raising factor for companies.

- It is thought that it may be beneficial to establish units/departments for digital transformation within the organization in order to struggle against the problems that Chambers may encounter in this process. Digital transformation is a phenomenon that covers almost every aspect of business processes, from human resources to data security, from marketing to organizational structure. It would be healthy to carry out this transformation phenomenon, which centers on the business environment, from a digital transformation unit to be established - at least in the first stage - in order to ensure better governance at the institutions and organizations.

- Digitalization efforts have been continuing at both ICoC and other Chambers. Providing services for members as a manifestation of the member-oriented approach in a faster and more efficient manner will gain momentum with the digital transformation that is being carried out and will be carried out at the Chambers.

- With the increase of technology and digitalization in our lives in the last 10 years, it has become impossible for companies and institutions/organizations to stand against change. In this context, studies in ICoC were started in 2011 with e-ITO. In 2015, ICoC switched to Electronic Document Management System. Enabling internal correspondence to be taken into the electronic environment completely, this system has also made the record keeping

and archiving mechanism more efficient. With the integration of many new features in 2019, the ICoC website has gained a different aspect. Finally, with the digital transformation study projected in 2020, it has been planned to transfer the transactions of each department, the internal structure of ICoC and the relations with the members to digital.

- Within the scope of the digital transformation projects of ICoC, corporate web portal, online services portal, assembly portal and professional committee pages are being redesigned. Up-to-date technological infrastructure and solutions with new designs, user-friendly and modern new interfaces, dynamic and visual screens, responsive designs compatible with mobile devices, fast and easy access to the desired information, new mobile applications for member and document services, e-signature and courier support on digital platforms document services will be provided.

- For today, subscription inquiry/payment, e-signed certificate of good standing, foreign trade documents, inquiry for registration application, registration application result verification and visa inquiries can be performed online on the ICoC website.<sup>7</sup>



- Approval of commercial documents through MEDOS system within the Union of Chambers and Commodity Exchanges also constitutes another example in this area. This system, in addition to reducing the paper consumption to almost zero, eliminated the difficulty of transporting documents

<sup>7</sup> Website of Istanbul Chamber of Commerce/Online Services  
Date of Access: 5 October 2020  
URL: <https://ito.org.tr/online-islemeler?scrollAnimateContent=online-islemeler-content>



to the approval authority as output - physically - and enabled the mechanism to work faster and more efficiently.

### **Chambers' support/guidance to their members for digital transformation**

- Chambers are expected to diversify and increase their digitalization services in line with their members' expectations. "Digital Transformation Movement" Project initiated by Union of Chambers and Commodity Exchanges of Turkey, the largest umbrella organization of the business world in Turkey, in 2018, with the aim of preparing SMEs for the future also serves as an example in this context. With this project, it is aimed for SMEs to keep pace with the rapidly digitalizing world and to increase their competitive power.

- It is very important to allow the employees with certain level of technical knowledge and social skills for the new units to be established within the organization as a result of structural changes and take this criterion into consideration for new recruitments and/or train existing personnel for such are of great importance.

In the event that a structure within the Chamber or another external structure affiliated with the Chamber is developed to lead the way for the digitalization of SMEs, it would be beneficial for the personnel to be assigned in this structure should have:

- ▶ Technical knowledge to be successful in tasks such as closely monitoring the digital world, providing one-to-one supervision, diagnosing and providing digital communication;
- ▶ Social skills such as listening to the other and pedagogical understanding;
- ▶ Administrative features for the organization of workshops, trainings and seminars.

- Offering the services to be duly provided by the organizations like Chambers to lead the way for digital transformation through a digital platform is one of the first options that comes to mind. Providing

these services in a way that the members can follow up on their personal computers or mobile phone will be advantageous in many ways. Supporting the digital platform infrastructure with instruments such as *webinars* and *online training*, the next step/steps, will strengthen the organizations like Chambers.

- Unlike the services to be provided over the Internet, continuing the awareness-raising activities for companies with traditional methods (seminars, training, panels) is another option. In the survey study conducted for the services provided by the European Chambers during the preparation stage of the Position Paper, it was determined that a significant numbers of the Chambers inform their members about the developments in the digital world through periodic publications, and organize thematic trainings and other awareness-raising activities. These methods will also contribute to the digital transformation process of companies.

- Although one-to-one consultancy stands out as a very effective method, its efficiency in terms of time and cost is discussed. Even the recruitment of employees who will provide digital consultancy or the training of existing personnel in this direction is an important problem on its own. Still, consulting is one step ahead of other services in terms of impact and efficiency. If time and cost issues could be brought to a tolerable level, one-to-one consultancy will continue to be the preferred model as the most effective method.

### **2.2.2 Transfer of Good Practices**

Although there are some studies on digital transformation, these efforts seem far from meeting the expectations of member SMEs. In this context, ICoC's existing service structure and support mechanisms for digital transformation have to be compared with other Chambers of Commerce in Europe in the first place.



### Where are we when compared to the European Chambers?

Within this scope, following the literature review and determination of the digitalization services provided by the Chambers, the project team prepared a questionnaire aiming to measure and evaluate the digitization services provided by the European Chambers. With this survey, it is aimed to have an idea about the services offered by Chambers to SMEs in the field of digitalization. The services provided by Chambers in the field of digitalization and the instruments through which these services are provided are studied. It has been determined where the services currently provided by ICoC are on the scale.

The survey questions were submitted to the secretariats of the Association of the Mediterranean Chambers of Commerce and Industry (ASCAME), the Alliance of Chambers of Commerce and Industry and Danube Chambers of Commerce Federation, of which ICoC is a member, together with an introductory text. Feedback was received from a total of 10 different Chambers ranging from Spain to Hungary, from France to Croatia.

According to the survey results, it is seen that the European Chambers inform their members mostly about the developments in the digital world through periodical publications. 6 out of 10 Chambers state that they provide one-to-one consultancy to their members on digitalization. It is observed that almost every Chamber participating in the survey has carried out thematic trainings and awareness-raising activities in the field of digitalization.

When compared with Europe in terms of similar services, it can be said that the Chambers in Turkey are far behind their counterparts in Europe.

### What does the Methodology Paper offer?

After the Position Paper which compiles the needs and expectations of SMEs operating in Istanbul was shared with Paris CCI, the partner of the project, a methodology paper was prepared by Paris on the system that can be developed by the Chambers for the digital transformation of SMEs.

The project team of the Paris CCI prepared this study by keeping the process of implementing the “*Les Digiteurs*” and its predecessor “*L’Échangeur PME*” (SME transformer/converter) programs, the difficulties faced and all other factors in the game and presented an opinion as to what ICoC can do in this field.

*Les Digiteurs* is a continuation of the “*L’Échangeur PME*” (SME transformer) program launched in 2008, yet a more comprehensive version of it. The main element that distinguishes *Les Digiteurs* from *L’Échangeur PME* is that the importance attributed to increasing the awareness of companies on digitalization, supporting their integration with digital culture and staying with companies during digital transformation is raised.

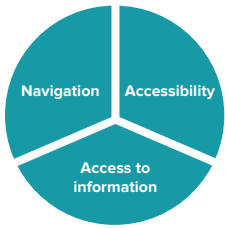


The web platform is an indispensable element for the *Les Digiteurs* program. The integrity of the program is presented and posted on the website.<sup>8</sup> The platform is like a “showcase” where services in this field are promoted. In addition to these, the platform also includes a test where companies can evaluate themselves in the context of digital maturity. When users solve this quiz, they can identify their digital needs better and they can be referred to workshop, training etc. for solution.

Again, all activities carried out within the framework of the program (workshop, training, round table, seminar, etc.) are announced to the users via a calendar on the website. The platform also includes good practices, recommendations on digital services, seminars and content on the website called “*webinar*”. In the methodology paper, 3 essential features regarding the web platform are underlined as follows:

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<sup>8</sup> Les Digiteurs website  
Date of Access: 28 September 2020  
URL: [www.lesdigiteurs.cci-paris-idf.fr](http://www.lesdigiteurs.cci-paris-idf.fr)



**Navigation:** The platform should have the feature of a portal where users can easily navigate and reach what they are looking for easily and quickly.

**Accessibility:** Users should be able to easily access the calendar, events and good practices through the platform.

**Access to Information:** Having all the content of Les Digiteurs program on the website will make the platform stronger.

Although the web platform is the tool that is in the showcase of *Les Digiteurs* program, the program is not only composed of the platform and services offered within this platform. *Les Digiteurs* organizes many different events such as conferences, seminars, workshops, round tables on digitalization and all issues related to digitalization. Apart from these, trainings are organized for companies to develop digital marketing strategies, to use social networks actively and to make sales on these platforms.

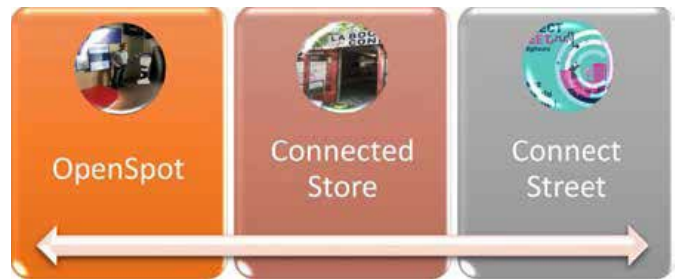
The 3-5-day trainings, which are held 10-12 times a year, offer users a more comprehensive content. These trainings can be either thematic (financial strategy development, digitalization in commercial and marketing strategies, etc.) or sectoral (such as digital transformation training for the food and beverage sector).

Another structure that makes *Les Digiteurs* program effective is digital consultants. *Les Digiteurs* employees having full technical knowledge, first measure the current digital level of the company, reveal their deficiencies, and then present the “prescription” they plan for them during their individual visits to companies. With this one-to-one service, companies are also enabled to create a digital transformation strategy for themselves

Within the program, a partnership structure has been established in order to increase the visibility of the application, to strengthen and support the program in all aspects. Apart from integral parts of the national and international digital world such as *Google*, *Orange* (one of the major telecommunications companies in France), *Facebook*, etc., the domain of *Les Digiteurs* is expanded and its power is increased with corporate partnership structures aimed at generating profession-based solutions and increasing the synergy within the digital ecosystem.

### Significant practices of Paris Chamber of Commerce and Industry

- The structure called “*OpenSpot*”, which offers an opportunity for the promotion of products and services of global and local partners and contact with experts for digital transformation, is another tool of *Les Digiteurs*. With these structures established in



8 different locations in Paris Île-de-France region, it is aimed to be as close to companies as possible. The services offered by the partners of *Les Digiteurs* are promoted at *OpenSpots*. These units also host workshops. In the unit aiming to bring entrepreneur candidates together with the opportunities of the digital world and the registered company owner, the project partners are introduced to the solution-oriented services and equipment related to digital transformation, as well as the co-working area for group work and popular technologies are promoted. *OpenSpots* allow companies to be a part of the digital ecosystem and contribute to increase awareness among.

- Paris CCI has developed a “store” model, called *Boutique connectée/Connected Store*, built on a trailer to enable companies to access products and opportunities that will facilitate their digital transformation. This store can be considered as a “showroom” where digital solutions that can be used by SMEs in their operations are introduced.



If the company owners are interested in the solutions they have experienced upon trying, the store manager plays a role in transferring the product or service to the companies by establishing a relationship between the solution owner and the company owner. The “store” with a mobile structure can serve anywhere in France upon obtaining necessary permits. There are up to 30 digital solution models in this store, some of which are offered to users free of charge.

- *Connect Street* is another application where business models such as stores/shops/restaurants with improved digital capacity from different sectors are exhibited in an area of about 1000 m<sup>2</sup>.

The following conclusions have been drawn regarding the models developed by Paris CCI, which can serve as a guide for Turkish Chambers, and can be transferred specifically for digital transformation.

- *Les Digiteurs* is built on a much more comprehensive structure beyond the web platform. Other elements that support the program both physically and content wise help the structure to reach more businesses in a wider area and make the structure more effective and active.

- *Les Digiteurs* web platform contains a test/quiz where companies can evaluate themselves in the context of digital maturity. When users solve this quiz, they can identify their digital needs better and they can be directed to workshop, training etc. for solution. Considering the difficulty of diagnosing each company separately, it is of great importance for companies to evaluate their own deficiencies through a self-test.

- *Workshops*, training, seminars, round tables stand out as awareness raising activities at the first stage. Although it is not as effective as one-to-one consulting, it is important in terms of being able to deal with more companies in a shorter time, with

less financing. Developing a digitalization training curriculum to be used in these awareness-raising activities is important for the preparation part.

- Apart from the integral parts of the digital world on a national and international scale, it has been observed that corporate partnership structures aimed at producing profession-based solutions and increasing the synergy within the digital ecosystem are beneficial in expanding its impact area and increasing the power of *Les Digiteurs*.

- It should be noted that the “*openspot*”-like structures put into service in order to provide companies with access to products and opportunities that will facilitate their digital transformation and to introduce potential entrepreneurs with the opportunities of the digital world in order to introduce solution-oriented services and equipment related to digital transformation is reasonable in terms of accessibility, however, it would also bring the financing problem.

It is thought that making certain inferences from these indicators and parameters before it is too late for Turkish Chambers is of great importance for the efficiency of the services. Based on the fact that the problems and difficulties are similar, it would be beneficial to analyze the good practices implemented by foreign organizations in this field and to support the methods and initiatives that will make a difference for the Chambers and their members.

### 2.2.3 Ultimate Goal: Creating a Digital Ecosystem for Digital Transformation

Although Chambers and similar organizations fulfill their duties in digital transformation, it will not be possible to reach a digital ecosystem through the efforts of the Chambers and organizations. Public institutions, Chambers and similar professional organizations and the private sector should work together.





In this context, *Dijital Kobim* was developed based on the inspiration from *Les Digiteurs* example where 4 different types of partnership structures were established according to their objectives.

### Principal partners to increase visibility

They are significant groups such as *Google, Orange, Facebook, La Poste* (PTT in Turkey) - as well as *Amazon, Microsoft, LinkedIn* - that are required in the digital world on a global or national level. Associating the brand with theirs offers an important visibility guarantee for every event as their names alone address sensitive business leaders

### Partners to provide solutions to promote digitalization

As digital awareness focuses on solutions, a series of partnerships have been developed with “solution providers” within the “*Les Digiteurs*” structure, where business leaders can directly test applications, interact with experts, discover digital solutions that fit the size and needs of the company. These partners offer concrete “business solutions” for one (or more) functions of the firm (remote payment, logistics or purchasing optimization, recruitment software, communication in social networks, etc.).

### Corporate partners to strengthen the ecosystem

Institutional partnerships are useful for reducing competition, strengthening complementarity, leveraging greater impact and reaching new companies.

### Media partners to strengthen the impact and reputation

Communication strategy is the guarantee of success in the digital transformation support system. SEO

optimization, preparing a monthly bulletin, visibility in social media accounts (*Facebook, Twitter, LinkedIn, Youtube*) and other communication strategies are evaluated within this scope.

Taking into consideration the digitalization needs of SMEs and their expectations from the relevant institutions/organizations in this regard, as stated in the Position Paper, it will be ensured that the Chambers are in different partnership structures in providing these services, and the quality of these services will be increased. These partnerships can be established with globally known platforms such as *Google, Amazon and Facebook*, as well as with the telecommunications, GSM, digital media platforms of the relevant country. In this way, it will be possible to provide both financial support and technical complementarity to the relevant projects.

The partnership structure is important in terms of adding power and efficiency to the digital ecosystem in which Chambers and other professional organizations will be located. Partnerships, which are regarded as a very important input of the success to be achieved through digital transformation support mechanism, will be able to share their experiences, services and customized offers that will appeal to SMEs’ digitalization needs and expectations with ICoC member companies through the platform.

The customized collaborations under the structure developed by ICoC within the scope of the project, where businesses can directly test applications for the digitalization process, interact with experts, discover digital solutions suitable for their size and needs, and for businesses that need support from the Chamber organization and for the enterprises that need a tool to convey the right message to the businesses. In addition to this, the potential success of the service will be a model for Chambers in other regions of Turkey and it can be disseminated to these institutions.



In this context, the expectation from the corporate partners at the basic level is to offer solutions for the vision of the platform and one (or more than one) function(s) of the end-user businesses and develop joint studies for the development and improvement of this structure.

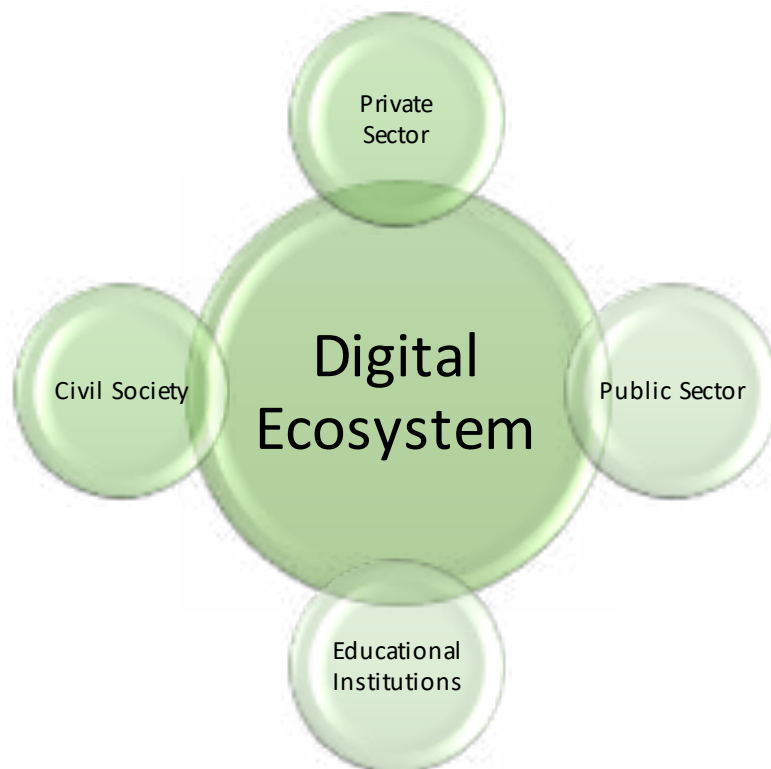
With the activities presented above and the partnerships to be established:

- Ensuring technical complementarity
- Strengthening of awareness raising
- Amplifying visibility effect
- Contributing to the development digital ecosystem based mutual efforts

In order to create a complete digital ecosystem, it would be more efficient to plan all these areas with an integrated understanding, rather than creating a

roadmap by considering the basic elements such as data security, infrastructure and digital authorities separately. Similar to the “Digital Skills and Jobs Coalition” in Europe, a platform that will bring private sector, civil society and educational institutions in Turkey together will contribute to raising digital awareness and digital maturity level.

The digital ecosystem, which will be created on a national scale with the involvement of other institutions and organizations in the process, can lead to the international dimension through cooperation with foreign institutions and organizations and common working areas to be created. In the third and last section of the study, the international cooperation dimension of the subject will be discussed.





## 3. International Collaboration in Digital Transformation

The world of the 21<sup>st</sup> century has a much more global structure compared to previous eras. It takes only minutes and hours, not months or years, to observe and experience developments and innovations at the other end of the world.

The globalizing world makes it compulsory to act cooperatively based on collaboration understanding. Although some parameters on a national scale differ from country to country according to the development level differences among the countries, the needs and expectations of companies, especially in digital transformation, have similar characteristics. In this section of the study, the functioning of the twinning mechanism and the importance of cooperation between institutions will be emphasized.

### 3.1 Cooperation Spirit and Twinning Mechanism

International projects carried out between organizations of Turkey and the EU countries; lead the way for the organizations to get to know each other better and new cooperation model to identify areas of collaboration. Twinning projects carried out within the framework of the Turkey-EU Business Dialogue based on the primary objective of strengthening mutual understanding between Turkish Chambers and their counterparts in the EU create an opportunity for the development of relations between the organizations and the transfer of good practices.

#### 3.1.1 Similarities in the organizations of the European and Turkish Chambers: Similar Problems/Similar Solutions

European Chambers and Turkish Chambers show great similarities in terms of their organizational structures, their effective and key roles in economies, and the way they provide services.

If we analyze the example of Chamber organization in Italy, an EU country, Italian Chambers focus on the

economic development of the region and operate as public institutions that shape the functions of the public interest of the business system. Similar to Turkey, membership is mandatory in Italy. Chambers have their own budgets and can realize their own programs.

Its services focus on infrastructure development, as well as issues related to the protection and security of the environment related to production activity, providing education and training of entrepreneurs, loans for sector representatives, technology and innovation transfer, spreading e-commerce initiatives.

In Italy, Chambers have also become an effective meeting point between the government and entrepreneurs and constitute a public access point for the business world. It has a structure supported by many representative organizations and integrated with other national organisms. The Chambers focus on both activities aiming to contribute to the economic development of the region and activities aiming to increase the competitiveness of the regional business system at both national and international levels.

Various services and functions offered by Chambers in Italy can be summarized under 4 main headings:

- Registration Services: Updating and archiving business records, lists etc. created by registering all companies and activities
- Support Services: Activities to develop and support the regional economy
- Research and Analysis on Monitoring the Regional Economy: Obtaining all kinds of information from representatives of various sector groups in order to obtain in-depth information about the socio-economic situation in the region
- Market Regulatory Function: Increasing and supporting the degree of transparency, trust and justice both between the lines of businesses and between business and citizens

As can be seen from the example of Italian Chambers, Turkish Chambers and European Chambers are largely similar in terms of organizational structures, internal processes and service range. The similarity of the Chambers in the corporate sense makes it easier to understand each other better, create a wider working space and pave the way for cooperation.

Apart from the country-specific problems, the problems experienced by Chambers with similar institutional structures may also be similar. For this very reason, in terms of capacity building and improvement of services, sharing information between the Chambers can contribute to solving problems more quickly and more effectively.

For example, regarding digitalization, in the methodology paper prepared by the Paris CCI, the company needs that led to the development of such a program in Paris are listed as follows:

- ▶ Not knowing how to proceed
- ▶ Not having a certain digital project and vision
- ▶ Not having a clear idea of what benefits digitalization will bring
- ▶ Not having social networks and various digital instruments

It has been seen that almost the same points were dealt with in the company surveys conducted by ICoC. Based on the argument that similar solutions can be found to similar problems and similar difficulties can be overcome with similar methods, it can be said that developing partnerships and cooperation models between Chambers can provide a greater return than anticipated and from this point onwards, it can be concluded that cooperation initiatives should be supported.

For example, a cooperation to be established at an international level can create the infrastructure of a common education curriculum for digital transformation.

### 3.1.2 “Chamber+” and Regional Cooperation

Turkish and European Chambers have the potential to contribute to each other in terms of capacity building and strengthening of the institutional structure with the cooperation and joint projects they will develop. As in the example of “Chamber +”, connecting the Chambers one another through a network will improve the opportunity to exchange information and good practice among themselves, and contribute to better management of issues/difficulties and crises that may be common and similar. *Eurochambres* is a structure with the experience and potential to contribute as an umbrella organization for such models.

Regional cooperation models that will ensure the joint work of Chambers in a certain region can also be evaluated within this scope. The Association of the Mediterranean Chambers of Commerce and Industry (ASCAME), of which ICoC is one of its members, is an organization that has managed to bring together the Chambers of Commerce and Industry in the Mediterranean basin in order to develop cooperation in the region and to increase economic and commercial relations. ASCAME, through its many working groups (trade, tourism, education, etc.), performs many tasks aimed at economic and industrial development, such as enabling companies in the countries of the region to establish relations with each other and public institutions and represent companies. In addition, ASCAME tries to represent the private sector in various areas by trying to develop close relations with European institutions and other international organizations.

Similar regional cooperation models to be realized on an international scale will enable Chambers to come together and become more effective. The cooperation of these institutions with umbrella organizations such as *Eurochambres* always has the potential to create a different synergy. As such cooperation models are adopted by the Chambers

and new ideas and projects are embraced, new channels of cooperation will be opened.

### 3.1.3 TEBD, as a cooperation model

In 2016, a new Project called “*Turkey-EU Business Dialogue (TEBD)*” was developed by the Union of Chambers and Commodity Exchanges of Turkey and *Eurochambres*, in continuation of “EU-Turkey Chambers Forum I and II” (ETCF I and II) with 5 million euro budget. The Project “*Turkey-EU Business Dialogue*” entitled to financial support by the European Commission, was launched in July 2018 in cooperation by TOBB and Eurochambres.

The overall objective of the Turkey-EU Business Dialogue project is to strengthen mutual understanding between the Turkish Chambers and their counterparts in the EU. The TEBD project aims to enable the Turkish and European Chambers, as civil society members, to improve their cooperation, to increase capacity and the role of the Turkish Chambers in the EU accession process.

With TEBD project, it is aimed to promote a constructive private sector dialog that will lead to positive and lasting results for both sides between the EU and Turkey. The specific goals of the project can be summarized as the following;

- To strengthen the capacity of Turkish Chambers in terms of developing/adding new services to their members;
- To increase participation of the business world to political life in Turkey, to modernize the Customs Union specifically between the EU and Turkey and improve the EU accession process;
- To increase opportunities for networking and sharing of best practices between Turkish and EU Chambers;
- To increase awareness in both business worlds about the opportunities and challenges related to Turkey’s accession to the EU.

Within the scope of this project, SME workshops, business meetings, harmonization studies with the EU acquis, academic programs, mutual study visits and Chamber twinning projects were carried out. The Twinning for Digitization Project is carried out in partnership with ICoC and Paris CCI as part of this program like the other 18 twinning projects. The projects focus on cooperation in various fields such as digitalization, SME skills and supports, clustering, cooperation in the automotive sector, increasing the added value for hazelnuts, trade integration, energy efficiency, innovation and women entrepreneurship.

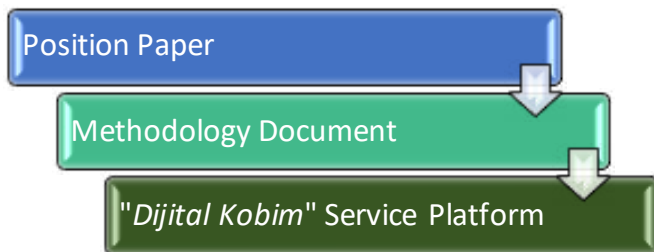
Since 2016, the program has provided institutional and social gains in the fields of joint business between Turkish and EU Chambers, transfer of experience and good practice with the supported projects. Upon completion of 19 projects launched in 2019, this program, special objectives of which will be realized to a great extent, continues to progress. Sustaining these initiatives will be vital in terms of promoting cooperation between Chambers, strengthening their capacities, and networking between Turkish and European business communities.

### 3.1.4 Twinning Scorecard

Chamber Partnership within the scope of Turkey-EU Business Dialogue Project, was built on the twinning/pairing mechanism. All projects that are awarded grants within this scope have one European and one Turkish partner. In this way, it is aimed to create a common working area between the Chambers and to ensure the transfer of knowledge and good practice.

The Twinning for Digitalization Project has been built on the transfer of the *Les Digiteurs* program applied in Paris, to Istanbul. As stated in the activity calendar, the Position Paper prepared by ICoC in the first months of the project was shared with the Paris CCI and a methodology document has been prepared by the Paris CCI, taking into account the current situation and needs of SMEs in Istanbul.

All this has created an opportunity for the two Chambers to get to know each other better and to develop cooperation.



The service structure developed by ICoC within the framework of the project was designed by considering the needs of SMEs operating in Istanbul and their expectations from professional organizations, as well as the difficulties and recommendations experienced by Paris CCI while establishing a similar structure.

Considering the objectives of the TEBD Project, it can be easily said that the targets of improving the capacities of the Chambers and increasing the cooperation between the Turkish and EU Chambers are achieved. The earlier institutional convergence between the two Chambers made it possible for the cooperation mechanism to develop more smoothly. The more efficient twinning mechanism is directly related to the similarity of the partner Chambers both in terms of service area and scale. In the example of the Twinning for Digitalization Project, the partnership of 2 Chambers, which are among the world's largest 5 Chambers can be considered appropriate in this sense.

On the other side, for the sake of carrying out the projects in a more balanced and consistent way in Chamber partnerships, embracement of projects by co-applicant/beneficiary Chambers just like the Chambers taking their parts as coordinator/applicant, is of the essence within the framework of a more sustainable programme serving main purposes in the upcoming period.

In this Twinning for Digitalization Project, this balance has been significantly provided in the axis of Paris-Istanbul. However, depending on institutional and organizational transformation process experienced by Paris CCI, certain alternatives have been considered and implemented in order to conduct some project activities.



### 3.1.5 Cooperation for Lobbying

One of the specific goals of the Turkey-EU Business Dialogue is to increase participation of the business world in Turkey to the political life and to support Turkey's EU accession for moving it forward. Improving the relations between Chambers through the transfer of good practices, increasing capacities, etc., contribute to the convergence of business circles of countries.

Although the political relations between the countries follow a course with ups and downs from time to time, economic and commercial relations continue on their way in a more stable way. The Chambers taking an active role in economic and commercial life in Turkey and EU countries will strengthen cooperation between the Chambers and make a positive reflection on the country's international trade and economic policies.

EU countries have been first trading partner of Turkey for many years. According to data of 2019, the trade of Turkey with EU-27 (United Kingdom is no longer included in this group) countries constitutes approximately 37% of its total trade.



Turkey, being within the Customs Union as of 1996 and EU countries is complementary to each other in terms of trade. Modernizing the Customs Union to include agricultural products and services will accelerate the integration of economies.

Two major problem areas of Turkey-EU relations that become chronic are the modernization of the Customs Union and visa issues.

By January 1, 1996, Turkey and the EU have been in Customs Union; however the framework does not cover agricultural products and services. Turkey requests the extension of the scope of the Customs Union. This issue that is closely related to the business world has long been discussed in Turkey. If consultations are made with the Chambers that are very important in Turkey and the European Chambers, mainly the German and French Chambers and joint working groups are created; this will contribute to the accelerate the relations in an alternative way and overcoming problems. The joint studies and results in this field can be shared with political decision makers by the business world, and a facilitating effect can be achieved in the solution of the issue at the political and intergovernmental level.

A similar mechanism can be established for the visa issue. In fact, business people who have been trading with companies in the same countries for many years and have investments in these countries act as trade ambassadors. In fact, business people who frequently visit foreign countries with which they have commercial relations constantly face visa obstacle which negatively affects their business relations. When all these are considered, it a solution can be found for this issue with the cooperation of Chambers in both countries. Currently, Chambers carry out practices that facilitate visa processes for their members through agreements with consulates. But what is meant here is a more comprehensive cooperation model that will be established with

the inclusion of the Chambers of the two countries and even the Chamber unions. It can be expected that this model will facilitate the solution on the intergovernmental platform.

From this point of view, developing new cooperation models, connecting Chambers of similar scale to each other with an international network and developing common working areas within this network will mean opening a new channel in relations between countries. It will be possible to accelerate the relations that cannot progress in the desired way and speed, especially due to political motives, through the way that commercial/ economic understanding and cooperation between institutions may lead to.

### **3.2 Rediscovering the Areas of Cooperation**

Chambers, acting as an intermediary institution, has the potential to fill the existing gap where SMEs cannot receive qualified support in digitalization or other fields. The potential of the Chambers is actually not limited to these.

#### **3.2.1 Establishing New Collaboration and Capacity Sharing Areas**

Considering the similarities in their institutional structures and their principal roles in the economy, Turkish and European Chambers have the potential to contribute to each other in both capacity building and strengthening the institutional structure and adoption of innovative approaches with the cooperation and joint projects they will develop.

In particular, the Covid-19 process we have been going through can be considered as an opportunity in this context. Covid-19 and the pandemic process have deeply shaken the usual order in the business world and forced both companies and institutions to a new working order. While many business models are redefined, professional organizations



and Chambers encounter difficulties that they have not experienced before in this process. Post-pandemic practices and business models that will be created within the framework of common mind and cooperation between Chambers can create a more efficient picture in terms of governance.

As stated above, the similar nature of the issues strengthens the thesis that solutions can also proceed on a common ground. For example, cooperation between Chambers at an international level, in the post-pandemic period, may pave the way to initiate to transform business models within the framework of digitalization awareness of the each personnel working in the Chambers. International partnerships to be established within the framework of technical complementarity can contribute to individual institutions and organizations, as well as to create an inter-chamber ecosystem or to strengthen the existing ecosystem.

### 3.2.2 Raising the Collaboration Level

The expansion of the cooperation areas between the Chambers and the cooperation and joint studies to be performed, the analysis and transfer of good practices can lead the business world to more effective and efficient solutions in a shorter time - which is the ultimate goal. This project and other partnerships carried under Turkey-EU Business Dialogue, is conducive to the formation of a synergy in many areas in Turkish and the European Chambers. Developing similar projects between Turkish and European Chambers with the model called “twinning” will provide our Chambers with technical skills and different perspectives such as project management/implementation as well as the production of concrete benefits experienced in these projects, and will contribute to the development of a collaborative working culture at the international level. Success stories will be instrumental in Chambers that have not yet had the opportunity to take part in EU projects.

Our Chambers have performed 57 similar partnerships with counterpart organizations in Europe between 2001 and 2017 and achieved significant outcomes. The twinning projects and partnerships to be established between our chambers and the European Chambers can be implemented through the evaluation of the following programs, in addition to using their own financial resources:

**IPA Program:** It is aimed to provide financial and technical support to Turkey’s political and economic reforms with the Instrument for Pre-accession Assistance/IPA<sup>9</sup>. The purpose of these funds is to harmonize Turkish legislation and standards with EU legislation and standards, to build the capacities necessary for the relevant authorities to carry out these harmonization studies and implement the reforms during the accession process. The sectors to be supported primarily are democracy and governance; rule of law and fundamental rights; environmental and climate activities; transportation; energy; competitiveness and innovation; education, employment and social policies; regional and national cooperation with agriculture and rural development.

**Erasmus+ Program:** Erasmus+<sup>10</sup> Program is the EU’s grant program in the fields of education, youth and sports. It supports the cooperation between institutions with education, training, internship, professional development, non-formal learning-based youth activities abroad. The European Solidarity Corps (ESC) provides opportunities for volunteering, solidarity and networking activities in projects that benefit society.

**Innosup / Paired Learning Program of Innovation Agencies:** Within the scope of the program<sup>11</sup> developed for innovation agencies at the national/regional level that design or implement innovation support programs for SMEs, it is aimed to encourage

<sup>9</sup> Further information: *Delegation of the European Union to Turkey website*  
URL: <https://www.avrupa.info.tr/tr/katilim-oncesi-mali-yardim-araci-ipa-880>

<sup>10</sup> Further information: *Turkish National Agency website*  
URL: <https://www.ua.gov.tr/>

<sup>11</sup> Further information: *European Commission website*  
URL: <https://www.ua.gov.tr/>

new approaches within the framework of innovation support for SMEs in order to implement newly developed features.

**EaSI:** The Employment and Social Innovation Program (EaSI)<sup>12</sup> is implemented between January 1, 2014 - December 31, 2020 to provide support for qualified and sustainable employment, adequate social protection, combating social exclusion and poverty, and improving working conditions.

**COSME:** The COSME Program<sup>13</sup>, the Competitiveness of Enterprises and SMEs is a grant program developed by the European Union, taking into account the importance of SMEs in order to revive the EU economy after the global economic crisis and achieve Europe 2020 Strategy targets. The COSME Program has been put into practice for the years 2014 and 2020 in order to increase SMEs' access to finance, improve their access to markets, improve framework conditions and encourage entrepreneurship. In the COSME Program, which targets SMEs, special attention is paid to micro enterprises, tradesmen and craftsmen, social enterprises and technology-based startups with growth potential, young entrepreneurs and women entrepreneurs.

It is predicted that Innosup, EaSI and COSME will continue under the same or different names between 2021-2028.

## Conclusion

Just as the transition to the process of mechanization transformed the industrial society into a service society, the invention of the computer, technology and the internet transformed the service society into a digital society.

Digitalization has gained its place in the center of life in a way that questions and goes beyond the ordinary lifestyle and work life. Digitalization, which is related

to almost every aspect of working life, transforms employees, managers, companies — in short, the entire business world. In the business world of the 2020s, it is expected that employees will be familiar with and use information and communication technology tools for internal communication, management and support of individual professional activities. The command of information technologies will positively affect the performance of companies and the economy of the country in general.

Companies and institutions not wishing to stay behind the spirit of the times are willing to realize their digital transformation before it is too late. Companies that do not want to drop behind their competitors in competitiveness and internationalization are aware that they will gain an advantage if they realize digital transformation.

Professional organizations and Chambers have the potential to play a key role in companies aiming this transformation. A national-scale digital ecosystem created by the public, private sector and civil society together will enable this transformation in a much more efficient and smooth way. Within the scope of Turkey-EU Business Dialogue performed with the partnership of ICoC and Paris CCI, Twinning for Digitalization Project to be implemented will serve in this direction.

In a globalizing world, cooperation/collaboration in digitalization is both easy and compulsory as in other fields. The organic ties of Turkey with the EU Countries along the ongoing process of accessing to membership will be empowered together with the business world. Digitalization offers a clear opportunity for collaboration today. Activities to be supported by with Turkey-EU Business Dialogue and other projects will increase convergence between the organizations and expand the areas of cooperation.

<sup>12</sup> Further information: *Republic of Turkey, Ministry of Foreign Affairs, Directorate for EU Affairs website*  
URL: [https://www.ab.gov.tr/-istihdam-ve-sosyal-yenilik-programi-easi-\\_49876.html](https://www.ab.gov.tr/-istihdam-ve-sosyal-yenilik-programi-easi-_49876.html)

<sup>13</sup> Further information: *Horizon 2020 web site*  
URL: <http://www.ufuk2020.com/cagrilar/cosme-programi-proje-cagrilari-ve-hibe-duyurulari.html>





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**Contact us for detailed  
information about the project.**

### **Twinning for Digitalization Project**

Twinning for Digitalization (T4D)  
Project Secretariat

Istanbul Chamber of Commerce  
Reşadiye Caddesi 34112, Eminönü-İstanbul  
Telefon: +90 212 455 64 11-13-22  
E-posta: t4d@ito.org.tr  
www.dijitalkobim.org

444 0 486 | [ito.org.tr](http://ito.org.tr)



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