

Smart SMEs Empower Smart Cities Development

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Small and medium-sized enterprises (SMEs) represent a significant share of companies in Europe that serve as a nerve center of the economy. Therefore, they might have an essential role in smart cities development. The new technologies associated with smart cities development create new economic opportunities and markets for SMEs to explore. On the other hand, SMEs can empower smart cities deployment through innovation and invention. However, SMEs often struggle with digital transformation. Currently, a low level of digitalization and low use of digital tools, lack of digital strategy and investments in digital transformation, as well as lack of knowledge and infrastructure, represent challenges for SMEs in their digital transformation. Increasing financing opportunities and investments in SMEs at the national and local level can address these challenges. Research centres and innovation hubs can provide SMEs access to knowledge and information. Entering the digitalized value chains might also benefit SMEs in becoming smart. A mutually beneficial relationship exists between smart SMEs and smart cities. However, to establish this relationship, many low-digitalized SMEs need assistance in their digital transformation.