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Supporting Krapina Zagorje County's DX strategy

Interreg Policy Learning Platform
Peer Review **Final Report**

PRESENTED TO
Policy Learning
Platform team

PRESENTED BY
Zagorje
Development
Agency

Supporting the implementation of the Krapina Zagorje County's digital transformation strategy

AN INTERREG POLICY LEARNING PLATFORM PEER REVIEW

6 – 7 JULY 2021. (ONLINE)

FINAL REPORT

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1. BACKGROUND: THE APPLICANT, THE QUESTIONS, AND THE PREPARATIONS

In December of 2020, Zagorje Development Agency applied for a peer review about implementing a digital transformation strategy on the level of Krapina Zagorje County governance infrastructure. The application was confirmed and selected for review in January 2021. In the following months, online meetings with experts of the Peer Learning Platform were held; these focused on introductions, an outline of the process, preparing a thematic background paper, suggesting peers, accepting suggestions, finalizing the two-day review agenda, and a preliminary briefing and meeting with the peers. After the review itself, a follow-up is to be held (if possible, in person, possibly on-site).

The applicant (Zagorje Development Agency) has at that time already been engaged in co-developing a digital transformation (commonly abbreviated as DX) strategy, coordinating the interaction between the County offices and an expert consultant company hired to lead the development.

Early in the strategy process, the Agency has foreseen possible problems the development and implementation phases would face and has recognized the value of applying for an Interreg Policy Learning Platform peer review. Through the review process, the Agency aimed to discuss the possible problems, as well as inquire about relevant experiences and solutions that proved successful with peers engaged in similar projects.

The situation which the Krapina Zagorje County wished to address was the then-current digital landscape in the County, and improvements were planned in the fields of digital infrastructure, software, communications, and staff skills. Thus, the main questions posed in the application and the review process were *what do we prioritize, how do we engage the SME economy sector, and are we missing anything?* Continuing, these questions and the rationale for posing them shall be elaborated.

MOTIVATION TO CALL FOR A REVIEW

The need for decentralization is recognized as one of the key development goals in Croatia's Development strategy for the period to 2030, formalized as *development goal 4*, advocating for a uniform regional development as an “indispensable component of a sustainable and continued growth, of demographic rejuvenation, and of decreased social differences”. Thus, the digital transition of society and the economy, and a competent, reachable and efficient public administration are integral strategic goals to achieve by 2030.

This is the context in which Krapina Zagorje County seeks to proactively create a better, more efficient regional self-government system, and wants to set a development foundation for doing this by including local stakeholders, utilizing modern digital concepts, and designing the system to serve citizens. The first steps in achieving this on the County level were taken during the second half of 2020, when Zagorje Development Agency, Krapina Zagorje County, and hired DX consultancy experts (Apsolon co.) conducted an analysis of the state of digital competence and infrastructure in the County to pinpoint weak spots and develop a DX plan. This phase of the DX process was completed in late January of 2021, resulting in a strategic framework that considers the DX at the level of long-term and fundamental solutions. A next phase of the DX process, an implementation plan, is currently being developed. As the peer review opportunity has been recognized as a valuable process to develop dialogue, exchange experiences, and generate guidelines, the County planned to incorporate conclusions of the peer review into the implementation phase of the DX strategy.

THE THREE MAIN DX QUESTIONS

The three key questions revolved around the implementation order of identified DX points with specific focus on public services, government efficiency and entrepreneurship.

Sequence. We are interested in learning how other state or regional-level examples of DX were sorted in terms of sequence of implementation; which DX areas were addressed first, how and why was that decided, how long key DX points (such as fully offering public services online) took to implement, how long it took for them to be used in greater proportion than coming to a public office in person with/for physical documents, what kind of problems were encountered during the implementation, and how they were addressed.

Public sector. As a government sector applicant, we aim to optimize services for various demographic contingents (e.g. people with physical disabilities, athletes or volunteers), ways a service is provided (e.g. regular working hours vs. service on demand covering a specific area based on a user database, such as field work social services), or any other form of governance and services for which DX may be utilized to bring about benefit (such as lowering operating costs, administrative load, or increasing ease of access for citizens). This includes the standardization of procedures. Also, we would appreciate greatly any peer input concerning issues related to the DX process which weren't directly put forward, but were proven to be of significance with relevant peers with their DX activities.

Entrepreneurs. As entrepreneurship is of strategic interest to the County, a significant part of the DX strategy will focus on the services and actions the County can take to facilitate and support it. We see an opportunity to align or fine-tune a DX implementation plan with experience and advice relevant peers can bring to the table in the review process. We believe in providing support to the entrepreneurial sector (e.g., reducing administrative load), and consider it important to learn from examples of successful models of providing entrepreneurs with digitized and streamlined services which add to the growth potential of the private sector.

2. PARTICIPANTS

List of the participants of the peer review meeting that took place on 6 – 7 July 2021 via videoconferencing:

Peers		
Harri Kuusela	Regional Council of Päijät-Häme, Finland	Project Manager
Jorge Muyo	Regional Government of Cantabria, Cantabria, Spain	Regional Innovation Manager
Mariana Nagy	TEHIMPULS ASSOCIATION - Regional Centre for Innovation and Technology Transfer, Romania	Vice President
May-Britt Roald	Møre and Romsdal County, Møre and Romsdal, Norway	Program Manager
Peter Grant	WSX Enterprise Hampshire, UK	Chief Executive
Krapina Zagorje County		
Helena Matuša	Zagorje Development Agency	Deputy director
Tomislav Keglević	Zagorje Development Agency	Senior expert assistant
Interreg Europe		
Etienne Verhelle	Interreg Europe	Policy Officer
Ana Mihaljevic	Interreg Europe	Policy Officer
Policy Learning Platform		
Marc Pattinson	Policy Learning Platform	Thematic Expert in Research and Innovation
Arnault Morisson	Policy Learning Platform	Thematic Expert in Research and Innovation
Elena Ferrario	Policy Learning Platform	Thematic Manager
Raluca Toma	Policy Learning Platform	Communication Manager
Local stakeholders		
Krunoslav Golub	City of Pregrada	Head of department of finances and economy
Miroslav Šalković	CodX Solutions	Owner
Petra Vrančić Lež	Krapina Zagorje County	Head of department of administrative procedures
Zvonimir Tušek	Krapina Zagorje County	Informatics advisor
Nikola Penić	Apsolon co.	Consultant
Ivan Kapustić	Apsolon co.	Junior Consultant

We would also like to mention and thank everyone else engaged, such as interpreters, and technical support staff.

3. POLICY RECOMMENDATIONS

The peer suggestions, and the comments of the applicant, of the stakeholders, and of the thematic experts were processed and concrete, actionable suggestions were created as answers to the thematic questions. Also, as a result of the dynamics of the review process, several examples of good practices from the peers' regions have been provided (e.g., hackathon, entrepreneurship training and knowledge base, grants for IT training of the populations, ect.) which have been incorporated into the recommendations finalized in this document.

IMPLEMENTING THE DX STRATEGY

Take a bottom-up approach, led by the Krapina Zagorje County (as the owner of the DX strategy and resource holder) and the Zagorje Development Agency (as a coordinator of involved stakeholders) to focus on strategic objectives. The focus should be on efficiency, user benefits, and recognizing user feedback. Also, different audiences (user demographics) should be considered when designing services.

- organize work roundtables with representative stakeholders (and other authorities), in order to design and develop actions and plans that fully meet the needs of the DX strategy and are in line with the selected priorities
- create conditions for trust-based cooperation
- plan for effective operational governance, coordinating bodies with tasks in the implementation
- put the (end) users in focus; use feedback loops (insight – design services – test – implement – monitor – repeat)
- to help reach as much of the population as possible, create roadshow and demonstration hubs, organize hackathons, and communicate and consult with audiences

The DX strategy must be translated into an actionable plan, i.e., the planned actions must be consistent with the defined objectives. These actions must be measurable, with predictable time of implementation, and accurate in terms of the strategic objective they claim to achieve. The DX can be used to enforce process standardization, and a new services platform can begin to use them. Use feedback to improve services in cycles (low-hanging fruit fast cycles in the beginning). A great change in core capabilities might be necessary. Establishing and growing partnerships with several types of stakeholders is necessary to create support, as well as improving the County's IT infrastructure and staff skills. It is necessary to develop a whole ecosystem (internal and external of the region) in order to get the best of each stakeholder to contribute to the success of the strategy.

- define and monitor relevant KPIs
- define timescale for actions
- use functional feedback
- create a services platform which will be updated in cycles
- educate County staff and improve IT infrastructure
- create partnerships with stakeholders to maximize support for the DX strategy

The final group of recommendations under this thematic block concerns focusing on the sequence of implementation. The criteria of constructing the sequence would be requirements in terms of finances, time, and competences. Once finalized, actions to achieve the DX goals (proceeding from both the peer review conclusions and ongoing DX implementation phase conclusions) shall be weighed according to these three criteria, as well as estimated in terms of risk and opportunity levels. Actions that are independent of others, and have the most favourable score shall be rolled out sooner.

PUBLIC SECTOR DX

The digitized services to be provided must be tailor-made, simple, and efficient to be accessible to the targeted audience, e.g., the citizens, but it is also important to communicate everything that is planned, what has been done, what the

feedback is, and what will be changed according to it. Also, the County staff who will work with providing the services must be versed in using the necessary IT infrastructure. Trainings (which could be based on skill assessments) for digital skill improvement must be planned and implemented ahead of major DX rollouts in order to maximize efficiency and clarity of use for both County staff and end users. Finally, user-to-user interactions in supporting the usage of digitized services should not be ignored, but supported.

- the digital services interface must be clear to use and bring benefits to all who live and/or work in the County
- address the digital skills gap
- crowdsource information exchange – support informal communication channels concerning digitized services questions and answers (such as social network groups)
- face-to-face, social media, and communication campaigns must reach all sectors of local communities to inform about DX proceedings
- bring short-term, high-visibility DX wins to the forefront of awareness campaigns
- implement single sign-in platform-wide with strong user identification and authentication
- develop test scenarios as implementation and tweaking aids
- simplify public procurement (e.g., a single acquisition procedure for a set of related products)

DX BENEFITS FOR STARTUPS AND ENTREPRENEURS

Develop a clear role (e.g., proactivity, enabling, training) for the public sector in developing an entrepreneurship culture (targeting entrepreneurs in general, not only start-ups) for all ages. Partnering with educational institutions and public bodies will help to facilitate desired results. Base improvements on feedback and user experiences. Synergize DX implementation with existing plans, digital innovation hubs, and possible EU funding opportunities (such as the Digital Europe 2021-2027 programme).

- targeted business trainings (e.g., day-to-day responsibilities and operations as part of a pre-launch training, or administrative efficiency guides for existing enterprises)
- have dedicated service support for entrepreneurs aimed at reducing failure rate
- collaboration with the universities and public bodies to the design different level training programs
- procedural entrepreneurship services platform building: information, interaction, services
- establish dedicated spaces, events and tools (e.g., incubators, networking)
- allow user feedback to play an active role in designing digital solutions for services and cross-sectoral communication
- do not cease improving and developing services and solutions (balance citizen wishes and public resources)
- synergize with digital innovation hubs and EU funding opportunities
- use a communication campaign to gather data on entrepreneurship, but with a goal of forming deliverable outputs (e.g., who are the interested parties, and what can be provided for them, such as providing training for start-ups)

4. POSSIBLE CALENDAR OF IMPLEMENTATION

At the point of writing this Report (August 2021), a first, early draft of the DX implementation plan has been delivered to the Krapina Zagorje County and the Zagorje Development Agency by the hired DX consultancy firm Apsolon co. Fine-tuning the implementation plan will incorporate the merging of these commissioned conclusions, and the peer review conclusions, but at this point in the process, the timeline of planned actions cannot be presented with greater accuracy than a that of a first estimate. However, an implementation timeframe is presented in the diagram below.

It is composed of two main variables: actions and time. Several actions developed to a relatively greater degree of completeness have been selected to build this early timeline draft, while after the merging of the two mentioned sets of conclusions, all actions shall be evaluated according to the criteria suggested and discussed during the peer review meeting (i.e., scoring and balancing finances, time, and competences). Time covers both *when* an action would start, and *how long* will it occur or recur.

In short, the following is a first draft of an implementation plan, sure to expand and change, covering some of the actions and a 12-month period.



5. CONCLUSIONS AND FOLLOW-UP

In the following months (up to 2022), several strategic documents relevant to the Krapina Zagorje County are expected to be passed, including the National and County development plans, as well as a completed DX implementation plan. These will all be compliant (hierarchically), and the DX implementation is currently expected to start in 2022.

Since our experience with the peer review process has been extremely engaging, responsive, and constructive, it would be our pleasure to continue communicating with the PLP staff and the peers, so a follow-up meeting on review conclusions implemented is part of our planned next steps.

We will recommend applying to the review process to all interested parties, and we are looking forward to speaking with the review team again.

With momentum for applying the produced conclusions,

Zagorje Development Agency and Krapina Zagorje County team

Krapina, Croatia

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