

DIGITAL TRANSFORMATION OF SMEs IN THE REPUBLIC OF MOLDOVA: OPPORTUNITIES AND PERSPECTIVES

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Abstract: *prezentul studiu reprezintă o incursiune teoretico-metodologică privind posibilitățile de transformare digitală în cadrul IMM din Republica Moldova. Scopul studiului este identificarea soluțiilor de transformare digitală a IMM din Republica Moldova. În vederea atingerii scopului cercetării au fost studiate abordările conceptuale ale tehnologiilor informaționale și aportul lor în eficientizarea sistemului de management modern. Totodată, au fost analizate strategiile de transformare digitală în țările din UE. Deasemenea, au fost analizate direcțiile și oportunitățile de transformare digitală a IMM din cadrul domeniului „Activități financiare și asigurări”. Pe de altă parte, au fost evidențiate programele de susținere a IMM în doemniul transformării digitale din partea ODA care oferă multiple avantaje și încurajează implementarea tehnologiilor informaționale în cadrul IMM din țară. Metodologia cercetării s-a axat pe utilizarea multiplelor metode de cercetare, precum: analiza, sinteza, inducția, deducția, abducția, abstracția științifică, cercetarea calitativă pe baza studiului de caz. Drept urmare, putem evidenția că în vederea intensificării transformării digitale a IMM din țară, apare necesitatea de a aplica programele de susținere a procesului de digitalizare, oferite de către ODA; precum și organizarea sesiunilor de instruire pentru antreprenori privind utilizarea tehnologiilor informaționale, a inteligenței artificiale, a sistemelor de management modern axate pe utilizarea TIC.*

Key words: *information technologies, SME, artificial intelligence, modern management system*

JEL: L26, M1, L96

Abstract: *the present study represents a theoretical-methodological foray into the possibilities of digital transformation within SMEs in the Republic of Moldova. The purpose of the study is to identify digital transformation solutions for SMEs in the Republic of Moldova. In order to achieve the goal of the research, the conceptual approaches of information technologies and their contribution to the efficiency of the modern management system were studied. At the same time, digital transformation strategies in EU countries were analyzed. Also, the directions and opportunities for digital transformation of SMEs in the field of "Financial activities and insurance" were analyzed. On the other hand, the SME support programs in the field of digital transformation from the ODA have been highlighted, which offer multiple advantages and encourage the implementation of information technologies within the country's SMEs. The*

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research methodology focused on the use of multiple research methods, such as: analysis, synthesis, induction, deduction, abduction, scientific abstraction, qualitative research based on the case study. As a result, we can highlight that in order to intensify the digital transformation of SMEs in the country, there is a need to apply the programs to support the digitization process, offered by the ODA; as well as organizing training sessions for entrepreneurs on the use of information technologies, artificial intelligence, modern management systems focused on the use of ICT.

1. Introduction

Information and communication technologies (ICT) play a significant role in all aspects of modern society. ICTs have changed the way we communicate with each other, the way we need information, work, conduct business, interact with government agencies, and manage our social lives. As ICTs affect everyday life, they also influence macroeconomic growth, which in turn further affects society, enabling improvements in infrastructure and living standards.

A conceptual model regarding the role of ICT in the economic development of society was developed by researchers Tallon and Kraemer (2000), who links ICT to economic profits and economic development. However, conceptual approaches that simultaneously focus on the social and economic aspects of development are rare. In general, we were able to identify only six approaches, which try to explain the effects of ICT on some aspects of socioeconomic development. We will briefly discuss them in the order of their publication, starting with the oldest.

Researcher Madon (2000) proposed a conceptual framework that attempts to explain the interaction between ICT and socio-economic development in developing countries. The framework was developed based on literature, evidence and assumptions. It suggests that the Internet has a mainly positive impact on four main factors: economic growth, as evidenced by economic productivity; social welfare, including health, education and poverty reduction; political welfare, that is, democracy; and the physical environment through sustainable development.

Uttama (2012) proposed a model describing the effect of foreign direct investment on socio-economic development in the Association of Southeast Asian Nations (ASEAN) countries. The author argues that foreign capital investment is a powerful engine for socio-economic development, through the effect of increasing the product market, the labor force and the capital market, which, in turn, result in improvements in incomes, places of employment work, productivity and human development.

Roztocky and Weistroffer (2016) proposed a broad framework linking ICT and socioeconomic development. The authors' research points to the role of ICT, such as software, Internet, mobile telephony, GPS and Wi-Fi, which enable business activities and services, such as e-commerce, e-government, online social networks, online teaching. The authors' research demonstrates that these

commercial activities have an impact on the socioeconomic development of individuals, organizations, and the country as a whole. These are manifested in individuals' education, health, income, quality of life, etc., as well as in the competitiveness and global resources of organizations, as well as in the country's national product, political freedom, wealth, esteem and the labor market. At the same time, the authors' research points out that these socioeconomic developments, in turn, influence government policies, business culture and infrastructure, which further generate developments in business activities and services.

Ashraf, Grunfeld, Hoque and Alam (2017) developed a conceptual model to explain the contribution of ICT to socio-economic development at the community level. Specifically, the authors analyzed three community centers (BRAC Gonokendra) in Bangladesh that provide economic and social programs to individuals and communities in situations of poverty. The model also includes social constraints that may present obstacles to development. Thus, while ICT can provide a means of socioeconomic development, social constraints such as religious perceptions and mobility restrictions on women must be addressed to achieve the desired improvements in access to information, employment opportunities, social status, education and social awareness.

Roztock, Soja and Weistroffer (2017) proposed a model linking the adoption of enterprise systems to socioeconomic development in economies that are in transition or have recently moved from a centrally planned to a market-based economic system. The model shows that the implementations of information systems within enterprises enable business activities, which have an impact on socioeconomic development primarily at the organizational level. These socio-economic developments in turn influence government policy, business culture and the business environment, as well as determine human and social capital.

More recently, Palvia, Baqir, and Nemati (2018) proposed a model that is based on Sen's capabilities approach (Sen, 1999). The research carried out by Palvia et al. is based on data collected in Pakistan and attempts to explain how citizens of a country view the impact of ICT on socio-economic development. According to the authors, citizens' views could be classified into five major categories: social contacts, economic transformation, cultural evolution, personal security and empowerment. According to Palvia et al. ICTs have enormous effects on social capital, labeled in the framework as social contact, because ICT can be used as a means of keeping in touch with family, friends and business partners.

Also, ICT manifest effects on business activities, labeled by the authors of the model as economic transformation, because the use of ICT allows efficient business management and the pursuit of additional business opportunities by entering new market segments. The model also shows the impact of ICT on

cultural evolution, indicated by changes in human behavior. In addition, the model presents the impact of ICT on personal security and criminal use.

Finally, Palvia et al. show the effects that ICTs have on education, learning and access to health care as well as entertainment, labeled by the authors as empowerment in life domains. A useful feature of the study by Palvia et al. is that it also presents the possible negative effects of ICT, such as inattention (as part of cultural evolution) and criminal use.

As a result, following the research carried out, we have developed a chart, where we present the effects of ICT use on socio-economic development.

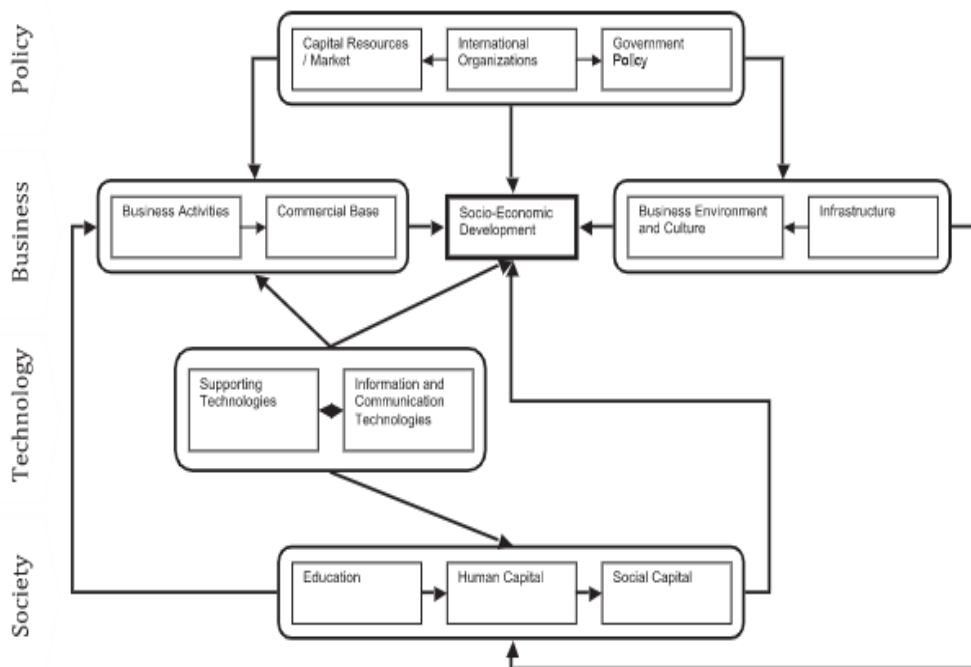


Figure 1. Multidimensional approaches to the impact of ICT on socio-economic development

Source: Roztocki, N., Soja, P., Weistroffer, H.R. The role of information and communication technologies in socioeconomic development: towards a multi-dimensional framework. Available: <https://www.tandfonline.com/doi/epdf/10.1080/02681102.2019.1596654?needAccess=true&role=button>

Thus, we can observe a strong socio-economic impact of ICT that affects all sectors of life from the educational, commercial, business sector to all other sectors in order to make activities more efficient, reduce the time of activities, online presence, 24/24, as well as of easier interaction with citizens, customers, business partners. ICT makes operations more efficient, improves

communication, reduces costs, increases turnover, increases market share, broadens the horizon of society development.

6. The impact of information technologies on the efficiency of the modern management system

The contribution of information and communication technologies from a macroeconomic perspective is huge, because it streamlines activities and dynamizes processes, modernizes society, offering the possibility to interact effectively, regardless of where you are.

If we were to analyze the impact of ICT on business, we can reiterate that information technologies offer a wide spectrum of advantages for the business world. To present the impact of ICT on business management, we can highlight the following aspects:

1. *Streamlining operations* – information technology is now used in the daily operations of any business. IT has made it easy to manage the general expenses as well as to offer the opportunity to recruit human resources, manage market uncertainty, manage inventory, monitor employee performance, handling employee grievances, customer grievances, and more. Nowadays, IT has also automated various manual and time-consuming tasks to speed up regular operations. For example, there are several software available today to record daily attendance of employees, to process the leave and calculate the monthly salaries of employees with minimal human interference.

2. *Implementing cloud-based solutions* – cloud technology is another useful tool that helps companies store their data on third-party servers through the Internet. It is a revolutionary technology that has helped businesses to massively reduce costs and opt for subscription packages to suit their business needs. Businesses don't have to worry about hiring a substantial IT team to maintain and manage large servers in their workspace. They may pay third party companies to store relevant data. Things like server crashes, downtime and data loss are now a thing of the past with cloud technologies.

3. *Facilitating cyber security* – as more companies store data online, the risk of cyber attacks arises. Even third-party companies that provide cloud solutions to businesses need to protect their customers' data from cyber attacks. Businesses in the banking and financial sector need to be more concerned about cyber security.

4. *Performing data analysis* - companies depend on IT professionals to collect, assimilate, separate and study relevant data to understand current market trends and customer behavior. Afterwards, they use the data to make various decisions at the organizational level to grow their business. Data analytics is another important tool used by companies to develop business strategy, analyze market forecasts, stay ahead of competition, understand customer behavior and

develop product development strategies accordingly. It can also help companies stay ahead of the competition.

5. *Streamlining business communication* – easy and effective communication is one of the main advantages of information technology. Communication does not only refer to the communication carried out at the organizational level, but also means the communication carried out with customers. IT software such as emails, Whatsapp, custom chatbots, feedback forms, etc. can be classified as forms of communication. Living in the age of information technology means that businesses can receive instant communication. This communication includes sales figures, consumer feedback, customer questions, market trends and more.

6. *Improving the customer experience* – most companies nowadays use the IT to improve their customer experience and maintain excellent customer relationship. Companies use tools like CRM (Customer Relationship Management) to keep track of customer behavior or any issues a customer is facing, and to ensure a quick solution to any of the other general issues. Suppose a customer has a problem with a purchased product or with a service used, he/she can call the company that will be informed by CRM. A customer relationship manager will then review the customer’s purchase history through the CRM program and resolve the issue efficiently without any problems or delays.

7. *Reducing the operational costs* – at large, implementing the aforementioned IT software and programs can help companies reduce their operational costs by a large margin. They don’t need to recruit more staff members to perform tasks that can be done by software and programs. Instead, they can recruit top industry professionals to run their business.

8. *Online presence* – e-commerce is currently a growing industry that offers the possibility to penetrate the global market, to increase the competitiveness of the business, to be present 24/24 in the market, to interact efficiently and quickly with customers, to react quickly to suggestions received from customers.

As far as we can see, the impact of ICT on business is significant, because it offers multiple advantages contributing to the increase of business competitiveness, from a global presence to effective communication with all business stakeholders. The ways of doing business have changed drastically in recent years. New technologies allow companies to better understand their target market and increase their efficiency. Nowadays, small businesses are able to compete with the giants of the market and this has been possible with the advent of the internet.

Companies are investing heavily in technology globally. There are countless examples of technology being used in business, including social media. According to the US Chamber of Commerce, 84% of small businesses use at least one digital platform to share information with their audience. About 80%

advertise products and services on social media. Furthermore, 62% of small businesses say that having strong digital and media skills is a key factor in the recruitment process (Mgunda, M. I., 2019).

The forms of ICT used in the business world are different. Next, we present the most representative information technologies used in business:

1. *Artificial intelligence (AI)* – artificial intelligence has been one of the biggest advances in technology. It has changed the game for both small and large businesses. Its importance can be understood by looking at the investments being made for AI. IDC in its Global AI Spending Guide estimates that global AI spending will double over the next four years, rising from \$50.1 billion in 2020 to over \$110 billion in 2024. The reason is the deployment of AI by organizations as part of their digital transformation efforts in staying competitive in the digital economy. Artificial intelligence is concerned with the intelligent behavior of machines, and today it has become an integral part of our lives without us even realizing it. AI enhances the user experience and is used in the latest gadgets. We are assisted with the help of software like Google Assistant in Android. This ultimately helps companies better serve their consumers. “AI is the technology that will help companies be agile, innovate and further expand. Companies that become “AI-powered” will have the ability to synthesize information (using AI to convert data into information and then into knowledge), the ability to learn (using AI to understand relationships between knowledge and apply learning to business problems) and the ability to deliver insights at scale” (Mgunda, M. I., 2019).

2. *Machine Learning (ML)* – machines can become intelligent on their own, intelligence is imparted to them, and this is where machine learning comes in. Machine learning is an application of artificial intelligence that makes it possible for machines to automatically learn and improve from experiences without having to explicitly program them. Machine learning focuses on developing computer programs that can access data and later use it to learn. The main goal is to make computers capable of learning automatically without any human intervention. Companies use ML in various ways, the manufacturing industry uses ML for predictive maintenance. Manufacturing firms require regular maintenance and correction practices, so they use ML to gain meaningful insights. This helps them reduce the risks of unexpected failures. E-commerce platforms use ML for product recommendations. Here, ML algorithms use the customer’s purchase history and match it with the large product inventory to identify hidden patterns and group similar products.

3. *Cloud Computing* - in simple terms, Cloud Computing is the provision of computing services over the Internet. Services include servers, storage, databases, information, networks, software and analytics. Cloud computing offers businesses faster innovation, flexible resources and economies of scale. Cloud

computing is no less than a boon for small businesses that cannot afford their own computing infrastructure and data centers. Businesses can rent access to things from servers, applications and storage from cloud service providers. This helps businesses reduce the cost of owning and maintaining heavy IT infrastructure, as they can simply pay for what they use and when they use it.

4. *Mobile Applications* - smartphones have seen a great increase in their demand. As everything shifts to digital platforms, smartphones have become a useful tool to carry around. Businesses also know that people have the option to search for business and anything else that comes to mind whenever they want. Research shows increased use of mobile apps among businesses.

5. *Augmented Reality (AR) and Virtual Reality (VR)* – augmented and virtual reality are among the most important technological trends of the century. Both technologies are very useful for businesses. Augmented reality is a technology that works on computer vision-based recognition algorithms to augment sound, video, graphics, and other sensor-based inputs on real-world objects. AR is a good way to render information from the real world and present it in an interactive way so that the virtual elements become part of the real world. AR helps in the development of translation applications that can interpret a text in different languages. Video game companies are using AR to create more games and provide a more realistic experience.

6. *3D Printing* – this is a digitally operated manufacturing technology where physical objects are printed by a 3D printer based on a 3D digital model specification. This technology implies that the manufacturing process is additive, i.e., it takes place layer by layer instead of molding a larger object into the required shape. Manufacturing through a 3D printer is performed by allowing an object to be printed in successive horizontal layers of materials such as plastic or metal until the object is properly produced.

7. *Digital Assistants* – a digital assistant is basically an advanced computer program that stimulates an interaction with the people who use it, generally through the Internet. They are generally represented by technologies such as Robotics Process Automation (RPA), chatbots and voice assistants. These assistants will help future organizations meet productivity, accessibility and quality requirements, while also improving customer or employee response times.

8. *Blockchain* - a blockchain, in simple terms, is a transactional database where every party involved generally has access to the same information about transactions. It is difficult to change database information unless the majority of participants agree that this change is in harmony with the rules defined for an approved transaction. Blockchain enables the execution of secure transactions between multiple parties while eliminating the need to verify the transaction with a third party. Trust is established between parts of a network that would

communicate. This technology has a critical role to play when it comes to innovation and value creation.

Information technologies have an extremely significant impact on the development of any company and organization, contributing to the development of various competitive advantages that make it attractive and open multiple opportunities to its competitors.

7. Digital transformation options for SMEs from the Republic of Moldova

To create an impression regarding the contribution of SMEs in the development of the national economy, as well as the role of information technologies in the development of enterprises, we have reproduced the main data regarding the dynamics of SME activity in the Republic of Moldova, in the period 2017-2021.

Table 1. The main indicators regarding the activity of SMEs in the Republic of Moldova, 2017-2021

	2017	2018	2019	2020	2021
Number of enterprises	53573	55705	55918	57247	59357
Average number of staff	323277	328018	336059	316823	314925
Sales revenue, mill. lei	137506,06	144160,76	157346,55	150112,07	183569,70
The financial result before taxation, mill. lei	10568,87	11220,01	12386,36	9050,91	20237,44

Source: developed based on data from the National Bureau of Statistics, 2017-2021

Analyzing the data in the table, we notice that in the period 2017-2021, SMEs in the Republic of Moldova registered a spectacular growth, even despite the pandemic crisis. Thus, if in 2017, there were 53573 SMEs in Moldova, then in 2021, their number increased by approximately 11%, reaching the value of 59357 registered enterprises.

Although the number of SMEs in the Republic of Moldova is increasing, the number of employees of enterprises followed, in the period 2017-2021, a negative trend, from 323,277 employees who worked in SMEs in 2017, to 314,925 employees who were active in 2021. If by 2019 there is an increase in the number of employees of SMEs reaching the value of 336059 employees, then, with the pandemic crisis, SMEs had to reduce their activity, thus optimizing personnel expenses, in this context, layoffs being significant.

Even if the number of employees working in SMEs during the period 2017-2021 decreased, the volume of sales recorded by SMEs during this period was still increasing, from 137,506.06 million lei, in 2017, to 157,346.55 million

lei, reaching, in 2020, the value of 150,112.07 million lei, to subsequently increase, reaching 183,569.70 million lei, in 2021. The decrease produced at the level of 2020 is as a result of the effects of the pandemic crisis that drastically affected the turnover of SMEs in Moldova and troubled the activity of enterprises, they being dependent on the internal market, the suppliers of raw materials and the imported materials.

On the other hand, the financial result of SMEs in the Republic of Moldova, in the period 2017-2021, shows an increasing trend, in the period 2017-2019, from 10,568.87 million lei, in 2017, to 12,386.36 million lei, in 2019. In 2020, there is a sharp decrease in the financial results obtained by SMEs in Moldova as a result of the pandemic crisis, where we can see a decrease, reaching the value of 9,050.91 million lei, as subsequently, in 2021, to witness a spectacular increase of over 91% compared to 2017, with SMEs registering a spectacular increase in financial results, registering the value of 20,237.44 million lei.

A special importance for the national economy, but also a special place within Moldovan SMEs is held by economic agents operating in the field of “Financial activities and insurance”, which, in the period 2017-2021, constituted 1.80% of existing SMEs in the country. Analyzing the table data, we can see that the share of economic agents operating in the field of “Financial and insurance activities” in the period 2017-2021, registered a downward trend from 1162 enterprises (2.16%) in 2017 to 1068 enterprises (1.80%), in 2021.

Table 2. The dynamics of the main indicators of Moldovan SMEs in the field of “Financial activities and insurance”, 2017-2021

	2017	Share in SMEs	2018	Share in SMEs	2019	Share in SMEs	2020	Share in SMEs	2021	Share in SMEs
Number of enterprises	1162	2,16%	1200	2,15%	1128	2,02%	1109	1,94%	1068	1,80%
Average number of staff	4404	1,36%	4662	1,42%	4435	1,32%	4340	1,37%	4483	1,42%
Sales revenue, million lei	9318,00	6,78%	9986,84	6,93%	4082,69	2,60%	4234,18	2,82%	4788,81	2,61%
The financial outcome before taxation, million lei	1101,82	10,43%	1219,19	10,89%	1551,40	12,53%	877,93	9,70%	1501,70	7,42%

Source: developed based on data from the National Bureau of Statistics, 2017-2021

The negative trend is punctuated by the multiple difficulties faced by SMEs in this field, being dependent on capital investments, on the financial means allocated to insurance.

Although the number of SMEs in the “Financial activities and insurance” sector is decreasing, in the period 2017-2021, we must note a slight increase in the number of employees of enterprises in this sector. Thus, if in 2017, 4,404 (1.36%) employees worked in this sector, then by 2021, 4,483 employees (1.42%) would work in this sector. The positive dynamics is explained by the expansion of the activity of existing companies, but also the opening of new branches of companies already existing on the financial and insurance market.

The dynamics of the turnover of SMEs operating in the “Financial and insurance activities” sector registers a downward trend from 9318.00 million lei (6.78%), in 2017, to 4788.81 million lei (2.61%), in 2021. In recent years, 2020-2021, we have witnessed a decrease in turnover which is largely due part, the effects of the pandemic crisis that negatively affected the activity of these businesses through measures to reduce imports/exports of goods/passengers, through travel restrictions that created colossal queues at customs, but also decreased the flows of vehicles/goods that needed to be insured.

Along with the reduction in the turnover of SMEs in the “Financial and insurance activities” sector, there is a reduction in the financial result of these SMEs, in the period 2017-2021, by 3.01%. Therefore, if in 2017, the financial result of SMEs in this sector recorded the value of 1101.82 million lei (10.43%), then by 2021, its value will reach 1501.70 million lei (7.42%).

A key to success applied by companies in the field of “Financial and insurance activities” in the context of the pandemic crisis was the digitization of activities, the application of software and social media platforms in order to widen the market, but also to intensify the practice of online commerce.

From the data in the figure, we can observe the dynamics of companies in the field of “Financial and insurance activities” that have personal computers and web pages, in the period 2017-2021. Thus, we can observe that in this period there is a significant increase of approximately 19% in the number of companies that have personal computers, from 81 companies in 2017 to 100 companies in 2021.

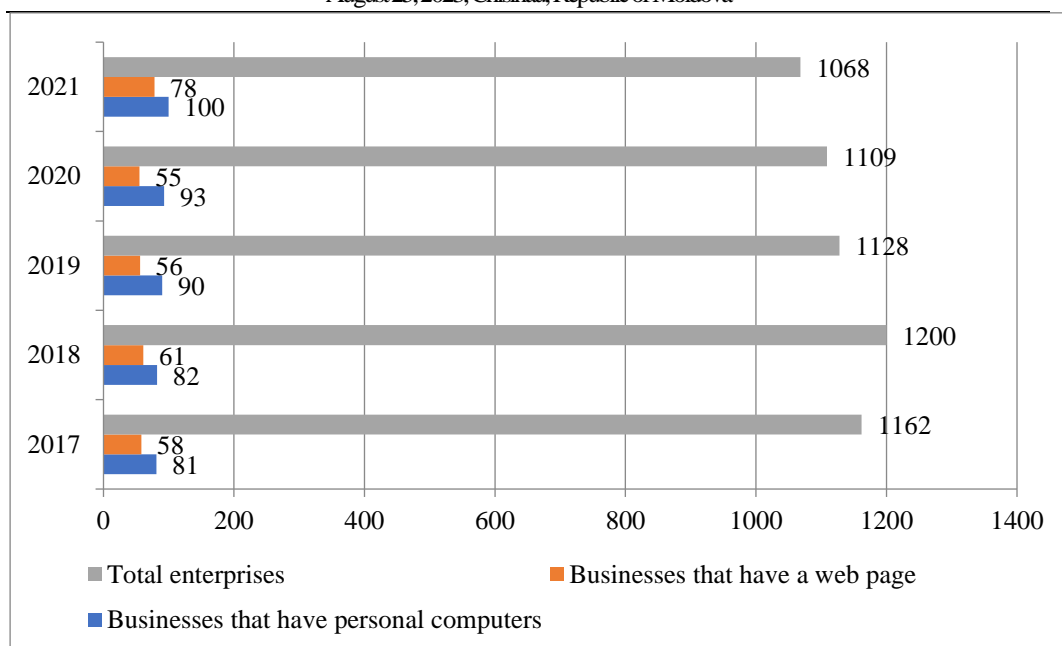


Figure 2. The dynamics of the number of enterprises in the field of “Financial activities and insurance” which have a web page and personal computers, 2017-2021

Source: developed based on data from the National Bureau of Statistics, 2017-2021

At the same time, along with the increase in the use of personal computers by companies in the field of “Financial and insurance activities”, in this period there is also an increase of approximately 25% compared to 2017, of companies that have web pages, from 58 enterprises to 78 enterprises. The growth of companies that own web pages was influenced, in large part, by the need to adapt to the new difficult context, the need to find markets outside the country, but also by the intensive promotion of the companies.

Although the dynamics of the use of personal computers and the creation of websites by companies in the field of “Financial and insurance activities”, in the Republic of Moldova, in the period 2017-2021, is increasing, however, the share of these companies in the total number of companies is low.

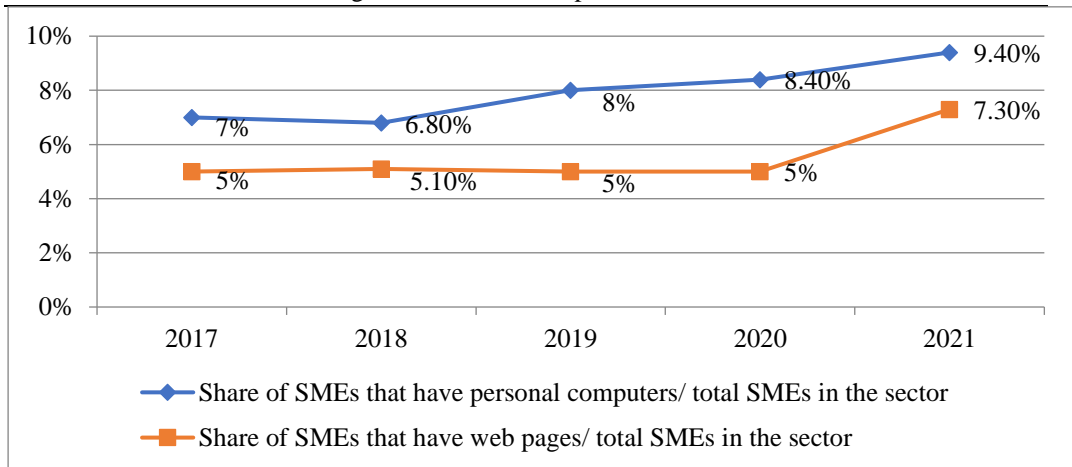


Figure 3. The share of SMEs in the field of “Financial and insurance activities” that have personal websites and web pages in total enterprises in this sector, 2017-2021

Source: developed based on data from the National Bureau of Statistics, 2017-2021

From the data in the figure, we note that, in the period 2017-2021, the share of SMEs in the field of “Financial and insurance activities” that use digital technologies in the total number of enterprises in this sector increased by 2.40%, from 7 % in 2017 to 9.40% in 2021. At the same time, there is also a seven-fold increase in the share of businesses that have web pages, where, in this period, there is an increase of 2.30%, from 5 %, in 2017, to 7.30%, in 2021. We must note, however, that these increases are insignificant for this sector, because, in the 21st century, digitized technologies must be absorbed in all sectors of activity, especially in the field of insurance.

In figure 4, we have shown the dynamics of computers owned by legal entities in the Republic of Modlova active in the field of “Financial and insurance activities”, in the period 2017-2021. From the data in the figure, we observe a positive dynamic recorded in the possession of personal computers by legal entities in the “Financial and insurance activities” sector. Consequently, if in 2017, companies in this sector had 12,847 personal computers, then by 2021, their number will reach 14,332 computers.

The dynamics of the number of computers owned by the companies in this sector per company is rewarding, given the fact that each company, on average, had 13 registered computers. We observe that the companies in this sector have information technologies, which could be used for the implementation of software and advanced information technologies, which would help the companies become leaders in the digitization of SMEs.

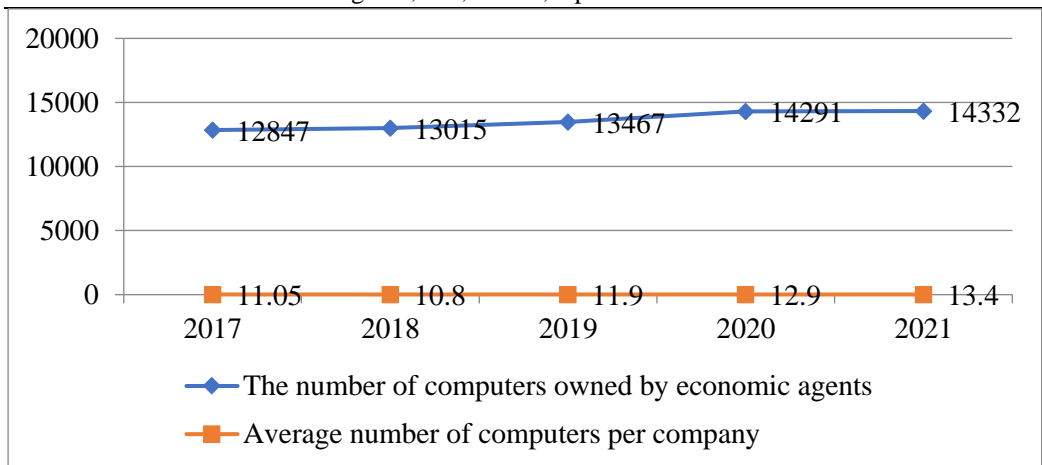


Figure 4. Dynamics of computers owned by legal entities in the field of “Financial activities and insurance” in the Republic of Moldova, 2017-2021
 Source: developed based on data from the National Bureau of Statistics, 2017-2021

In the end, we can note that although in the Republic of Moldova there is a development of the ICT sector in Moldova, the progress of the companies in this sector is still to be expected, the pace of their development being much too slow. It dramatically affects the SME sector in the Republic of Moldova, reducing the possibilities of cost reduction, but also the lengthening of the supply chain, the reduction of development possibilities through the prism of ICT implementation in their activity. The digital transformation of SMEs in the Republic of Moldova could help enterprises in this sector to accelerate their pace of development, increase their productivity, enter new markets, along with reducing costs, thus becoming much more competitive, attractive to foreign investors.

8. Conclusion

Following the research carried out, we can reiterate that SMEs are the catalytic agents, the backbone of the national economy. The research allows us to mention that SMEs have faced drastic problems related to the supply chain, cancellation of contracts with customers, loss of outlets, colossal financial problems. In this sense, although both the EU and the Eastern Partnership countries adopted measures to support SMEs, a good part of them “were thrown off the market”, another part had to resize their activity, to reshape their managerial strategies in order to identify viable solutions in order to overcome the crisis. A successful solution identified by SMEs was digitization, which is not only a competitive advantage, but also a condition for the viability of SMEs, in the new post-pandemic context. Thus, we can mention that both the EU countries and the Eastern Partnership countries quickly adopted measures to stimulate digitization.

At the macroeconomic level, the national strategies for the digital transformation of SMEs were developed/revised, and, at the same time, ambitious strategic objectives were set to be achieved by 2030. Each EU country intensified the allocation of financial support, consulting, trainings for SMEs to help them adapt more easily to the new post-pandemic context.

At the microeconomic level, each country has developed/revised its activity strategies, where digitization is the lever for success in achieving sustainability.

In order to provide the necessary support for SMEs and in order to accelerate the implementation of information technologies, it would be beneficial to create the Association of Digital Entrepreneurs, following the EU model that has already created such an association.

At the same time, it would be beneficial to create a “HUB for the Digital Transformation of SMEs in Moldova” where the government, with the support of ODA and strategic partners, could provide the necessary sustenance in the form of financial resources, materials, knowledge, training, etc. as provision for SMEs from the Republic of Moldova in order to intensify their digitization.

SMEs from the Republic of Moldova need the support of the state and also of strategic development partners, in intensifying the digitization of processes, of resizing activity strategies in order to capitalize on digital technologies in every dimension of their activity. The rapid development and implementation of the National Digital Transformation Strategy 2023-2030 remains an imperative for our country, which, once implemented, will contribute to achieving tangible results for all sectors of the national economy.

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