EUROPEAN COMMISSION

e-Business W@tch

THE SECTORAL e-BUSINESS WATCH

>> Mission

The **Sectoral e-Business Watch (SeBW)** monitors the impact of Information and Communication Technologies (ICT) on enterprises, industries and the economy in general across its different sectors. It was initiated by the Enterprise & Industry Directorate-General of the European Commission.

The SeBW supports informed decision-making in policy domains such as innovation, competition and growth. The underlying rationale is that ICT is an important enabler of innovation and efficiency with key implications in the manufacturing and service sectors.

Therefore, the EC pursues the goal of enhancing and facilitating the uptake of ICT in European enterprises.

SeBW contributes to this goal by continuously improving the knowledge and understanding of e-business developments and showing their impacts in different market areas.

>> Which sectors are studied in 2008?

In 2008, studies of the SeBW focus on the following sectors and topics:

SECTORS :

- chemical, rubber and plastics industry
- steel industry
- furniture industry
- retail
- transport and logistics services
- banking

TOPICS:

- radio frequency ID adoption and implications
- intellectual property rights for ICT-producing SMEs
- ICT implications for energy consumption
- economic drivers & impacts of ICT adoption

>> What is e-business?

In the broadest sense, e-business refers to the use of ICT for conducting business electronically. This includes exchanges with suppliers, customers and business partners over the internet or other computer-mediated networks, but can also refer to company-internal processes.

Often the goal is to 'automate' manual processes so that they become more efficient and the production more competitive.

>> Who is involved in this initiative?

The Sectoral e-Business Watch is based on a Framework Contract and a Specific Contract between the European Commission and empirica GmbH. It involves service providers such as Altran group, Databank, DIW Berlin, GOPA-Cartermill, IDC EMEA, Ipsos GmbH and Rambøll Management. The Framework contract runs until the end of 2010.

>> Where can I get more Information?

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Enterprise and Industry Directorate-General
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E-BUSINESS PROFILE

The Furniture Industry

E-business has made fewer inroads into the furniture industry than the other industry sectors analysed under SeBW. The level of take-up of Enterprise Resource Planning systems – a key basis for B2B integration and cooperation – is low, and the number of workers with access to internet at the workplace is lower than in other sectors. ICT usage for B2B exchanges for procurement, supply chain management and marketing & sales is also relatively low-scale.

This is in contrast to the high levels of use of applications in the area of design: the sector is very advanced in its adoption of CAD systems and modelling applications. The challenge for the European industry is two-fold: to increase efficiency in the design process still further, and prepare for integration with manufacturing, marketing and sales activities.

An important new trend in the design and production of furniture is sustainability and “green design". Innovative companies use ICT tools for the life-cycle assessment of furniture products and succeed in converting the additional costs into a competitive advantage.

Competitiveness in the sector can be boosted by further progress in standardised data exchange – improved interoperability will benefit business processes and for the development of B2C and B2B commerce. This is typical for the furniture industry, which involves a high number and wide diversity of players — mostly traditional craft companies — in the value chain.

The diversity of ICT systems in place, and the completely different levels of ICT competence among players, represent challenges for e-business integration — in particular between manufacturers and independent distributors.

Therefore, industry associations and the European Commission have actively encouraged standardisation initiatives for the furniture industry in recent years.

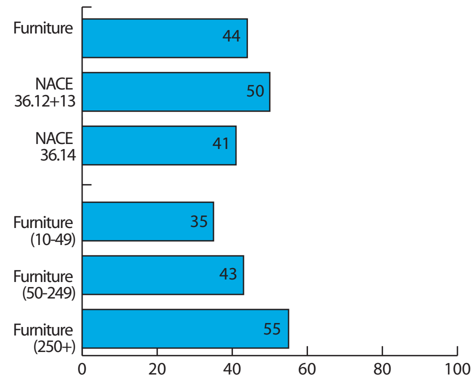
Fact Box

The manufacture of furniture covers business activities as specified in NACE Rev. 2 Divisions 36.1	
Total employment (EU-25, 2003):	about 1.2 million
% of employees working in SMEs:	51%
Source: Eurostat SBS, latest available figures	
The furniture industry is characterised by a large number of small and medium-sized enterprises, many of which are specialised in one type of furniture.	

More information

This sector study was conducted by Databank Spa (www.databank.it).
The full study report is available on the web at (www.ebusiness-watch.org).
For more information about this study, please contact Ms Elena Gaboardi (gaboardi@databank.it).

% of companies using e-business software systems (by sector and size-band, EU-7, 2007)



Base: Companies from 7 EU countries (DE, ES, FR, IT, PL, SE, UK) that have launched new products during the past 12 months.
N (for furniture - total): 315. Data for sector-totals are weighted by employment ("firms representing x% of sector employment"). Date for size-bands in % of firms from the size-band.

% of product innovations that were enabled by ICT (by sector and size-band, EU-7, 2007)

	ERP	SCM	CAD	CAM
Furniture (total)	39	15	72	26
small (10-49)	16	9	50	17
medium (50-249)	41	15	79	28
large (250+)	71	23	93	35
Steel	59	27	83	30
Chemical	68	39	63	31

ERP = Enterprise Resource Planning
SCM = Supply Chain Management
CAD = Computer Aided Design
CAM = Computer Aided Manufacturing

Base (for furniture - total): 661 interviews in 7 EU countries (DE, ES, FR, IT, PL, SE, UK). Data for sector-totals are weighted by employment ("firms representing x% of sector employment"). Date for size-bands in % of firms from the size-band.
Source: e-Business Survey 2007