




## Readiness of Croatian SMEs for mandatory e-invoicing from 2026: digital preparedness and implementation challenges

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### Abstract

*The paper has examined the readiness of Croatian small and medium-sized enterprises (SMEs) for the mandatory implementation of electronic invoicing (e-Invoice) as of January 1, 2026. The study sought to evaluate the degree of digital readiness within small and medium-sized enterprises and to identify the primary obstacles impeding effective adoption of digital technologies. Additionally, the role of Enterprise Resource Planning (ERP) systems analyses in facilitating compliance with the new regulatory requirements has been done. A hybrid method approach was utilized meaning that quantitative survey data with qualitative interviews has been done among representatives of SMEs across in various sectors. The analysis showed that only 40% of Croatian business entities used e-Invoices, with adoption rates significantly higher among medium and large enterprises (75%) compared to small businesses (61%) and micro-enterprises (below 30%). This was expected since prior to 2026 only the B2G market segment had mandatory e-Invoice usage. The main challenges which were identified included financial constraints, technical complexity, limited digital skills among staff, and difficulties integrating e-Invoice functionalities within existing ERP solutions. The study identified the most widespread ERP systems in Croatia—such as Pantheon, Minimax, Synesis, and Odoo. It also highlighted an increasing trend toward cloud-based solutions that offered easier implementation and legislative compliance. The findings of survey also showed that successful e-Invoice adoption required comprehensive preparation, including ERP system optimization, targeted education and investments in digital infrastructure. The research can be used to detect recommendations for SMEs, ERP vendors, and policymakers to support as easy as possible transition to mandatory e-Invoicing. These insights can contribute to the broader guidelines of digital transformation in Croatia together with a foundation for benchmarking readiness and identifying areas for targeted support. Finally, paper also discussed implications for next research, emphasizing the importance of continuous monitoring and adaptation as the regulatory and especially technological landscape continues to evolve.*

**Keywords:** e-Invoice, digital transformation, ERP systems, SME readiness, Croatia

### 1. Introduction

Digital transformation has become an essential priority for small and medium-sized enterprises (SMEs) throughout Europe, fundamentally altering their operational practices and competitive environments. Current trends indicate an accelerating shift toward comprehensive digitalization, with the European Union (EU) targeting that more than 90% of SMEs should reach at least a basic level of digital intensity by 2030 (European Commission, 2024). Recent data reveals that 74% of all EU businesses achieved basic digital intensity in 2024, though SMEs at 73% remain approximately 20 percentage points below the 2030 target (European Commission, 2024). This digital gap becomes particularly visible when examining advanced technologies, where only 13% of EU businesses utilized artificial intelligence in 2024, with usage significantly lower among SMEs (13%) compared to large enterprises (41%) (European Commission, 2024).

The digitalization approach involves more than just adopting new technology. It requires changing core business processes, especially in finance and administration. As Verhoef et al. (2021) emphasize, digital transformation is a multidisciplinary phenomenon that encompasses strategic, organizational, and technological dimensions, requiring firms

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to fundamentally rethink their value creation processes. This transformation has been further accelerated by regulatory changes across European markets, where governments increasingly mandate electronic business processes to enhance tax compliance, reduce fraud, and improve administrative efficiency (Comarch, 2025; Moody's Analytics, 2025).

Croatia follows this broader European trend through its ambitious Fiscalization 2.0 initiative, which mandates comprehensive electronic invoicing (e-invoicing) for all Value Added Tax (VAT)-registered businesses beginning January 1, 2026. This regulatory transformation represents a significant evolution from Croatia's existing B2G e-invoicing requirements, implemented in 2019. (Edicom Group, 2025). Croatia's commitment to digital transformation is further evidenced by its €1.1 billion (1.5% of GDP) investment allocation for digital initiatives through 2030, as outlined in the National Digital Decade Strategic Roadmap (European Commission, 2024). Despite these investments, Croatia continues to face notable digital preparedness challenges, with only 56% of Croatian SMEs achieving basic digital intensity in 2023, positioning the country below the EU average and highlighting the urgency of systematic preparation for mandatory e-invoicing compliance (European Commission, 2024).

The intersection of technological advancement and regulatory mandates creates both opportunities and challenges for SMEs, as digital transformation research indicates that successful adoption requires comprehensive organizational preparation encompassing technological infrastructure, workforce capabilities, and strategic alignment (Hess et al., 2016). In order to assure maximal benefits of digitalization steps it is obligatory to understand SME readiness for such regulatory changes.

## 2. Regulatory background and literature review

Recent research highlights that strategic frameworks for digital transformation in small and medium-sized enterprises (SMEs) should prioritize resilience and antifragility by leveraging dynamic and digital capabilities. At the same time promoting digital inclusion, and strengthening leadership orientation, organizational learning, knowledge management, as well as collaborative practices are the things to look out for. In order to gain effective transformation results, SMEs must cultivate deeper learning processes, enhance their digital competencies, and maintain high levels of flexibility and agility (Sagala & Ori, 2024). Digital transformation (DT) assumes the strategic integration of digital technologies across all business domains, necessitating a fundamental shift in both organizational culture and established operating procedures (CADCAM Group, 2024; European Parliament, 2023). Its implementation is not merely technical but involves adapting business models, developing digital skills, and transforming organizational culture. It is especially important for small and medium-sized enterprises, as digital tools enable greater efficiency, profitability, and operational flexibility (CADCAM Group, 2024). The European Union recognizes digital transformation as fundamental for enhancing competitiveness and sustainable development (European Parliament, 2023). Therefore, digital transformation is a continuous process of adaptation, learning, and innovation, ensuring organizations stay competitive and resilient to future challenges.

The Croatian government published the new Fiscalization Act in the Official Gazette on June 13, 2025, mandating that all VAT-registered businesses must issue and receive electronic invoices for domestic Business-to-Business (B2B) and Business-to-Government (B2G) transactions in structured Extensible Markup Language (XML) format compliant with European standard EN 16931 (KPMG, 2025; Sovos, 2025). Building upon Croatia's existing B2G e-invoicing requirement implemented in 2019 through the national platform "eRačun za državu" operated by Financial Agency (Croatian national e-invoicing operator - FINA), the new mandate expands to cover all domestic business transactions and introduces real-time reporting obligations to the Croatian Tax Administration (B2Brouter, 2025; European Commission, 2025). The system requires invoices to be transmitted through the Pan-European Public Procurement Online (e-invoicing network standard, Peppol) network using certified information intermediaries, with both issuers and recipients obligated to fiscalize (register) invoice data in real-time with the tax authorities (Fiscal-Requirements, 2025; LinkedIn, 2025). A testing phase will occur on September 1, 2025, allowing businesses to prepare their systems before the mandatory implementation date (ClearTax, 2025; European Commission, 2025).

From January 1, 2027, the mandate will extend to include non-VAT registered entities, sole proprietors, and public sector bodies not currently registered for VAT (European Commission, 2025; VatIT, 2025). The reform aims to reduce tax fraud, improve VAT compliance, enable pre-filled tax returns, and eliminate paper invoices in favor of fully digital processes (European Financial Services Agency, 2025; VatIT, 2025). Croatia has received EU approval for this B2B mandate through a derogation request under Articles 218 and 232 of the EU VAT Directive, aligning with the country's broader digital transformation strategy (European Commission, 2025; SEEBURGER, 2025). The government will provide free application like "FiskAplikacija" support smaller businesses in compliance efforts (Fina, 2025). Non-compliance will result in penalties for failure to issue, receive, or properly report e-invoices, emphasizing the mandatory nature of this digital transformation initiative (European Commission, 2025; Taxilla, 2025).

Various research consistently identifies specific barriers that SMEs face when adopting e-invoicing. Ng Cheng San et al. (2023) in their study of e-invoicing readiness in Malaysia identify that the majority of employees in SMEs fall into the "skeptical" segment who are concerned about risks, failures, benefits, and usefulness of e-invoicing. The research reveals

that the current level of SME readiness is at a moderate level, where employees have mixed feelings toward e-invoicing adoption with optimistic beliefs but also high levels of uncertainty (Ng Cheng San et al., 2023).

Some key challenges which SMEs face during e-invoicing implementation were identified. Those are including technological infrastructure and expertise limitations, as many SMEs may lack the necessary IT systems or trained personnel to implement and manage e-invoices. Additionally, initial costs of adopting e-invoicing platforms, including software, integration, and training, can be prohibitive for businesses with limited financial resources. (San, Suzana et al., 2025). Comarch SA. in their online content (Comarch, 2025) identifies ten key challenges for global businesses implementing e-invoicing:

- regulatory complexity across different regions,
- technological integration difficulties with existing IT systems,
- compliance risks and potential penalties,
- interdepartmental coordination challenges,
- supplier and customer onboarding complexities,
- data security and privacy concerns,
- change management and employee training needs,
- cost implications and ROI considerations,
- ongoing maintenance and support requirements,
- and scalability issues for growing businesses.

Authors Purkayastha & Kluabkaew (2025) likewise identify regulatory complexity and technological integration difficulties as leading challenges in global e-invoicing, noting that disparate country mandates and the need to retrofit legacy Enterprise Resource Planning (ERPs) create significant implementation barriers. Amalina and Suryani (2020) apply the DeLone & McLean IS Success Model to evaluate e-invoice implementation success at a state-owned enterprise. Research shows that information quality and system quality significantly impact user satisfaction, while user satisfaction significantly impacts net benefits. However, service quality has not been empirically proven as a significant influence on user satisfaction and intention to use.

ERP systems represent integrated information platforms that connect finance, accounting, sales, procurement, human resources, and logistics within a single environment. Their primary value lies in reducing data fragmentation and enabling real-time decision-making. Globally, ERP solutions are considered a backbone of digital transformation and are increasingly important in the context of regulatory compliance such as mandatory e-invoicing. In Croatia, ERP adoption follows the same global trend, but the market is highly fragmented and shaped by local specificities. Research shows that small and medium-sized enterprises (SMEs) often opt for localized ERP solutions that are adapted to Croatian legislation and accounting practices (Viro ITS, 2024).

Some of most used ERP systems in Croatia are Pantheon, Minimax, Synesis, and Odoo together with global corporations as SAP and Microsoft Dynamics. Pantheon is particularly prominent in Croatia because of its strong localization, flexibility, and modular approach, which allows SMEs to scale according to their growth (Pantheon, 2024). Minimax has become popular due to its cloud-based structure and relatively affordable pricing, making it accessible to micro and small businesses. Synesis, as a domestic solution, is often chosen for its integration with accounting and payroll processes and for offering local support. Odoo, on the other hand, is an open-source and customizable platform increasingly present among Croatian SMEs that seek lower licensing costs and greater flexibility (Ofir, 2025). SAP and Microsoft Dynamics are primarily used by larger enterprises and corporations, though some medium-sized companies also rely on them for international scalability (CORE, 2019). The main advantages of these ERP systems include automation of routine processes, improved efficiency, standardization of operations, and compliance with frequently changing tax and fiscal rules (Repozitorij EFZG, 2021).

Croatian ERP providers highlight that cloud-based solutions simplify updates when regulatory changes occur, which is particularly relevant for the upcoming Fiscalization 2.0 initiative. ERP systems also increase transparency and cost control, which are essential for SMEs that operate under financial constraints. However, Croatian companies also report significant challenges. The most common barriers include high initial implementation costs, lack of skilled staff, and the complexity of integrating ERP with legacy systems (Repozitorij PVZG, 2022). In addition, organizational resistance to change remains a serious issue, especially in family-owned SMEs that have used traditional accounting tools for decades. Another limitation is that SMEs outside of major urban centers often lack access to specialized consultants, which slows down adoption. The need for continuous updates and maintenance is also demanding, especially when legislative changes are frequent.

Overall, ERP systems in Croatia reflect both global technological standards and strong local adaptation. The fragmented market means that no single ERP dominates, but some solutions are holding a significant share among SMEs. Cloud-based systems are increasingly adopted due to their affordability and ease of compliance with fiscal regulations. For Croatia, ERP is not only a digitalization tool but also a mechanism for meeting regulatory requirements such as e-

invoicing. Therefore, the successful adoption of ERP systems will play a decisive role in ensuring SME readiness for 2026.

### 3. Research and discussion

The author chose to focus on small and medium-sized enterprises (SMEs) because they represent 99 % of all businesses in Croatia and account for more than two thirds of the workforce, thereby driving a substantial share of national economic activity (EIF, n.d.). SMEs often lack the dedicated IT resources and budgets of larger firms, rendering their digital preparedness and e-invoicing adoption particularly vulnerable. Their diverse range of sectors and varying digital maturity levels offers a comprehensive view of both common and unique implementation challenges. By prioritizing SMEs, the research can identify scalable, cost-effective solutions that benefit the broadest segment of the economy. Enhancing SME readiness supports national competitiveness and aligns with Croatia's broader digital transformation goals by empowering the backbone of its private sector.

For the purposes of this research, more than 4,500 small and medium companies in the Republic of Croatia were contacted. Due to lack of gathered replies, after two weeks, focus is set wider and included micro companies (more than 2 and less than 10 employees). Such change has made total of 6,927 contacted companies. Company contacts information, which formed the basis of the survey distribution, was obtained from the public domain records of the Court Register. The questionnaire was then administered using the Brevo newsletter service in conjunction with the authors' direct engagement with personnel in the targeted organizations. This methodological approach aimed to facilitate a targeted and efficient engagement with relevant respondents, ensuring the establishment of a reliable and valid database for the purposes of the research.

The survey was designed and administered using Google Forms. It has been used as efficient tool for simple and wide distribution as well as automatic collection and structuring of responses. Respondents could complete the survey within ten minutes, with full anonymity guaranteed.

The questionnaire was strategically structured to address key themes relevant to the assessment of SME readiness for the obligatory adoption of e-invoicing, set to commence in 2026. In the introductory section, respondents were asked to provide basic information about their enterprises, such as organizational size, industry sector, and geographical location by county. Such approach made it possible to analyze results further in the context of the regional differences in Croatia. The next section emphasized digital readiness, mostly the use of ERP systems, their way of implementation, and previous experience with e-invoices. Here, respondents were asked to assess the level of their employees' digital competencies and to indicate the ration of business processes that had been digitalized. Aim was in providing a clearer understanding of the extent of digital transformation achieved within SMEs.

Some questions were directed to cybersecurity. Mostly those included the level of investment in protective measures, perception of potential threats, and the need for additional information and training. The survey additionally explored respondents' awareness of forthcoming legal requirements, the extent of their current preparatory activities, the selection of information intermediaries, and their perceptions regarding the complexity of implementation. One of its most valuable ideas was to assess barriers that companies face, ranging from financial and technical obstacles to lack of time and digital skills on one side and the opportunity for respondents to express what types of support would be most useful to them on the other side. The diverse instrumentation, which incorporated single-choice, multiple-choice, and Likert scale items, facilitated both rigorous quantitative analysis and the exploration of the deeper, qualitative dimensions of respondents' attitudes, perceptions, and specific needs. In the end of survey, participants had the option to provide contact (email address) in case they wished to receive the research results. All contact information were and will be used exclusively for research purposes.

In this manner, the survey served as a comprehensive tool for assessing the readiness of Croatian enterprises for digital transition and the mandatory adoption of e-invoicing, while the selected implementation approach enabled rapid, targeted, and cost-efficient data collection.

The survey was conducted between August 25 and September 15, yielding a total of 98 responses, which corresponds to a response rate of less than 2%<sup>1</sup>. During the survey period, due to annual vacations many companies in Croatia experienced reduced staff availability, which significantly contributed to lower participation rates. Moreover, survey fatigue has emerged as an increasingly common phenomenon, as businesses are frequently approached for feedback, which in turn diminishes their willingness to participate in new research initiatives. In particular, some micro and small enterprises may possess limited digital infrastructure or rarely monitor public email accounts, which further decreases the likelihood of their inclusion in survey samples. Furthermore, the intensive day-to-day operations of SMEs, especially during late summer, frequently make it difficult to allocate resources to nonessential activities such as survey participation.

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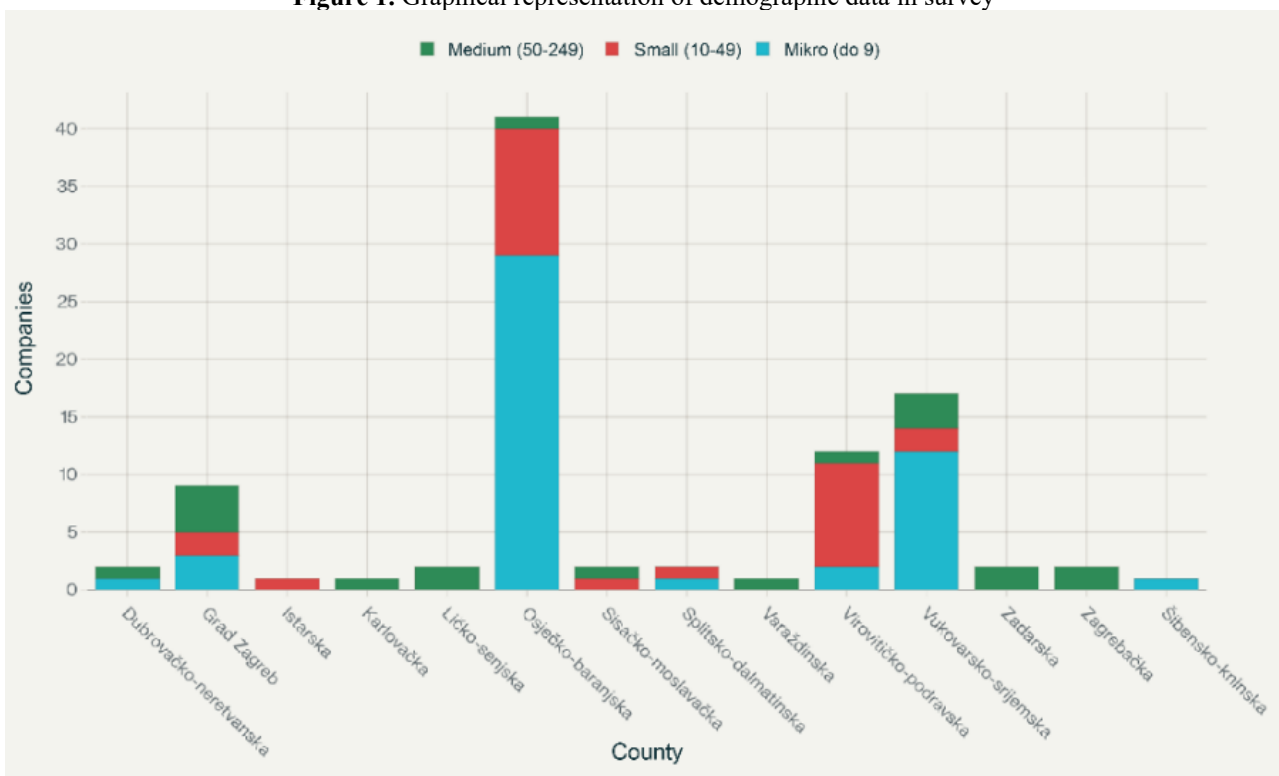
<sup>1</sup> Results are available at <https://tinyurl.com/icemit2025> (accessed September 28, 2025).

When response rates are low, research results become vulnerable to nonresponse bias, wherein participating firms may be systematically different from nonparticipants. Consequently, such bias can undermine the representativeness of findings and limit the extent to which results may be generalized to the broader population of Croatian SMEs. Additionally, a restricted sample size constrains the capacity to conduct meaningful subgroup analyses across sectors or regions, which in turn weakens statistical power and the reliability of inferences. Hence, conclusions drawn from such research should be regarded as indicative rather than definitive, as they represent only a fraction of the intended population. The limited number of responses also diminishes confidence in the robustness of the study and reduces its potential utility for evidence-based policy-making or strategic business planning. Nonetheless, while the collected data continue to provide valuable insights into prevailing trends and challenges, they must be interpreted with caution. Therefore, future research should prioritize broader sampling strategies, the mitigation of nonresponse bias, and enhanced methodological rigor in order to strengthen the validity, representativeness, and practical applicability of findings. Main four question groups will be discussed in next sections – demography, E-invoice preparedness, Cybersecurity and Digital awareness of employees.

### 3.1. Demography of respondents

The demographic profile of respondents reveals that micro-enterprises form the majority of participants, reflecting the dominance of the smallest firms in the Croatian economy. Small enterprises also participated to a notable extent, while medium-sized companies were represented more modestly. This distribution mirrors the structural reality of the national business landscape, where micro and small firms constitute the backbone of economic activity. Respondents came from a broad range of sectors, including manufacturing, trade, ICT, professional services, and various service activities. The presence of ICT firms indicates that technologically oriented enterprises were more inclined to engage with the survey (as well as author’s background and contacts were related to that companies), while traditional industries such as manufacturing and commerce ensured sectoral diversity. In terms of regional distribution, most responses originated from Osječko-baranjska County and the City of Zagreb, with fewer contributions from other counties. Even though this imbalance highlights regional differences in survey participation, the data still offer valuable insights into local business dynamics, particularly in regions with higher participation. Overall, the demographic structure of the survey sample suggests that the findings primarily capture the perspectives of micro and small enterprises in selected regions (Graph 1.). These firms often face greater resource constraints, both financial and human, when adapting to regulatory or technological change. While the variety of sectors adds to the richness of the data, the regional concentration and limited representation of medium-sized firms introduce potential bias. For this reason, results should be interpreted as indicative rather than fully representative of the entire population of Croatian SMEs.

Figure 1. Graphical representation of demographic data in survey

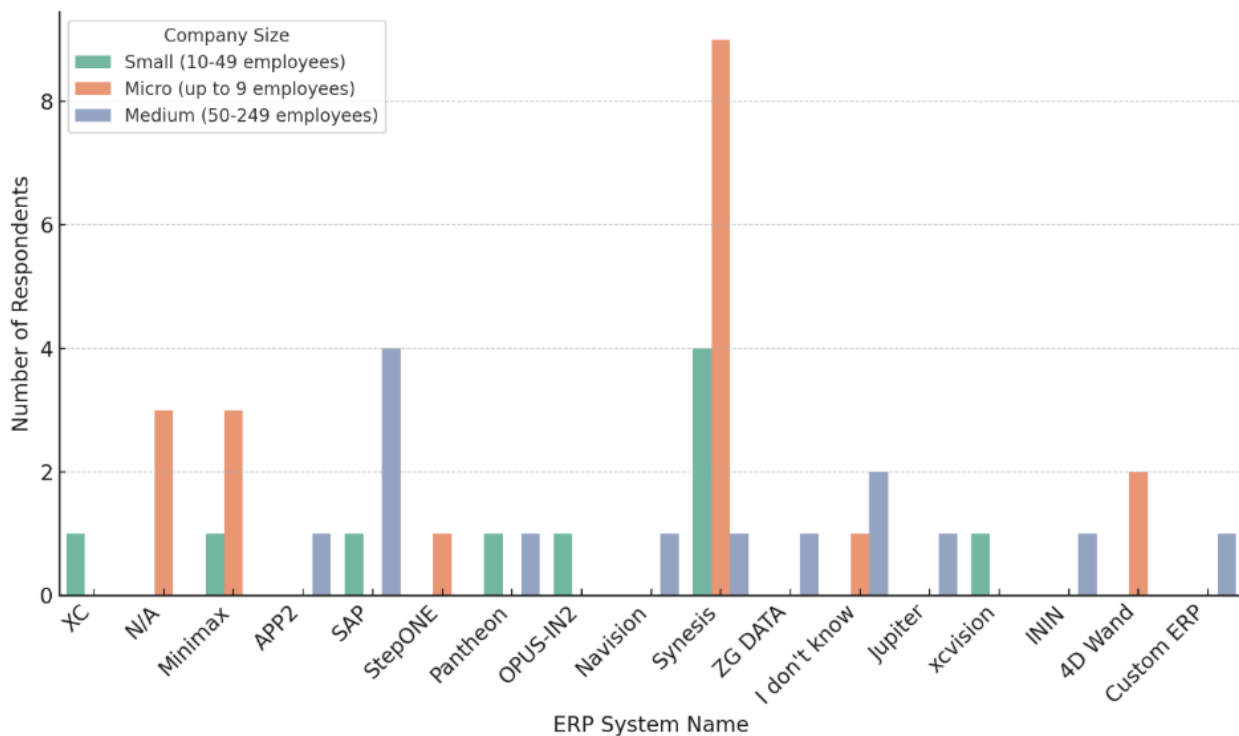


Source: Author

### 3.2. E-invoice preparedness

The survey results reveal that Croatian SMEs display a mixed level of preparedness for the upcoming mandatory e-invoicing reform. Nearly half of the respondents reported that their businesses do not currently use an ERP system, while a similar share already relies on such digital solutions, with a slight preference for locally hosted software over cloud-based services. When it comes to prior experience with e-invoicing, almost 39% of companies issue e-invoices on a regular basis, while another 45% use them occasionally, leaving around 16% with no previous exposure at all. This demonstrates that while a majority of SMEs are at least partially familiar with the concept, systematic adoption is still lacking. Implementation status further confirms this transitional stage: slightly more than half of the surveyed businesses have already initiated steps toward e-invoicing, whereas around 30% plan to act only by the end of 2025, and roughly 10% have not yet considered any preparations. On average, firms rate the complexity of implementing e-invoicing requirements at 3.2 out of 5, suggesting that many perceive the process as moderately demanding. In terms of the time needed for full adoption, 39% believe they could complete the process within one month, while 34% expect to do so within three months, and almost 20% anticipate a timeframe between three and six months. Only a small fraction estimate that they would need more than a year to fully comply. These findings underline that the level of preparedness is highly uneven across the SME sector. Businesses with ERP systems, especially cloud-based ones, generally feel more confident in adapting to new requirements, while non-digitalized companies anticipate greater challenges. Awareness of the 2026 deadline is present, but the readiness to act varies significantly depending on size, sector, and digital maturity. Financial limitations, lack of technical expertise, and integration concerns remain the most frequently mentioned barriers. At the same time, many respondents highlighted the need for additional employee training and technical support as essential forms of assistance. Overall, the survey suggests that Croatian SMEs are moving toward compliance, but progress is fragmented and often reactive rather than proactive. Early adopters are already embedding e-invoicing into their digital workflows, while a substantial portion of firms still plan to postpone preparation until late 2025. The preparedness level therefore reflects a cautious, step-by-step transition, underscoring the necessity of targeted support measures, financial incentives, and capacity-building initiatives to ensure a smooth and timely implementation across the sector. It is relevant to analyze the distribution of ERP system adoption among the surveyed companies in relation to their size, as illustrated in Figure 2. Out of a total of 98 respondents, 43 enterprises (44%) reported using an ERP system, 47 (48%) indicated that they do not currently use one (not shown on Figure 2), while 5 respondents (5%) were uncertain or unaware of whether their company utilizes such a system. These figures reveal that approximately half of Croatian SMEs surveyed still operate without ERP software, underscoring a substantial digitalization gap within the sector and highlighting the need for further investment in integrated business solutions.

**Figure 1.** ERP System used by company size



Source: Author

### 3.3. Digital awareness of employees

The survey findings illustrate that the digital awareness of employees in Croatian SMEs is at a moderate but uneven level. On average, respondents rated their staff's general digital skills at 3.9 out of 5 (Likert scale), which indicates solid foundations but also room for improvement. Employees appear confident in using basic IT tools such as email and office applications, with this dimension receiving one of the highest average scores (4.1). Adaptability to new software and digital solutions was rated slightly lower, at 3.7, showing that while openness exists, the transition to unfamiliar tools still creates challenges for some firms. Regarding the implementation of business platforms, including ERP systems together with e-invoicing tools, the recorded average rating was 3.4. This observation indicates that while a degree of familiarity is visible, it is not yet established as a standard operational practice. Interestingly, survived participants provided an average score of 3.1 to the statement that employees do not require additional training. It implies that most businesses still recognize a need for continuous capacity building. This perception aligns with the understanding that successful digital transformation depends not only on the development of appropriate technical infrastructure but also on the enhancement of human resource capabilities through continuous skill development.

Employee cybersecurity awareness was assessed at a mean score of 3.5, which indicates a moderate degree of adherence to established security protocols. This partial compliance is evident in common practices, including robust password management and the recognition of phishing attempts via suspicious email communications. However, this score also highlights that there's a room for digital security habits enhancement since those are not fully embedded across the workforce. In parallel, responses reported that some employees face real difficulties with independent use of new tools (average 2.8), and many often require additional assistance when navigating business IT systems (average 2.8). These findings indicate that continuous training and practical support remain essential components of day-to-day digital operations. The data analysis is characterized by a dual outcome. While Small and Medium Enterprises (SMEs) possess a workforce that generally demonstrates competence in fundamental digital tasks and receptiveness to technological innovation, a notable proportion of employees encounters difficulties with new applications, necessitating supplementary resources to ensure efficient operation of advanced business systems. This discrepancy shows the gap between digital potential and actual readiness. The findings imply that for successful implementation of mandatory e-invoicing, companies must invest not only in infrastructure / systems but also in targeted employee training programs. Enhancing digital awareness is expected to facilitate a smoother adaptation process, minimize resistance to organizational change, and reduce operational risks arising from potential errors or the improper use of digital platforms. Furthermore, strengthening cybersecurity awareness among employees should be a parallel priority, as human error remains one of the most vulnerable parts of digital systems. In this context, digital awareness should be understood not merely as an individual skill set but as a collective organizational capability that significantly affects the readiness of SMEs to comply with Fiscalization 2.0 requirements and to achieve broader digital transformation objectives.

## 4. Conclusion

The primary objective of this study was to assess the readiness level of Croatian SMEs for the obligatory transition to e-invoicing. This mandate is set to be enforced under the Fiscalization 2.0 initiative, with implementation beginning in 2026. The findings reveal that, although measurable progress has been achieved, overall preparedness remains uneven and is strongly correlated with company size, industry sector, and the level of digital maturity. A significant number of small and medium-sized enterprises persist in adopting a reactive stance toward the transition, frequently deferring the development and execution of implementation plans until the approach of critical compliance deadlines. ERP systems were identified as a decisive factor in ensuring regulatory alignment. Firms equipped with cloud-based ERP solutions demonstrated notably higher readiness levels and adaptability, whereas nearly half of SMEs still operate without any ERP platform, exposing them to significant integration and compliance challenges. At the same time, cybersecurity emerged as a critical but underdeveloped area—most companies rely on basic protection measures and possess only partial awareness of digital threats such as phishing or data breaches. Employee digital awareness continues to be uneven; although fundamental IT skills are generally prevalent, a substantial portion of the workforce still feels uncertain when it comes to navigating complex digital platforms and consistently adhering to robust cybersecurity protocols.

These results emphasize that successful compliance with e-invoicing requirements relies not only on the adoption of appropriate technologies but also on the development of a supportive organizational culture and the strengthening of workforce capabilities. Policymakers, ERP vendors, and business associations must therefore collaborate to provide focused training, technical support, and financial support (where possible) for digitalization activities. Such coordinated efforts would facilitate faster adoption and help mitigate the risk of digital exclusion among smaller enterprises. Although the study faces the methodological drawback of a modest response rate, the findings deliver critical empirical data regarding the current status of SME readiness for the regulatory changes. Providing wider sample and conducting longitudinal analyses in future studies would strengthen the evidence base and assure clearer understanding of sectoral and regional differences.

The shift to compulsory electronic invoicing surpasses a mere regulatory requirement; it marks a pivotal moment within Croatia's wider digital transformation journey. By integrating ERP optimization, cyber resilience, and human capital

development, Croatian SMEs can transform regulatory compliance into a strategic advantage, contributing in that way directly to the European Union's 2030 Digital Decade objectives.

Generating more substantive and actionable conclusions requires future research to adopt an expanded methodology, incorporating a significantly larger and more heterogeneous sample of firms across both regions and industries. The Chamber of Commerce could play a strategic role in this process by acting as an institutional facilitator to secure broader corporate participation. Furthermore, collaboration with the Ministry of Economy or other relevant governmental bodies could make participation rates higher by providing institutional support and adding the legitimacy to the research initiative. Expanding the respondent base would enable more detailed subgroup analyses, facilitate comparisons across sectors, and help identify regional disparities in digital preparedness. Also, the broader as well as more representative survey would provide optimal foundation for SMEs, ERP vendors, and policymakers guidelines for future steps in digitalization process. In order to conclude, it is safe to state that the transition to mandatory e-invoicing presents both challenges and opportunities for Croatian SMEs. Successful implementation will require well balanced approach that mix technological investments with human resource training, cybersecurity measures, and supportive public policies.

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