

A proposed modal for Small and Medium Size Enterprises (SMEs) to implement e-commerce in their organisation

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Abstract:-

E-electronic commerce is playing very significant role in the growth of small and medium size organisation (SMEs). SMEs can compete in domestic and worldwide market with the help of e-commerce. This conceptual model is based on that factor which affects the Business to Consumer (B2C) success. This conceptual study is based on 25 year research done on this area of e-commerce. This model is helpful for those organisations doing business using e-commerce. This conceptual modal is made seven important factors that are affecting internal and external efficiency of business. Each factor related to this modal is explaining or examine in detail, also check or examine it that how any company will integrate with there e-commerce.

Keyword: - 1.Electronic Commerce, 2.SMEs (Small and Medium Size Enterprises), 3.B2C (Business to Consumer)

Introduction:-

Electronic commerce is a process of buying and selling of product, providing services using internet facility, information and communication technology or networking. Due to globalisation of internet or World Wide (WWW) Web made effective medium to sharing information. E-commerce has very revelustional effect in organisation. Customer or organisation can share their information between business partner and firm.

A research is done by foster on e-commerce and they identified the results, foster has done a research on World Wide Web e-commerce in 2000 and they identified following at the end of 2004, the value of www, E-commerce will reach 6.8 trillion US \$ and for Asia pacific region it will reach US \$ 993 billion. SMEs are classified in following type Micro, Small and medium firm. Micro firm are those firms which have > 5 employees, Small firm has 5 To 20 employees and medium size firm has 20 To 500 employees.

E-commerce is contributing tremendous benefit to Small and Medium size companies. E-commerce also providing a lot of research opportunity for information and communication technology.

E-commerce helps small firms to increase their profit and visibility. SMEs are contributing economic, social structure, employment and regional and local development in this period of time. It becomes an important sector for the economy.

Knowing the benefit of e-commerce, companies are adopting limited of e-commerce in SMEs, in this research paper we develop a conceptual modal which help to adopt of e-commerce in SMEs. This research paper has five section introductions, research objective and question, literature review then develops a modal. This modal presented in lastly then come to acknowledgment and conclusion.

Research Objective:-

Business needs are changing day by day and companies will have to adopt new technology to compete in the market. By using internet facilities companies can sale and purchase their product globally and they compete efficiently and effectively. The adoption of e-commerce technology by the companies they can gain very competitive advantage from large firm and get opportunity for SMEs. SMEs can promote their business, improve their communication, increase information flow with their customer, identified potential

market for suppliers as well as partner, companies can easily introduce or produce new product. E-commerce also allows SMEs built-in flexibility, low cost structure, fully dedicated customer service, fast decision making.

This paper judge, the factors create affect to success of e-commerce in SMEs. It will also present a modal that evaluate the success of e-commerce in SMEs. Primary question of this model provide answer of internal and external success.

Literature Review:-

- A. Critical Success factor of e-commerce** - This concept was presented by D.Ronald Danel in 1960. After that it is used by F Rockart of MIT's which is helpful for top level managers to get key level information.

Various studies have been done to identify the critical success factor, issue and requirement of e-commerce in term of maintain flexibility, get the rich technology, add value, focus to expand, critical perception manage, and providing exceptional cervices and understand internal culture.

Turban also identified eight critical success factors for SMEs to become successful in e-commerce these are flexible payment method, secure e-payment method, minimum capital investment, crucial inventory control, quick logistic services, and high speed of internet.

Fox (201) defined on critical success factor of success of e-commerce on SMEs that right client should be target by e-commerce , examine the client relationship ,streamlining business processes, client total experience, developing a community that yours client proud part.

Dholakiya, Kshetri (2010), discuss internal and external organisation factor that can impact usage of internet in SMEs. Internal factor are self efficiency, past experience, firm size, knowledge of related technology and past use of marketing.

B. E-commerce for SMEs:-

SMEs can be characterised on the basis of their culture, personal relation cash limit or their task which they perform. Most of the SMEs are controlled by their manager or we can say them owner of the company. All the activity of the SMEs is performed surrounding of him and their performance ability and their internal financial sources.

In the past, SMEs are been restricted due to costly of technology. But at present time technology is cheaper, easily find IT skilled workforce and easy to adopt by SMEs.

Studies show that most of the SMEs are moving toward new internet based technology.

It is believe that Internet based technology provide opportunity for SMEs in 90s to adopt and grow their organisation and working environment. Most of the firm created their own website but they are now using online transaction yet, because SMEs found that customer has been slow to accept e-commerce technology.

Few of the companies adopt e-commerce while some of them take long time.

A study done by united state department of commerce that half of U.S. workforces are employed in major and minor industries, they are using IT relate products and services. Internet related jobs increase 29% and non internet 6.9% in first quarter of 1999. E-commerce increase 8% in 1999 and 35%in 2000 in USA.

With the help of e-commerce SMEs can improve their business process, reduce cost, relationship with the customers, and become globalized image.

Proposed Conceptual Modal:-

To developed conceptual modal e-commerce for SMEs we have done last 20 year of comprehensive literature review study. The proposed modal consists of relevant internal and external factor that is creating affects to success of e-commerce in SMEs. The proposed modal shows in Fig. 1.1. which are consisted of seven levels. Internal and external factor are divided further which is presented in table no 1.1.

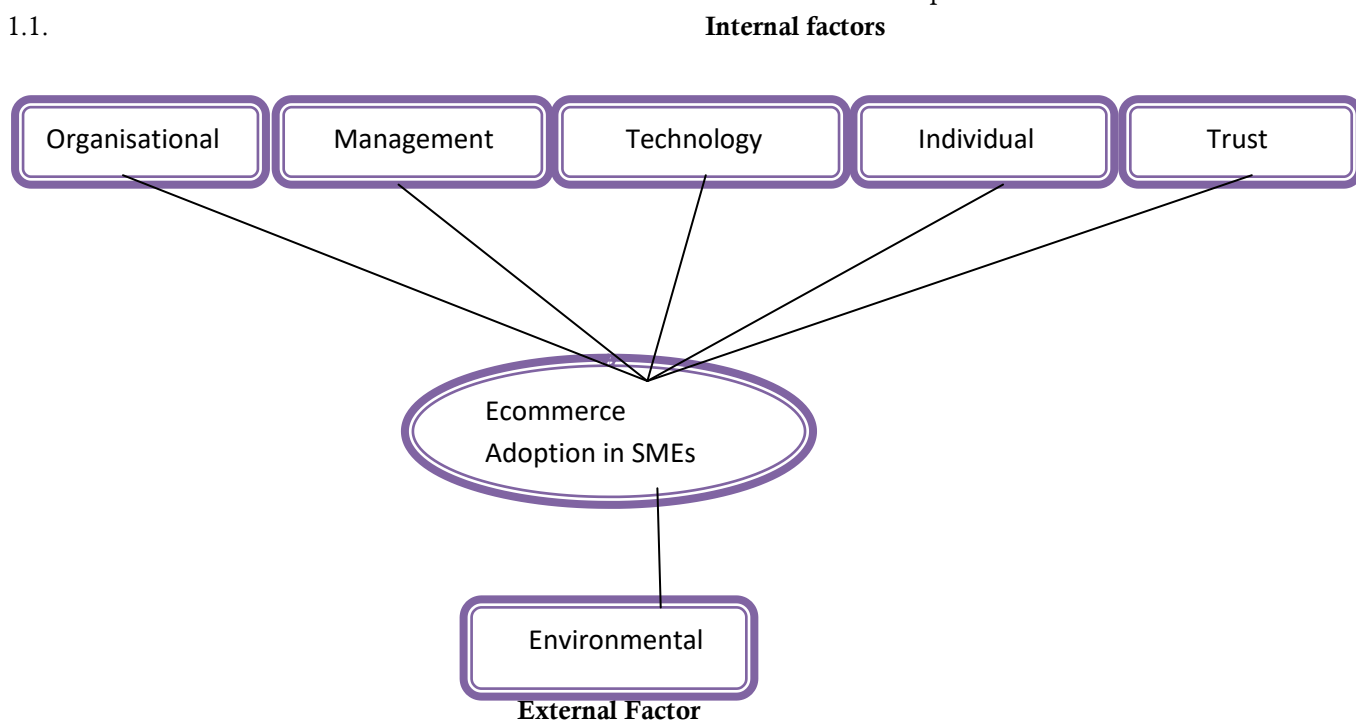


Fig 1.1 A Proposed Conceptual Modal for assessing e-commerce success in SMEs

Organisation	Management	Technology	Individual	Implementation	Environmental	Trust
1.Orgnisational Resource 2. Size of firm and Business categories. 3.Orgnisation Readiness 4.Employee Knowledge of IT	1.Project Management Team 2.Resourcce Commitment 3.Top Management Support	1.Competibility 2Technical Infrastructure 3.Communicato n Channels 4.Business Infrastructure	1.IT skilled person 2.Educational 3.Aawareness of owner 4.Worker expertise of individual	1. Product and Services. 2. Delivery and Payment. 3. Usefulness 4.Ease of use	1.Government support 2.Industery 3.National Infrastructure 4.competitive Pressure 5.Buyer/Consu mer Readiness	1.Security 2.Privesy 3.Trust

Table 1.1 Success Factor of e-commerce implementation in SMEs.

Organisation:-

Organisational factor are internal factor of any organisation, it is represented by organisation size, Organisation readiness, quality of information system, resource of organisation and support of managers.

Organisation readiness and firm size or their economic condition is depending to adopt the e-commerce in their organisation. Some of companies face the problem of enough resources to implement of e-commerce in their SMEs. Enterprise resources consist of Human, financial, technology. Some time organisation feels, it is not relevant for small scale companies, cost is higher for implement it, and further cost will also increase according to time to maintain the system.

Management: -

Management support, eagerness and interest play very important role to successful implement e-commerce in SMEs. Managers or CEO IT knowledge and innovativeness create positive effect toward implementation of e-commerce. International web should consist according to rules and regulation and culture, it should not be odious to any web user.

Technology:-

Technology is very important for any developing organisation. It has involved various component of technology such as, mark up and programming language like HTML,XML ,Java,VB .Net ,web development tools such as ASP,JAVA Script, Android ,Photoshop ,dream viewer, multimedia etc.

Different type of networking technology file transfer protocol such as SMTP.TCP/IP, POP, IMPS that manage email network and issue like quality of services (QOS).

A good technological infrastructure also reduces operational cost and increase production. According to different studies, it is very necessary to implement e-commerce in small and medium enterprise.

Individual:-

People consider very important part to implement and adopt e-commerce SMEs in any enterprise. These individual factors are staff, management, and customer greatly affected by the adoption of the e-commerce. The education and awareness of IT skill to staff and management is very important before and after implementation of e-commerce. Some of the organisation does not implement e-commerce due to lack of interest of their managers and employee. After implementing e-commerce then it many need employee work attitude, qualification and their performance. If employee already know new technology then it is very easy to adopt it.

Trust:-

One of the major problems to implement e-commerce in any enterprise is lack of trust between seller and customer. Due to implement e-commerce, security and privacy concern and transition between buyer and seller correctly on time also important of reliability concern.

Trust is defined by Grandison and Sloman as the firm believes in the competence of an entity of act security, reliability and dependability.

Implementation:-

There is very important to functional website according to customer and seller. The entire feature should be included in this website such as size, colour, background and text should be appropriate.

Appropriate and clear product and services, payment system through credit card debit card and internet banking or other type of gateway should be implemented. Website download time should be less and customer can register their id and password and product should be according to category. Email facility should also provide for customer.

Environmental:-

Competitive pressure has positive sign to adopt the latest technology. Implementation of e-commerce in marketing and customer services will impact the competitive and accelerate the SMEs. Government support is very important to adopt the e-commerce. Government is providing technical infrastructure, create rules and regulation. Customer trust their payment system security, privacy issue contents.

Conclusion:-

E-commerce still a new area for small and medium size enterprise therefore there is not so many models, framework is available. This research paper identifies to develop a new modal that evaluate the success of e-commerce. This modal will create the interest for those managers and owner of SMEs who is interested to implement e-commerce in their organisation. Further research will be validating and empirically testing the model. This modal will be implemented in various small and medium size enterprises (SMEs) to calculate the success and sub-success factor. According to SMEs and their opinion this modal will be further modified.

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