

10-2011

SMEs and Business Information Provision Strategies: Analytical Perspective

C. Okello-Obura

Makerere University, obura@easlis.mak.ac.ug

James Matovu

Makerere University

Follow this and additional works at: <http://digitalcommons.unl.edu/libphilprac>



Part of the [Library and Information Science Commons](#)

Okello-Obura, C. and Matovu, James, "SMEs and Business Information Provision Strategies: Analytical Perspective" (2011). *Library Philosophy and Practice (e-journal)*. 609.

<http://digitalcommons.unl.edu/libphilprac/609>

<http://unllib.unl.edu/LPP/>

Library Philosophy and Practice 2011

ISSN 1522-0222

SMEs and Business Information Provision Strategies: Analytical Perspective

[Dr. C. Okello-Obura](#)

Senior Lecturer
East African School of Library and Information Science
Makerere University

Dr. James Matovu
Senior Lecturer
East African School of Library and Information Science
Makerere University

Introduction

The development of the SMEs has long been regarded as crucial for the achievement of broader development objectives, including poverty alleviation, economic development and the promotion of more democratic and pluralist societies (Henriques n.d). It is imperative that business information - as an ingredient for business transactions and prospects – be, effectively, provided to the SMEs. This paper, thus, provides an analysis of the literature on the SMEs characteristics, business information provision and the dynamics of business development services. The main aim is to provide a better understanding of some of the principles and practices that can help in shaping the design of strategic measures to promote information access by SMEs.

SMEs

SMEs have been defined in various ways, but the most commonly used criterion is the number of employees in the enterprise (Kayanula and Quartey 2000). Definitions in many countries lack uniformity and reflect the relative development of the respective economies. However, the United Nations Conference on Trade and Development (UNCTAD) classifies firms employing 5 to 500 persons as SMEs (Neelamegham 1992:17). The Government of Uganda classifies SMEs as business firms employing 5-50 people [small scale] and 51-500 people [medium scale] (Kasekende and Opondo 2003; Schiffer and Wedder 2001:13; Uganda Bureau of Statistics 2003; Okello-Obura ... et al 2008). Whatever definition it takes, SMEs are important to socio-economic transformation and it is estimated that SMEs employ 22% of the adult population in developing countries (Daniels and Ngwira 1993; Daniels and Fisseha 1992; Fisseha and McPherson 1991; Robson and Gallagher 1995).

Characteristics of the SMEs information user groups

Apart from the number of employees, there are other key factors that characterise the SMEs and these are related to management and the nature of operations. The SMEs may be managed by their owners who are often assisted by family members (Okello-Obura ... et al 2009). In this regard, the decision-making system is quite flexible, informal and dependent on the personal drive of one or more of the executives. By their very nature of operation, the SMEs have a narrow range of products/services and a relatively simple and unsophisticated management structure with a narrow tolerance range of risk. Individual SMEs experience difficulties in achieving economies of scale in the purchase of inputs and are often unable to take advantage of market opportunities that require large production quantities, homogenous standards and regular supply. Above all, SMEs are confronted with situations where decisions are made

haphazardly and not based on accurate business information.

Issues of access to information by the SMEs

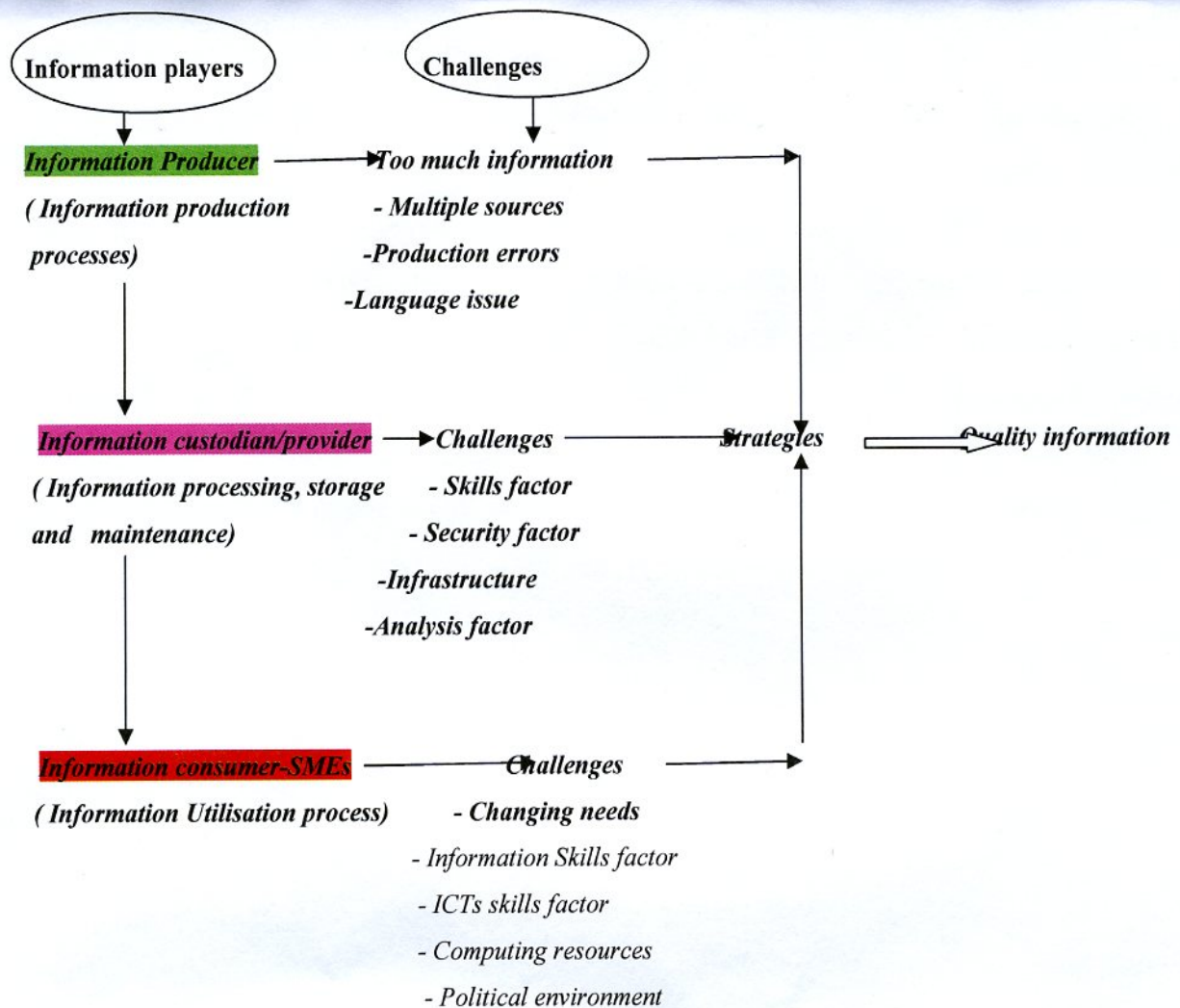
SMEs need to have access to adequate information to enhance productivity and to facilitate market access. The establishment of an active SMEs sector - and the effective utilisation of quality business information - has been identified as crucial in attaining long-term and sustainable economic growth for developed and developing countries, alike (Corps 2005). However, in most developing countries, the SMEs sector suffers from inadequacies in the provision of business information - which is only available from stand-alone institutions; is often slow and cumbersome to access; is limited in scope; and is not provided in an integrated manner (UNIDO 2005). A study conducted in northern Uganda by Okello-Obura ... et al (2008) shows that the SMEs depend, mostly, on informal institutions as they lack an awareness of important business information provision agencies or institutions. Access to information is insufficient. This is inconsistent with the requirement for effective competition in global market. The SMEs need tailor-made information solutions - i.e., business information services that assess, verify and apply information to a specific business problem (Okello-Obura... et al 2008).

In order to respond to the specific needs of the SMEs, business information services should create value by bringing together information from different sources - both local and international. This enables the integration of the SMEs into national and global value chains (UNIDO 2005). Okello-Obura ... et al (2008) argues that there is a need for collaboration between various industrial and trade organisations, professional bodies, private enterprises and government departments to provide SMEs with a comprehensive range of business information, advice and facilities. This implies that the issue of quality information becomes evident. However, this is dogged by numerous challenges.

Notable Challenges in providing information to SMEs from Information Quality Context

According to Strong, Lee and Wang (1997), poor information quality can create chaos. Unless its root cause is diagnosed, efforts to address it can be worthless. According to Ladzani (2001), the priority ranking of the SMEs needs, clearly puts information provision at the top of the list of services to be provided. The SMEs development is hampered by an "information-poor" environment. In most developing countries, market signals on business opportunities, customer trends, methods of organisation, etc., are not communicated, effectively, to the SMEs (Ladzani 2001; Okello-Obura ... et al 2008). The SMEs perform better in information-rich environments (Moyi 2000 and Ladzani 2001). To achieve quality within the information rich environment, some notable challenges need to be handled head on. In looking at the challenges, we need to consider them from the three core components i.e. information players, challenges faced and strategies (interventions) so as to achieve quality information. This is illustrated in Figure 1.

Figure 1: Conceptual relationships to determine Quality information for SMEs



An analysis of Figure 1 shows that quality information is only achieved when proper strategic interventions are instituted. The different concepts and challenges are here discussed:-

- **Information provider (Information production process)**- Under this, a number of factors are at play. Information producers sometimes produce information from the general use perspectives without a focus to any particular group like SMEs in mind. This poses a challenge in the selection and synthesis process. Associated still with production is that there is sometimes too much information produced, multiple sources, production errors and language issue. For SMEs to access quality business information these challenges must be addressed with appropriate interventions. For instance, how do you handle the issue of too much information being produced? An appropriate selection criterion is required.
- **Information custodian/provider (Information processing, storage and maintenance)**- This stage has its own challenges that must be addressed so as to obtain quality information. For instance, the issue of the skills of the people handling information. How secured is the information so that a SME manager can make reference to at any time of the business?. Cases of theft of materials or unavailability of websites after sometime are common. For the case of Internet based resources, business information providers might need to have the skills of archiving business information resources. The availability of the infrastructure and facilities like computers, telephone, Internet etc is a crucial factor in contributing to quality business information access and utilisation. How capable is the business information provider in the analysis of business information needs and sources so as to synchronise within the limited resources?
- **Business Information Consumer (Information utilisation process)**- It is a well documented fact that SMEs managers are conversant in different languages. This poses a challenge not only to the consumer but also to the information providers. Which language will you use? Do you have translation services? Other questions include: what are the changing needs of SMEs? Do the SMEs have the information search and retrieval skills? Are they competent in ICTs usage? What of the availability of computing resources? Does the political situation tolerate access to information easily?

Generally when you are tasked to provide information to entrepreneurs it is imperative that you critically consider the arguments in Figure 1 in addition taking into consideration the following parameters as argued by Okello-Obura,... *et al* (2008) and Ladzani (2001):

The right information - Information has to be focused and precise and it has to be needs based. The information has to be constantly up-dated and concentrate on the challenges which the SMEs face. This will require information providers to apply the right systems and tools in identifying the needs of small and medium scale entrepreneurs.

The right packaging of information - Information needs to be easily understood for correct decision-making. This implies that the information providers - when packaging or repackaging information - should take into consideration the educational, social and economic background of those who seek information. It must be presented in both written and spoken form, taking into account that vernacular languages may play an important role.

Accessibility of information - It is of equal importance as to where, and how, the information is provided. Information providers may be too far away from the businesses. The form of presentation needs to take into account the learning styles of potential users. The SMEs get information from a variety of sources, such as their peers, competitors, suppliers and customers. Entrepreneurs are more likely to value - and use - information that comes from someone close to them who has a track record of practical credibility. This raises the question of which sources of business information are required for the SMEs and the problems of accessibility to the required business information. Will the sources only be restricted to formal sources, like libraries, radio stations, television stations etc., or will they include informal sources, like experienced business managers in the community, customers, etc.? Secondly, What measures should be instituted to reduce the problems that might affect accessibility to business information by the SMEs? The notion of right information at the right time and from the right place does not apply today in my view. It should be provision of information in the right form to the right user and using the *right mean*. This is because of the complexity of means of information provision today.

Scope of information - Business information service provision is a very broad field which overlaps with many other activities of service provision areas. It is, therefore, important that business information services include the following:

- Provision of information on business trends and markets
- Provision of information on business organisation
- Provision of advisory services - provided one-on-one - on *inter alia*: legal and regulatory aspects, business management, customer service, business expansion and diversification, technology, etc.
- Identification and communication of business opportunities
- Provision of access to linkages, finance and markets. For example, trade fairs
- Facilitation of business partnerships and referrals (Ladzani 2001, Okello-Obura ... *et al* 2008).

Impact of the use of ICTs to facilitate access to business information by SMEs

Accessing business information services has over the years been greatly enhanced with the emergence of various information and communication technologies. In developed countries, because of well-developed information and communication technologies (ICTs) infrastructure and easy access to computer hardware and software, SMEs enjoy easy access to business information services (Chiware and Dick 2008). ICTs can generate higher market shares either by reducing input costs and thus allowing firms to produce more of the same products, or by improving the quality of products or product packages, with, as a result, additional sales or higher-priced products (Mellor, 1998; UNCTAD 2008). Various technologies can have different economic impacts depending on the development level of a country. Economic performance is stronger in firms that use ICT and even more so in firms that use a combination of several ICTs. Most empirical studies of the impact of ICTs have found a positive correlation between the use of ICTs and corporate performance (UNCTAD 2009). This paper considers the use of computers, the Internet, broadband and mobile phones as focal catalyst in business information provision for SMEs.

Computer use

Computers are an important pre-requisite for the development of the information economy (UNCTAD 2008). Few studies based on developed country data have examined the impact of computer presence on labour productivity. In high-income economies, computer penetration in the business sector has typically already reached levels as high as 95 per cent. However, in developing countries the share of firms that use at least one computer for business purposes remains relatively low, especially among smaller companies and in rural areas. Without computers, firms are unable to make full use of ICT in their administrative, productive or marketing processes (UNCTAD 2009). This, in turn, will limit

their ability to engage in e-commerce activities. Increased use of computers by developing country firms may have a more important effect than in developed country firms. For example, a study of the manufacturing sector in Thailand (UNCTAD, 2008), showed that companies using computers had on average 10 times higher sales per employee than those without computers. When looking at the relationship between the intensity of computer use and labour productivity, an increase of 10 per cent in the share of employees using computers was associated with 3.5 per cent higher sales per employee in Thai manufacturing firms (UNCTAD 2008). Networking of computers and linking them to the Internet can further enhance the positive effects on labour productivity.

Internet and broadband use

There is growing evidence of the link between Internet use and business performance. The Internet enables online sales and purchases, often carried out through a website or an extranet, that can also have an effect on productivity. In the Netherlands and the United Kingdom, an increase in electronic sales appears to contribute significantly to labour productivity (Eurostat, 2008). In a number of European countries, fast-growing firms in manufacturing tend to engage

more intensively in online sales and purchases. Greater use of the Internet can also help to boost international and regional trade. One study noted that a 1 per cent increase in annual export growth in goods could be attributed to a reduction in the fixed costs of entry into foreign markets (Freund and Weinhold, 2004); the reduction in fixed costs was due to better market information made available through the Internet. In Sweden, where almost all companies have Internet access, the value added of Internet use was found to be dependent on the capacity of the companies' Internet connection (Statistics Sweden, 2008, UNCTAD 2009). Enterprises with a high speed connection were noted to make more use of the Internet, which in turn helped raise productivity.

As mentioned above, broadband connectivity appears to have a more positive effect on productivity in countries that already have a medium or high level of ICT use (measured by PC penetration). However, it is worth noting that most SMEs in developing countries are not effectively using the newer technologies especially the Internet to explore business opportunities. There are many reasons cited for the low usage of ICTs. These include: costs of the technologies, poor Internet connections and speed and most importantly lack of awareness of what the Internet offers (Chiwara and Dick 2008; Okello-Obura, et al., 2008).

Mobile phone use

Mobile phones have emerged as the most widespread ICT in the developing world. Choi (2009) notes that mobile technologies have made communication and information access very convenient and timely to users from the comfort of their own homes and offices and from wherever they are while on the move with their cellular phones units or PDAs (personal digital assistants). The new ways of working afforded by mobile technologies are characterized in terms of access to information and people anytime, anywhere. The use of mobile phone to conduct businesses among SMEs is growing everyday. What is however not well known is the impact of mobile phone usage on Internet usage among SMEs. This could be a very fertile ground for research.

To better comprehend information provision strategies, it is prudent that we review some practices from selected countries. The section below addresses this.

Information Provision to SMEs: Notable Examples

An analysis of some business information provision strategies/activities in a few selected countries is important for a better understanding of situations in terms of an appropriate information system design. China, which has one of the fastest developing economies with a key focus on the SMEs - as an engine of economic growth (Chen 2006) - was chosen from outside the African continent. From Africa, South Africa - a country considered the most developed in Africa and considered to be the economic powerhouse of Africa (International Marketing Council of South Africa 2006) - and from West Africa, Ghana - with a relatively similar economic situation to Uganda - were chosen. The GDP composition of Uganda by sector, according to a 2004 estimate, is: agriculture 35.8%, industry 20.8% and services 43.6%, while the GDP composition of Ghana as per a 2004 estimate is: agriculture 34.3%, industry 24.2% and services 41.4% (Ghana economy 2006; Wikipedia 2006).

China: Contextual settings

According to Kinnell, Feather and Mathews (1994:17) and Chen (2006), consumers in China are, increasingly, demanding higher quality in their goods and services. The Chinese SMEs have shown a fast growth - measured in terms of size, number, financial status or profitability (Chen 2006) - since the reform and opening-up of the country. The demand for higher quality in goods and services and the fast growth being experienced in the business sector - in turn - raises the significance of marketing within businesses. The value attached to marketing helps to define consumer needs; to design and produce appropriate quality products; to price them appropriately; and to distribute and promote them, effectively. It is important to note that potential overseas customers and joint venture partners also demand a high level of marketing activity from businesses. To achieve this, business information is required on all aspects of products, the market, production techniques and competitors. This need has led to the establishment of a number of practices in China to promote accessibility to business information by the business community. The role played by the Institute of Technical Information of China (ISTIC) - which was founded in 1956 - and the Government of China's Support and Consultation Centre for SMEs (SUCCESS) programme is most prominent (SUCCESS 2006, 2010). The ISTIC - in an effort to provide business information to the business community - is engaged in marketing its information products and services to meet the demands of the business community. The ISTIC's Rural Industrial Technology (SPARK) project, for example, aids township and village enterprises (TVEs) by providing them with business information, including technical information on raw materials; intelligence on commodity markets; and management information (SUCCESS 2006).

SUCCESS collaborates with various industrial and trade organisations, professional bodies, private enterprises and other government departments to provide the SMEs with a comprehensive range of business information, advice and facilities (SUCCESS 2006). The business information provided includes the following:

- Comprehensive information on government licensing and certification requirements for running different kinds of business
- A user-friendly website - www.success.tid.gov.hk - is a ready source to look for the SMEs interest information, services and facilities
- Free access to business electronic databases
- A wide collection of business reference materials in the reference library
- A regular publication on the SMEs topical issues.

SUCCESS also organises seminars, workshops and other activities to help broaden the SMEs business knowledge and to enhance their entrepreneurial skills. On Consultation services, the SMEs seeking professional and expert advice may apply for the "Meet-the-Advisors" business advisory service or join the SMEs mentorship programme and advisory service for potential business start-ups.

A set-up of SUCCESS with daily transactions taking place is shown in Figure2.



Figure 2: Set-up for Business Information provision and consultation

SOURCE: <http://www.sme.gcn.gov.hk/smeop/english/service.cfm> - SUCCESS offering free business information and consultation services to SMEs. (accessed 5 February 2006). OR <http://www.success.tid.gov.hk/eindex.html>. (accessed 25th January 2010)

An analysis of SUCCESS shows that television sets and face-to-face consultations can be used for business information provision. Within the Centre, seminars can be organised for SMEs on topical issues. It is worth noting that "the manner in which information is communicated will largely determine whether the community will react to it or not." For example, if outside information is offered in metaphorical speech, or is demonstrated in a way people are not used to, they will not be able to understand it and it will not make any impression on them (Meyer 2005) - an issue to

consider in the design of an information system.

Generally, the strategy used in China - and the set-up to provide business information to the SMEs - gives an indication of a possible strategy that could be applied in the design of a business information system for other countries.

South Africa

The role of the SMEs in South Africa is no different from other countries and the South African Government actively supports the SMEs. In his address at the President's Conference on Small Business, former President Mandela cited the following three reasons for the importance of the SMEs in the South African framework (South Africa, Department of Trade and Industry 1995a):

- The development of the SMEs is important for the social and economic development of the country, since they increase competitiveness and mobilise idle funds to productive aims.
- The SMEs development contributes to a more equal distribution of economic powers.
- The stimulation of the SMEs can reduce the level of unemployment.

Notwithstanding the South African historical focus on larger businesses, the small business sector represents a considerable portion of the economy. The total SMEs sector accounts for 84% of all private employment and the SMEs represent an estimated 80% of the total formal sector and they contribute more to the South African GDP than the cumulative amount of the corporate giants (Soontjens 2002). This, no doubt, calls for effective information provision initiatives for the SMEs productivity.

The Government of South Africa - through its Department of Trade and Industry (DTI) - established the Centre for Small Business Promotion (CSBP) at a national level. This centre gave birth to the Ntsika Enterprise Promotion Agency and Khula Enterprise Finance Limited. These are the main statutory bodies that were established to support and assist SMEs. The Centre for Small Business Promotion (CSBP) is a Chief Directorate that falls, directly, under the Department of Trade and Industry. It is responsible for all policies related to the SMEs and supports programmes that are - directly and indirectly - assisted by government. The centre also coordinates the implementation of the framework within central government to mobilise the necessary funds and supervise the establishment of other new institutions - proposed in the White Paper on a National Strategy for the Development and Promotion of Small Business in South Africa (Ladzani 2001).

The Centre for Small Business Promotion gave a directive to all nine provinces to form SMEs desks at provincial level. Staff members who were attached to the Department of Economic Affairs then constituted these divisions. The divisions are the first point of contact of small business people with the government. The purpose of these divisions is to give the SMEs support in all the provinces - including the provision of business information required (Ladzani 2001).

Ntsika Enterprise Promotion Agency (NEPA)

The Ntsika Enterprise Promotion Agency (NEPA) was given a mandate by the Government of South Africa to provide a wide range of non-financial services to local service delivery groups on a "wholesale" basis - meaning the delivery of resources to local providers in the different provinces and in their regions that work directly with the SMEs (Ladzani 2001). These services - that are offered by accredited local service providers - include the institution-building of these organisations; training programmes for entrepreneurs; the mentoring of individual firms; marketing; procurement advice; and technology assistance (Carana Report 1999:25). Examples of local service providers include the Local Business Services Centres (LBSCs), Non-Governmental Organisations (NGOs), Educational Institutions and Community Based Organisations (CBOs).

Local Business Service Centres (LBSCs)

Economic development at local level cannot be overemphasised. This is where there is much work in terms of the SMEs development. The LBSCs - defined in terms of their functions - are owned by the local business people and managed by the local people. Their services include training; marketing and linkages; counselling and referrals; and information gathering and dissemination (Ladzani 2001).

Tender Advice Centres (TACs)

Tender Advice Centres provide non-financial support to small businesses in the area of market access and procurement. They provide information about government tenders, counselling and support service to entrepreneurs. Examples of this support include assistance in the completion of tender documents and the provision of advice and information on tender opportunities. These services are made available to the SMEs through workshops and seminars on tendering procedures. The TAC program is run by accredited organisations around South Africa (http://www.brain.org.za/SUPPORT/tender_advice.html).

Manufacturing Advisory Centres (MACs)

Manufacturing adds much value to growing economies. In a country where blacks were not allowed to manufacture anything, the importance of the Manufacturing Advisory Centres (MACs) cannot be overemphasised (Ladzani 2001). These centres provide business information and advice to small and medium manufacturing firms.

Other

Other service providers that work closely with Ntsika are - among others - Non-Governmental Organisations (NGOs), Educational Institutions and Community Based Organisations (CBOs). It is important to note that though industrial associations exist as intermediaries for information access in South Africa, they are less frequently used by the SMEs for business information – especially, among the exporting enterprises (Gumede and Rasmussen 2002).

A brief assessment of the initiatives for the provision of information to the SMEs in South Africa indicates that there is a well-established procedure - from the national level down to the local level - with separate centres to handle each of the SMEs information needs. The integration of libraries, telecentres, CBOs and NGOs into an organised information system - specifically to supply business information to the business community - is a well thought out strategy. The information system in place seems to have a broader base at the distribution point of information to the SMEs than at the collection/acquisition point of information. In other words, business information is acquired by the government and distributed through a number of channels to the SMEs - depending on their information needs and interests.

According to Shokane (2003), however, despite the existence of these interventions to facilitate access to business information in South Africa - and the fact that information has been recognised as an important resource to use in modern business - there is still an apparent lack of, and need for, information by business entrepreneurs. In most areas of South Africa, there is also a heavy reliance on business colleagues, friends and relatives as sources of information. This situation is, apparently, attributed to a lack of systematic information skills on the part of business managers and insufficient knowledge or no knowledge of the true information needs of business managers on the part of information specialists (Shokane 2003).

Ghana

The Minister of Trade and Industry, Mr Alan Kyeremanten, said that the SMEs have a significant contribution to make to Ghana's socio-economic development and in the attainment of a middle income status of US\$1,000 *per capita* income by the year 2015 (Ghana 2006). Ghana's domestic economy continues to revolve around subsistence agriculture which accounts for 40% of GDP with a huge SMEs sector representing a considerable part of employment opportunities in the country (Boeh-Ocansey 1996; Tetteh and Burn 1999; Wikipedia 2006). The SMEs in Ghana can be categorised into urban and rural enterprises. The major activities within this sector include making soaps and detergents; weaving fabrics; designing clothing and tailoring; producing textiles and leather; village blacksmithing; tin-smithing; firing ceramics; cutting timber and mining; making bricks and cement; brewing beverages; food processing and baking; creating wooden furniture; assembling electronic products; agro-processing; producing chemical based products; and mechanical activities (Kayanula and Quartey 2000). To provide information for these activities, there are several categories of communication centres in Ghana. They range from a one-room facility - providing a narrow range of services - to facilities that provide training and a wide range of development-oriented services. Generally, the centres can be classified into two broad categories: those with a purely commercial orientation and those with a community/education service orientation (Owen and Darkwa 2000). Commercial-oriented centres are those that have been established with a profit motive. Almost all of them provide basic communication services, such as providing access to telephones, faxing and photocopying facilities. A sizable percentage provides secretarial - as well as computer-based - services. Although there is no study carried out to establish the level of utilisation of these centres by the SMEs, in particular, the business community does use these services.

Community/education-oriented communication centres provide basic services to address the needs of a given community. Among other objectives, the centres aim to

- tap the untapped potential of the people they serve.
- organise resources and expertise nationwide.
- foster the emergence of local capability.
- promote a unique and comprehensive approach to servicing the multiple needs of people they serve through the innovative use of ICTs (Owen and Darkwa 2000).

While they are not profit oriented, almost all of them charge basic fees for their services.

Services Provided

According to Owen and Darkwa (2000), providing access to telephone facilities is one of the most basic services. The first service offered by a new centre in Ghana is local, national and international dialling facilities - a human telephone booth. Another popular service is providing faxing facilities. Most people send and receive faxes at communication centres rather than at their offices or homes. Photocopying is done on a small scale with low-end, slow machines. Another service is video-viewing for individuals and groups. An increasing number of centres are providing computer-based services, such as word processing, creating spreadsheets and graphics. E-mail accounts are *via* Internet connections to free e-mail Web sites. Drop-in e-mail sending and receipt from a telecentre account is offered on a limited basis. Internet access fees start at US\$1.00 per quarter hour. Some communication centres have existing contracts with non-governmental agencies to provide basic secretarial services. Others provide Web site development for businesses and local agencies/enterprises. One of the prominent tailored centres for the business community is the Ghana Association of Business and Communication Centres (GABCC). This group has members from business centres in the major cities, such as Accra, Kumasi, Tema and Tarkwa. The centres offer photocopying, telephone and faxing services. In addition, they provide e-mail and software training (Owen and Darkwa 2000). They charge commercial rates for all these services - some of which are the same price as similar services in the schools and donor projects.

Trade Information Network

The establishment of the West African Trade Information Network (TINET) in Ghana has facilitated access to business information by the SMEs. The objective of the TINET is to establish and operate sub-regional trade information networks to ensure the continuous and regular flow of business information to provide business entrepreneurs - within the framework of computerised databases - with comprehensive and interlinked trade information systems (Owen and Darkwa 2000). This is done with the view to inform entrepreneurs of business opportunities in the sub-regional commercial exchange, in time. To achieve TINET objectives, the Ghana National Chamber of Commerce has a business-stocked library; reference and advisory services; a computerised business contact database; and business publications. The Chamber assists firms in their marketing functions through group facsimile (fax) and telex services. These resources are, essentially, available to the public - i.e., members and non-members of the Ghana National Chamber of Commerce. The facilities encourage small and medium firms to use these rapid modern means of communication at a very cheap cost (Owen and Darkwa 2000).

The existence of information provision mechanisms, like the Chamber of Commerce, in most countries and the nationwide existence of public libraries can be viewed as coherent measures that are in place to deliver business information services. However, situations in most countries - regarding public libraries as channel through which business information could be accessed by the business enterprises - are deplorable. It is imperative to note that the contributions of public libraries to the provision of business information to business enterprises is almost non-existent (OKello-Obura ... et al 2008). The following section briefly analyses business development services which are relevant for SMEs information provision.

Dynamics of Business Development Services for SMEs

Business Development Services (BDSs) refers to the provision of information, knowledge and skills - as well as advice on the various aspects of a business (Finnegan 2000). It, also, refers to the systematic manner in which the needs of business enterprises are addressed through an organised information system. BDSs are provided to help owners of enterprises obtain new ideas on how to improve their businesses through, for example, increasing productivity, reducing production costs or accessing a more profitable market (Finnegan 2000). These services include the transfer of information in various forms to the information user. It is a viable service that can be delivered by an organised information system. The impact of BDSs depends on how the owners of enterprises make use of the new ideas and the nature of commitment of information providers in the area to supply the required information to the established

system. Business development services may also be required for the establishment of - and operation of - an enterprise, such as information on legal services - for example, the registration of the enterprise; the training of owners and workers; and providing assistance in arranging contracts with larger firms.

These services may be provided free-of-charge or for a fee - depending on the functioning modalities set by the information system in place. It should be noted that informal BDSs also play a very important role in business information provision to the SMEs. Informal BDSs are those that are not provided by service providers (Finnegan 2000). They include information and advice provided by the relatives, friends or employees of the owner of the enterprise - as well as those services provided in the context of normal commercial transactions with suppliers, clients or contractors. Informal BDSs also include information obtained from media programmes – for example, radio and television - that might not, necessarily, be documented within the information centre or systems mechanism. These services are, usually, obtained free-of-charge. In many instances, these are, generally, the most important sources of BDSs used by the SMEs. It is important that BDSs should be demand driven and that the owner of an enterprise should recognise the need for BDSs assistance. However, the service provider may also have a role in helping the entrepreneur to identify specific problems within the enterprise by offering appropriate assistance.

According to Finnegan (2000), the guiding principles for the best practices of BDSs - for the SMEs - considered to be sufficiently elaborated on for application under most socio-economic environments, include:

Ensuring that BDSs are provided to the right clientele. This objective implies that BDSs should be provided to those who exhibit good entrepreneurial characteristics and who can make a good use of the services. Whether full fees are charged for the services or not, the provision of BDSs should be considered as a commercial transaction between the entrepreneur and the service provider.

Ensuring that BDSs are demand-driven. Experience shows that institutional service providers often neglect to assess the type of services needed by their clients (Finnegan 2000). In these cases, services - especially information services and training – are, mostly, supply-driven and do not reflect the real needs of the clients. Thus, ensuring that services are demand-driven presents two advantages: it can create a greater and more positive impact on the business, and it can encourage clients to start paying for the services they value.

Ensuring a strong sense of ownership. International experience shows that the best business information providers are people working in an environment which induces commitment and a strong sense of ownership (Finnegan 2000). This is often found amongst not-for-profit organisations or commercial firms, where the managers and staff members have a clear idea about the objectives of the organisation and the long-term plans for growth within the organisation. This implies that the managers and staff running the business information system should have an inclusive attitude and sense of value for the system.

Ensuring maximum outreach. The SMEs have always been able to access some basic services without the assistance of institutional service providers. They get useful information from clients, suppliers/contractors, friends, relatives or people in the same business. Owners and workers are often trained “on-the-job”. This does not mean that these services are all of the best quality. They are, however, sufficient for their immediate needs. Therefore, the objective of maximum outreach - in terms of helping the SMEs all over the region to obtain good quality information services that have a positive impact on their business - should be emphasised in any business information system design.

Ensuring cost-effectiveness. All enterprises strive to control costs to remain competitive or to increase profits. This should also be the case for service providers - whatever their legal status. Achieving maximum cost-effectiveness yields many positive results. More clients can be served with the same available resources and the cost of services can be reduced. Some services can be sub-contracted and preference may be given to providing services to groups or associations of the SMEs with a view to, simultaneously, reducing costs and reaching a larger number of clients. Should the business information be provided directly to each of the SMEs managers or should it be provided through an organised body, like the Chamber of Commerce and Industry or the Department of Production and Marketing, at a district local government?

Ensuring that BDSs achieve the greatest impact. The growth of an enterprise may depend - among other things - on the entrepreneurial spirit and qualifications of its owner and on the quality of BDSs it can access within the designed system. Service providers should be concerned with the impact of their services on the enterprise and, therefore, strive to provide services that respond to demand and that are of sufficient quality. It is important that BDSs providers, regularly, assess the impact of their services.

Conclusion and Recommendations

Managers of business enterprises use information as an integral part of their work and, hence, it is important to be

clear about what information is at the level of the individual users of information (Kirk 1999). The issue of business information provision to SMEs should be taken seriously and given utmost importance in national planning by every government. An analysis of the business information provision practices to SMEs points to the following factors which need to be considered in the provision of business information:

The contribution of SMEs to economic development of any country will continue making the provision of quality information central in national planning.

The business community (the SMEs) has unique information needs that need to be addressed with a specifically designed information system.

A multi-faceted approach to information provision is necessary because of the variation in needs, literacy and business prospects.

There is a need to broaden both the acquisition level of information going into the system and the distribution/dissemination points to ensure that quality business information from various sources is accessed by the different SMEs.

A considerable amount of time should be spent on designing strategies to address challenges faced in determining quality business information as argued under Figure 1.

The use of computers, Internet and mobile phones in business information provision notwithstanding challenges should be a dovetailed strategic business information provision mechanism.

Training needs of both the business managers of the SMEs and information specialists should be identified and recommended as part of the business information system design.

Public libraries cannot satisfy the business information needs of the SMEs - given their set-up and lack of proactive services provision. This is because the classic view of managerial functions of business managers, such as planning, organising, communicating, coordinating and controlling, suggests a rational and ordered approach to business information provision services - which public libraries lack.

As argued by UNCTAD (2004), promoting the use of ICT by SMEs in developing countries should be a major priority of national e-strategies – as a key instrument in the advancement of the information society called for by the World Summit for the Information Society (WSIS).

References

Boeh-Ocansey, O. (1996). *Strategies for strengthening small and medium sized industries in Ghana*. Accra: Anansesem Publications.

Carana Corporation Final Report. (1999). *Mid-term evaluation of the national strategy for the development and promotion of small business in South Africa*. SI: Department of Trade and Industry, Government of the Republic of South Africa.

Chen, J. (2006). Development of Chinese small and medium-sized enterprises. *Journal of Small Business and Enterprise Development*. 13(2):140:147. Available: <http://www.emeraldinsight.com/Insight/ViewContentServlet?Filename=Published/EmeraldFullTextArticle/Articles/2710130201.html> [accessed 12th October 2006].

Chiwere, E.R. & Dick, A. L. (2008). The use of ICTs in Namibia's SME sector to access business information services, *The Electronic Library*, Vol. 26, No. 2, pp: 145-157, available at: <http://www.emeraldinsight.com/Insight/ViewContentServlet?contentType=Article&Filename=Published/EmeraldFullTextArticle/Articles/2630260201.html>, (accessed 28th January 2010).

Corps, M. (2005). *Information and communications technologies in small and medium enterprise development*. Available: www.globalenvision.org/library/7/698 [accessed 15th December 2005].

Daniels, L & Fisseha, Y. (1992). *Micro and Small Scale Enterprises in Botswana: Results of a Nation-wide Survey*. Gemini Technical Report, 46. Washington D.C: Development Alternatives Inc.

Daniels, L & Ngwira A.(1993). *Results of a Nation-wide Survey on Micro, Small and Medium Enterprises in Malawi*. GEMINI Technical Report, 53. New York: PACT Publications

Eurostat (2008). *Final Report – Information Society: ICT Impact Assessment by Linking Data from Different Sources*. Luxembourg.

Henriques, M. nd. *Business Development services for SMEs: Preliminary Guidelines for Donor-Funded interventions*. Washington: World Bank

Finnegan, G. (2000). Micro and small enterprise development & poverty alleviation in Thailand: Project ILO/UNDP. *Working Paper2*: ILO. Available: <http://www.ilo.org/public/english/employment/ent/papers/thai2.htm> [accessed 4th March 2005].

Fisseha Y & McPherson, MA. (1991). A Country-wide study of small scale enterprises in Swaziland. *Gemini Technical Report*, 24. Washington D.C: Development Alternatives Inc.

Freund CL and Weinhold D (2004). The effect of the Internet on international trade. *Journal of International Economics*. 62 (2004): 171–189.

Ghana. (2006). Ghana: National Trade Policy. *Africa Research Bulletin: Economic, Financial and Technical Series*, Vol. 43, No.7,pp: 17035C-17036A. Available: <http://www.blackwell-synergy.com/doi/full/10.1111/j.1467-6346.2006.00372.x?cookieSet=1> [accessed 11th October 2006].

Gumede, V & Rasmussen, VK. 2002. Small manufacturing enterprises and exporting in South Africa: a preliminary assessment of key export success factors. *Journal of Small Business and Enterprise Development*, Vol. 9, No. 2,pp:162-171. Available: <http://www.emeraldinsight.com/Insight/ViewContentServlet?Filename=Published/EmeraldFullTextArticle/Articles/2710090206.html> [accessed 25th January 2005].

International Marketing Council of South Africa. (2006). *South Africa: economy overview*. Available: http://www.southafrica.info/doing_business/economy/econoverview.htm [accessed 11th October 2006].

Kasekende, L & Opondo, H. (2003). Financing small and medium-scale enterprises (SMEs): Uganda's experience. *BOU working paper*. Available: www.bou.or.ug/FINANCESMEs.pdf [accessed 15 December 2004].

Kayanula, D & Quartey P. (2000). The Policy environment for promoting small and medium-sized enterprises in Ghana and Malawi. *Working series paper*, 15. Manchester: Institute for Development Policy and Management, University of Manchester. Available: www.devinit.org/findev/Fd-wp15.doc [accessed 5th January 2006].

Kinnell, M, Feather, J, & Matthews, G. (1994). Business information provision for small and medium-sized enterprises in China: the application of marketing models. *Library Management*, Vol.,15, No.8, pp: 16-23. Available: <http://www.emeraldinsight.com/Insight/ViewContentServlet?Filename=Published/EmeraldFullTextArticle/Articles/0150150802.html> [accessed 1st September 2004].

Kirk, J. (1999). Information in organisations: directions for information management, *Information Research*, Vol, 4, No.3. Available: <http://informationr.net/ir/4-3/paper57.html> [accessed 12th December 2005].

Ladzani, W. (2001). Small business development in South Africa under the majority rule: *14th Annual Conference of Small Enterprise Association of Australia and New Zealand*. Available: <http://www.tsa.ac.za/corp/research/papers/wladzani2001small.doc> [accessed 13th March 2006].

Mellor, N. (1998), "E Commerce and the way forward", University of Wolverhampton., E-Business Seminar,.

Meyer, H.W.J. (2005). The nature of information, and the effective use of information in rural development. *Information Research*, 10(2). Available: <http://InformationR.net/ir/10-2/paper214.html> [accessed 3rd January 2006].

Moyi, E. (2000). *An analysis of the information-search process in micro and small manufacturing enterprises*. Available: <http://www.ipar.or.ke/dp15.pdf> [accessed 5th July 2005].

Neelameghan, A. (1992). *Information for small enterprises*. Bangalore: Sarada Ranganathan Endowment for Library Science.

Okello-Obura, C., Minishi-Majanja, M.K, Cloete, L.M. & Ikoja-Odongo, J.R. (2008). Business activities and information needs of SMEs in northern Uganda: prerequisites for an information system. *Library Management*, Vol.4, No.5.

Okello-Obura, C., Minishi-Majanja, MK, Cloete, LM. & Ikoja-Odongo, J.R. (2008). Improving information use by SMEs

in northern Uganda through ICTs, *MOUSAION*, Vol. 26, No.1, pp: 126-149.

Okello-Obura, C., Minishi-Majanja, M.K, Cloete, LM.& Ikoja-Odongo, J.R. (2009). Proposed Business Information System Design (BISD) for Small and Medium Enterprises (SMEs) in Northern Uganda, *Libri, International Journal of Libraries and Information Services*, Vol. 59,No.1.

Owen, W & Darkwa, O. (2000). Role of Multipurpose Community Telecentres in accelerating National Development in Ghana. *First Monday*, 5(1). Available: http://firstmonday.org/issues/issue5_1/owen/index.html [accessed 4th January 2006].

Robson G & Gallagher C. (1993). The Job creation effects of small and large firm interaction. *International Small Business Journal*, 12: 23-37.

Schiffer, M & Weder, B. (2001). *Firm size and the business environment: worldwide survey results: discussion paper 43*. Washington: World Bank.

Shokane, J.K. (2003). The use of business information by small and medium-sized enterprises in Acornhoek. *South Africa Journal of Library & Information Science*. 69(1). Available: http://web23.epnet.com/citation.asp?tb=1&_ug=sid+74A65B14%2D2BA5%D402E%2DB1C7%2D5 [accessed 1st August 2004].

Soontiëns, W. (2002). Managing international trade: an analysis of South African SMEs and regional exports. *Management Decision*, 40(7): 710-719. Available: <http://www.emeraldinsight.com/Insight/ViewContentServlet?Filename=Published/EmeraldFullTextArticle/Articles/0010400709.html> [accessed 6th July 2005].

South Africa, Department of Trade and Industry (DTI). (1995). *The Presidents Conference in Small Business*, Centre for Small Business Promotion, Pretoria. Available: http://www.polity.org.za/html/govdocs/white_papers/smallbiz.html?rebookmark=1 [accessed 3rd June 2006].

Statistics Sweden (2008). Yearbook on productivity 2008. Papers presented at the Saltsjöbaden Conference, available at: http://www.scb.se/statistik/_publikationer/OV9999_2008A01_BR_X76BR0802.pdf.

Strong, D.M., Lee, Y.W., & Wang, R.Y. (1997). 10 Potholes in the Road to Information Quality. Los Alamitos: IEEE Computer Society Press.

SUCCESS 2006. *Government information centre*. Available: <http://www.success.tid.gov.hk/eindex.html>. [accessed 11th October 2006].

Tetteh, E.O & Burn, J.M. (1999). Enabling Electronic Commerce: Lessons from National Information Infrastructure Strategies in Australia and Ghana. *10th Australasian Conference on Information Systems*.

Uganda Bureau of Statistics (UBOS). (2003). *A report on the Uganda Business Register, 2001/2002*, Entebbe: Uganda Bureau of Statistics.

UNCTAD (2004). UNCTAD's E-commerce and Development Report (2004), available at: www.unctad.or/en/docs/ecdr2004_en.pdf (accessed 4 April 2005),

United Nations Conference on Trade and Development (UNCTAD) (2008). Measuring the impact of ICT use in business: the case of manufacturing in Thailand, New York and Geneva: United Nations.

UNCTAD (2008a). *Measuring the Impact of ICT Use in Business: the Case of Manufacturing in Thailand*. United Nations publication. New York and Geneva.

United Nations Conference on Trade and Development (UNCTAD), (2009). *Information Economy Report 2009: trends and outlook in turbulent times*. New York: United Nations.

United States, Bureau of African Affairs. 2007. *Background note: Uganda*, available at: <http://www.state.gov/r/pa/ei/bgn/2963.htm>, (accessed 23rd July 2009).

UNIDO. (2005). Available: www.sme.gcn.gov.hk/smeop/english/service.cfm [accessed 4th January 2006].

Wikipedia. (2006). *Ghana*. Available: <http://en.wikipedia.org/wiki/Ghana> [accessed 11th October 2006].