



Chapter XVI

Management's Contribution to Internet Commerce Benefit–Experiences of Online Small Businesses

Simpson Poon

Charles Sturt University, Australia

The University of Hong Kong, Hong Kong

INTRODUCTION

The importance of management and Information Technology (IT) success had been repeatedly identified in small business IT studies (for example, DeLone, 1988). When measuring information satisfaction among small firms, top management involvement was found to be one of the most important factors (Montazemi, 1988). The quest for the role of management involvement in Information Systems (IS) success in small firms continued into the 1990s. For example, Yap, Soh and Raman (1992) studied a group of Singaporean small firms using earlier findings and discovered that CEO involvement was positively related to IS success. CEO involvement such as attending project meetings, involvement in information requirement needs analysis, reviewing consultants' recommendations and project monitoring are important to IS success. Thong, Yap and Raman (1996) pointed out that although management support was important, in cases where internal IS expertise was lacking, specialist knowledge (for example, engaging IT consultants in projects) was important to success. An in-depth study on

This chapter appears in the book, *Managing Information Technology in Small Business: Challenges and Solutions* by Stephen Burgess.
Copyright © 2002, Idea Group Publishing.

motivators and inhibitors for small firms to adopt computing identified managerial enthusiasm as a key motivator (Cragg, 1998). The overseeing role of management during system implementation was found to be important to success. Management support was also found to be an important factor for IT success in the case of personal computing acceptance (Igbaria, Zinatelli, Craig and Cavaye, 1997). All of these studies suggested that management involvement was critical to IS success regardless of cultural background.

Although these studies focused on small businesses, their definition of 'small firms'¹ varied greatly in terms of size and turnover. I highlight this because the IT infrastructure and investment of a 'large' small business (that is, with 100 or more employees) is very different from one that only has 10 or less employees. This difference might have accounted for the varying view of how important the role of management is compared to, say, external consultants. In a very small firm, the role of management is crucial because the CEO (or owner) is the key, if not the only, decision-maker. Without the very active push/participation of the CEO, no IS project can even get started. However, in a firm of 100 employees, there is likely to be someone (for example, the IT manager) who is responsible for IT development, and senior management only needs to endorse projects. Either way, the backing of management must be available for success.

In this day and age, IT applications are no longer just about in-house business software applications or local area networks. Today's IT issues are invariably linked to the Internet and Internet Commerce applications. *Is there any difference between traditional IT applications and e-commerce? Can we apply what we have learned from earlier small business IT experiences to e-commerce? Does the largely external nature of e-commerce systems mean that management needs to play a different role than in the past?* These and many other questions need to be properly addressed. The aim of this study was to explore the answers to some of these questions and bridge the knowledge gap between traditional small business IT systems (such as Accounting, Inventory Management, and so forth) and Internet Commerce systems. The results may help management to rethink how they can secure Internet Commerce benefit, and avoid activities that are non-effective.

INTERNET COMMERCE AMONG SMALL BUSINESSES

The Internet has fundamentally changed how business can and will be conducted. Statistics are pointing to increased adoption of Internet Commerce

18 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/management-contribution-internet-commerce-benefit/25880

Related Content

Challenges for Innovation Due to Firm Size: The Case of Brazilian Industrial Firms

Graziela Ferrero Zucoloto and Mauro Oddo Nogueira (2020). *Start-Ups and SMEs: Concepts, Methodologies, Tools, and Applications* (pp. 1288-1308).

www.irma-international.org/chapter/challenges-for-innovation-due-to-firm-size/245509

A Study of Software Process Improvement in Small and Medium Organizations

Deepti Mishra and Alok Mishra (2008). *Software Process Improvement for Small and Medium Enterprises: Techniques and Case Studies* (pp. 140-157).

www.irma-international.org/chapter/study-software-process-improvement-small/29625

Digital Transformation of Small and Medium Businesses

Aizhan Baimukhamedova and Malik Baimukhamedov (2023). *Advancing SMEs Toward E-Commerce Policies for Sustainability* (pp. 19-43).

www.irma-international.org/chapter/digital-transformation-of-small-and-medium-businesses/314718

A Model to Reduce the Risk of Projects Guided by the Knowledge Management Process: Application on Industrial Services

Menaouer Brahami and Nada Matta (2020). *Start-Ups and SMEs: Concepts, Methodologies, Tools, and Applications* (pp. 86-101).

www.irma-international.org/chapter/a-model-to-reduce-the-risk-of-projects-guided-by-the-knowledge-management-process/245446

Knowledge Sharing Relation to Competence, Emotional Intelligence, and Social Media Regarding Generations

Nora Obermayer, Anikó Csepregi and Edit Kvári (2017). *Knowledge Management Initiatives and Strategies in Small and Medium Enterprises* (pp. 269-290).

www.irma-international.org/chapter/knowledge-sharing-relation-to-competence-emotional-intelligence-and-social-media-regarding-generations/167265