

Strategical Use of ICT in Microenterprises: A Case Study

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ABSTRACT

Studies have shown that microenterprises need to work with strategic use of ICT (Information and Communication Technologies) if they want to survive and grow. Digitalization and the use of ICTs open new opportunities for microenterprises to improve their businesses. The present article seeks to examine the use of ICTs in 61 microenterprises. A case study was conducted to investigate these microenterprises. The results of the study show that microenterprises need to work more strategically to use more advanced and cheaper ICT solutions and better business models to compete in the local and global markets.

KEYWORDS

Business Models, Digitalization, ICT solutions, Microenterprises

INTRODUCTION

The Importance of Micro Enterprises for Community Development

A microenterprise will usually operate with fewer than 10 people with small capital. Most microenterprises specialize in providing goods or services for their local areas. Microenterprises consists of nearly 99% of the entire business in EU countries and accounts for a large proportion of the new jobs created in the Western economies. Microenterprises account for a large share of innovations in an economy (Ortega-Argiles et al., 2009). Governments in most Western countries, including the UN and the EU are spending capital on the development of small firms. This is because globalization and ICT opportunities underpinning the EU's ambition for a knowledge-based economy and stimulate business in microenterprises to use ICT. (Taylor et al., 2004; EU, 2013).

A typical problem of small businesses includes: An inadequate flow of information about the markets, services, regulations and procedures; Problems with finding financial funds under advantageous conditions (initial and venture capital); Weaknesses in their own production capacity and a lack of innovation and the impossibility of carrying out innovations (Antova, 2007).

The Digital Development of Microenterprises

Digitalization has the following impact on micro companies today:

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- Digitalization as a social process;
- Digitalization of information;
- Digitalization as a business.

Digitalization as a business refers to improving or transforming business operations, functions, and processes by accessing ICT in order to inject innovations and ideas. Digitalization appears to be in new positions in the market for digital business models, which enables to create new digital trends. Some of the benefits to adopt this strategy are:

- Evolve business models to improve businesses, customer experience, more productivity, etc.;
- Automation and Factory of the future;
- Ease of doing business;
- Growth; Stay in the race and edge ahead of others.

Today, digitalization goes fast in society. In order for a company to survive and grow, it must participate in this change. The reason for this change is the use of information and communications technology (ICT). To use ICT is a challenge everywhere for microenterprises (Schreiner and Woller, 2003; Sanders, 2002; Lichtenstein and Lyons, 2001; Hyman and Dearden, 1998; Honig, 1998). Matthews (2007), Qiang et al. (2006), Raymond et al. (2005) have study in what way Information and Communications Technology (ICT) play an important role on the growth of microenterprises. Little has been done to provide business models and strategic that enable microenterprises to use ICTs competitively (Piscitello and Sgobbi, 2004) for that reasons strategic use ICT in microenterprises is therefore important (Downie, 2011; Sandberg et al., 2014; Sandberg et al., 2011; Sandberg, et al., 2009; Wahlberg et al., 2009). ICT usage give business opportunities and reduce the global competition (Cloete et al., 2002; Morgan, 2005), and make them growth (Matthews, 2007; Qiang et al., 2006; Raymond et al., 2005; Sullivan, 1985).

Most of the current research focuses on ICT adoption issues in large organizations (Sieber and Valor, 2008), and there are few studies directing on ICT and how it may sustain adoption in microenterprises.

In this study authors highlight the importance of ICT and business models in microenterprises.

Object of Present Study

The purpose of the study is to investigate how microenterprises use ICT strategically and how it can be used for the company to grow and survive.

METHOD

The present study is based on theoretical framework founded on existing research and searches in scientific databases with following key criteria's; business models, strategy use of ICT in microenterprises. The empirical part of the study examined 61 micro companies in Northern Sweden. The following data collection methods have been used using quantitative and qualitative data:

- **Archival material:** Internal source information about strategic documentations of ICT use in each microenterprise;
- **Information on electronic media:** The observations were made on all Microenterprises on the internet, social media and other marketing channels, following a guide based on our understandings from the review of literature;
- **Questionaries' and interviews:** Semi structured questions were administrated to owner or staff of microenterprise about strategy and microenterprise's ICT use.

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