



# HAVE YOU GOT IT?

In order to understand how information technology is being utilised by businesses, SME Advisor Middle East, in conjunction with Tickbox Surveys Middle East, conducted a survey of its readers. The aim of these monthly surveys is to provide a snapshot of the current practices in the market.

**I**t is critical for SMEs to ensure that they adopt appropriate information technology in order to capitalise on the opportunities that globalisation offers. If firms successfully adopt technology, not only can it ensure their survival but also lead to greater efficiencies and flexibility.

Academic evidence suggests that the adoption of information technology in SMEs is largely related to the behaviour of the owner. In other words, the behaviour of an owner can range from a pure administrator on the one extreme to an entrepreneur at the other end of the spectrum. The essential difference between the two is that an administrator approaches information technological adoption using a strategy based approach, on an analysis of the available data.

An entrepreneur on the other hand is less reliant on data analysis but more on intuition, backed-up by personal knowledge of their market conditions. In cases where the owner is not involved in the day to day operations of the company the characteristics of the most senior manager is equally important.

## IT strategy in SMEs

Over 70% of respondents in the survey felt that information technology (IT) was very important to the functioning of their organisations. Only 28% of the respondents felt that it was somewhat important in the operation of their business. SMEs in manufacturing and trading were of the view that IT was extremely important.

When it comes to making IT a part of the corporate strategy the survey found that 6% of the respondents did not have a written business plan or strategy. This is more reflective of a pure entrepreneurial organisation that tends to avoid the constraints of documenting and following a corporate plan. Instead these owners place greater importance on capitalising an opportunity and then dealing with any short-term problems that may arise as a result of non-planning the adoption of IT.

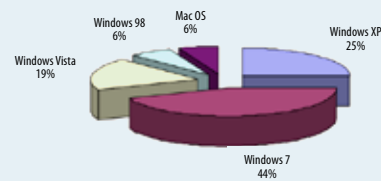
The view that technology was important was reinforced by the fact that almost half the respondents used a recent release of an operating system. The survey found that the most popular type of operating system for SMEs was Windows, with a 94% level of usage.

Second, was MAC OS with 6% of users. It appears that the wide spread availability of Windows and low start up costs in terms of skilled employees with experience of the software makes it the operating system of choice.

Close to 44% of respondents were currently using Windows 7 followed by 25% for XP and 19% for Vista. This largely implies that SMEs tend to keep abreast with software developments as long as the costs are reasonable.

At the other extreme the survey found that a small proportion of SMEs (6%) were using an operating system that is more than a decade old, namely Windows 98. This use of this particular operating system implies that these SMEs cannot have access to new technology advanced support machines.

Which operating system do you currently use in your firm?



## Online transactions

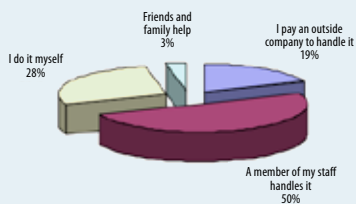
From a business viewpoint an SME seeking to be cost effective, as well as flexible, would be more likely to carry out a large proportion of its transactions using the Internet. The survey

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found some evidence to support this in the area of banking, whereby 91% of the respondents carried out the majority of their banking activities online.

When it came to online purchasing and selling of goods and services, the results from the survey showed that SMEs are fully utilising current technology. In fact, 28% of SMEs do not carry out any form of online purchasing, while 28% use it for less than 10% of their total purchases and a further 28% use it for 10% to 25% of their total purchases. Only 16% of SMEs use online purchasing for more than 50% of their total expenditure.

Who is primarily responsible for tech support in your firm?



The survey found that 38% of SMEs do not carry out any form of online selling of goods or services. A further 41% carried out online selling which represented less than 10% of their sales. Only 9% of SMEs carried out more than 50% of their sales online. Companies that tended to sell the bulk of their services online were in the business services and training sectors. SMEs that did not have any online selling tended to be in the trading and manufacturing sectors.

### IT challenges

The small size and financial constraints imply that SMEs may not have the same access to IT support as larger firms. The survey found that only 19% of the respondents have an external

firm that looks after the company's IT issues. Half of the respondents tend to have someone internally who has some level of IT knowledge and is able to solve most of the problems. In 28% of the cases the owner himself was responsible for providing IT support to the firm. A further 3% of respondents relied on family and friends to help provide support to the firm. Of course both of the latter solutions are less than optimal.

The survey found that 91% of the respondents used some form of social media in order to promote their business activities or seek business. It was interesting to find that the 44% of the respondents primarily used LinkedIn, followed by 31% for Facebook and 16% for Twitter.

The survey found all the respondents had a website, whether it was regularly updated or not. In terms of having the website, the single most important challenge was security. In fact, 23% of respondents felt that this was an important challenge that they needed to deal with. A further 38% were facing the challenge of regularly updating their websites, while 23% of the respondents felt that the time taken by external web maintenance companies to deal with problems was a challenge. Close to 15% of respondents felt that the cost of maintaining their website imposed a challenge to their organisation.

### Social media

A very large number of SMEs have successfully used social media to generate additional business and promote their products into global markets. The survey sought to find out first how wide the use of social media was by SMEs in the UAE and what was the primary medium.

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### Conclusion

The survey does show that IT is certainly a priority for SMEs in the UAE. And this is evidenced by the fact that vast majority of them tend to use a recent release of an operating system. As far as operating systems are concerned, 94% of SMEs use a Windows based system. In part this may be due to its widespread availability and the pool of staff that have the skills to use it.

SMEs in the UAE are familiar with online banking and tend to use it regularly. However, only a small proportion of SMEs tend to carry out the vast bulk of their purchases and sales online. In part this is reflective of the industry in which they operate. The survey found that as far as IT support was concerned, it was left to an internal staff member or the owner. All the firms had a website and their greatest fear was Internet security. In the case of social media, there is a distinct difference between business and non-business usage. ■

### About

Tickbox Surveys Middle East specialises in market research surveys for the consumer, B2B, investor, community and employee segments. It also specialises in helping companies to identify appropriate interventions for improving customer and employee satisfaction as well as loyalty through using surveys and statistical analysis. For more information visit [www.tickboxsurveys.com](http://www.tickboxsurveys.com).