CHAPTER 4 - ANALYSIS OF THE DATA

4.1 INTRODUCTION

The previous chapter outlined the research methodology used to conduct the study. The purpose of the chapter was to give a full understanding of the research procedures including selection of the population, research instruments used, and data collection process and data analysis techniques used. This chapter analyses the data that were collected from the survey of small, medium and micro enterprises and business support organisations. The overall aim of the survey was to investigate business information needs, information seeking patterns and business information services for small, medium and micro enterprises in Namibia. The results of the survey are presented in line with the research questions of the study as outlined in section 1.4.1 of chapter one. These results are presented in a descriptive format supported by graphical presentations of tables and charts.

The survey was carried out from 25th June to 12th August 2006 in the Windhoek and Oshana regions of Namibia. Out of the 308 questionnaires distributed to SMMEs, 197 were returned giving a 65% response rate and of the 60 questionnaires distributed to business support organisations, 32 were returned giving a 53% response rate. The two response rates of 65% and 53% achieved are considered good in survey research (Babbie 2004: 261) and the high response rate was partly attributed to an introductory letter provided to the researcher by the Small Business Information Centre (SBIC) in Windhoek (Appendix 2). The Small Business Information Centre provides business information services and business advisory services to SMMEs and due to the high number of people undertaking research in the SMME sector there is growing resistance to participating in research projects by business operators. It was advisable then to seek the SBIC support before approaching the business operators to participate in the survey.

4.2 BUSINESS INFORMATION NEEDS OF SMMEs IN NAMIBIA

The first part of the survey study examined the information needs and seeking patterns of SMMEs. The study covered two districts in Namibia: Windhoek, which is the capital city and Namibia's hub of commercial and industrial activities, as well as the Oshana region, which is made up of the small towns of Oshakati, Ongwediva and Ondangwa. The Oshana region is part of the northern region of Namibia, which is home to about 44% of the Namibian population. Since independence, the Oshana region has also witnessed a steady growth in economic activities, including the emergence of many small, medium and micro enterprises engaged in various business activities. Previously disadvantaged communities in pre-independence Namibia see this as a direct result of the liberalisation of the regulatory frameworks regarding the registration of businesses. The two regions were selected on the basis that they would be representative of the SMME sector in Namibia.

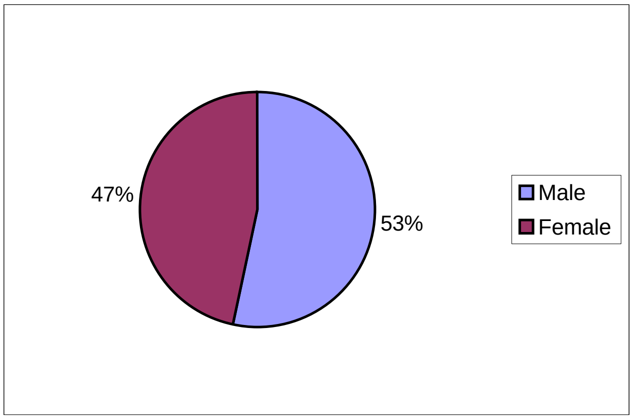
4.2.1 Background of participating SMMEs

The data presented in this section provides a summary of the main characteristics of the enterprises that were surveyed with regard to gender distribution, age and highest level of education attained by operators, industry sector, annual turnover, employment levels within enterprises, the period spent in business and whether businesses are family owned enterprises or not. The main target population of the study were the business owners. However, in some cases employees like managers and administrators also completed the questionnaires. It was emphasized to research assistants that the questionnaires were directed to business owners to ensure that the gender distribution in terms of ownership was measured accurately as well as the overall aspects of the questionnaires.

The distribution of the enterprises ownership according to gender shows that there is a fair distribution along gender lines in the SMME sector in Namibia. The data presented in

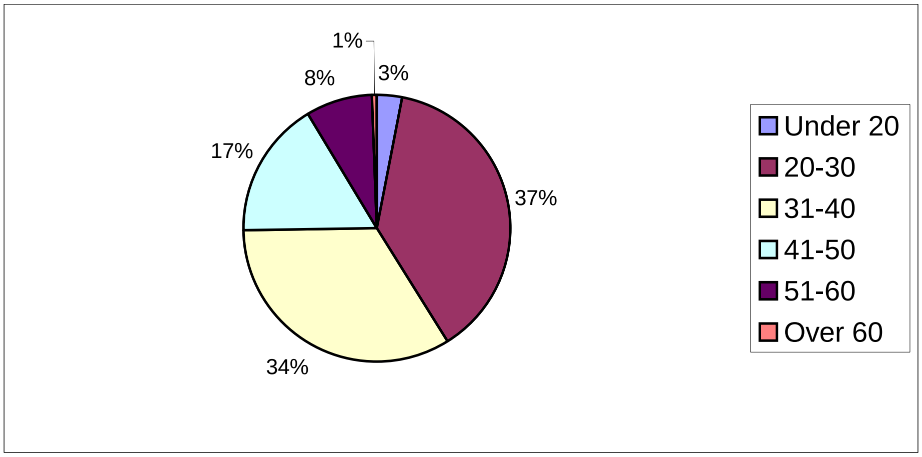
Chart 1 show that 53.3% of the businesses are male-owned while 46.7% are female-owned. The number of female-owned enterprises looks like it is growing, contrary to the popular belief that fewer women are engaged in formal business.

Chart 1: Distribution of SMME ownership by gender



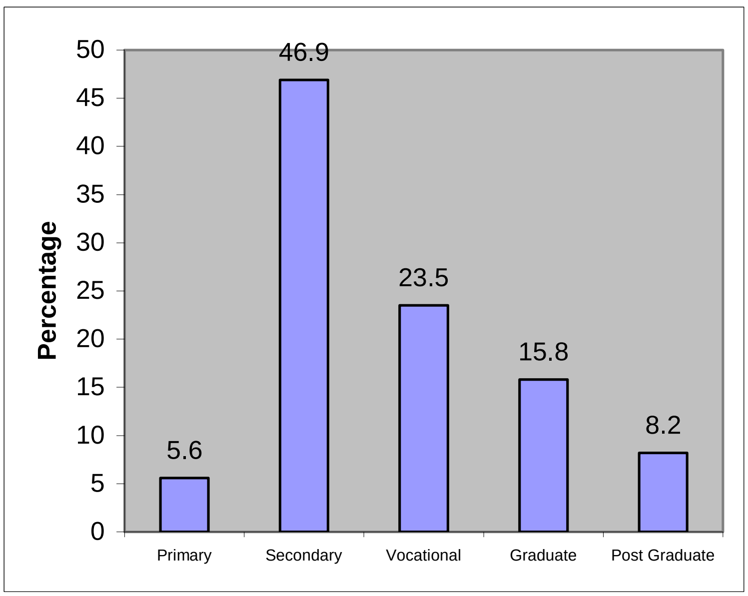
The age distribution of the responding business owners is presented in Chart 2 and it shows that most of the small business owners are in the 20 to 30 and 31to 40 age groups represented by 37% and 34% of the respondents, respectively. The 41-50 age groups are the next category representing 17% of the respondents while the 51 to 60 age groups represents 8% and over 60 age groups represents only .5% while the under 20 age group represents 3%. Most of the SMME owners are between the ages of 20 and 40 (71%).

Chart 2: Age distribution



The respondents were asked to indicate the highest level of education attained. The data presented in Chart 3 indicate that 46.9% of the respondents have attained secondary education followed by 23.5% with vocational training skills and 15.8% being university graduates. The lowest levels were recorded for primary education at 5.6% and postgraduate levels at 8.2%. The results indicate that most SMME operators have some form of formal education and that some have even advanced their education to gain vocational training skills, which would be very important in starting a small enterprise, especially in the manufacturing and technical services sectors.

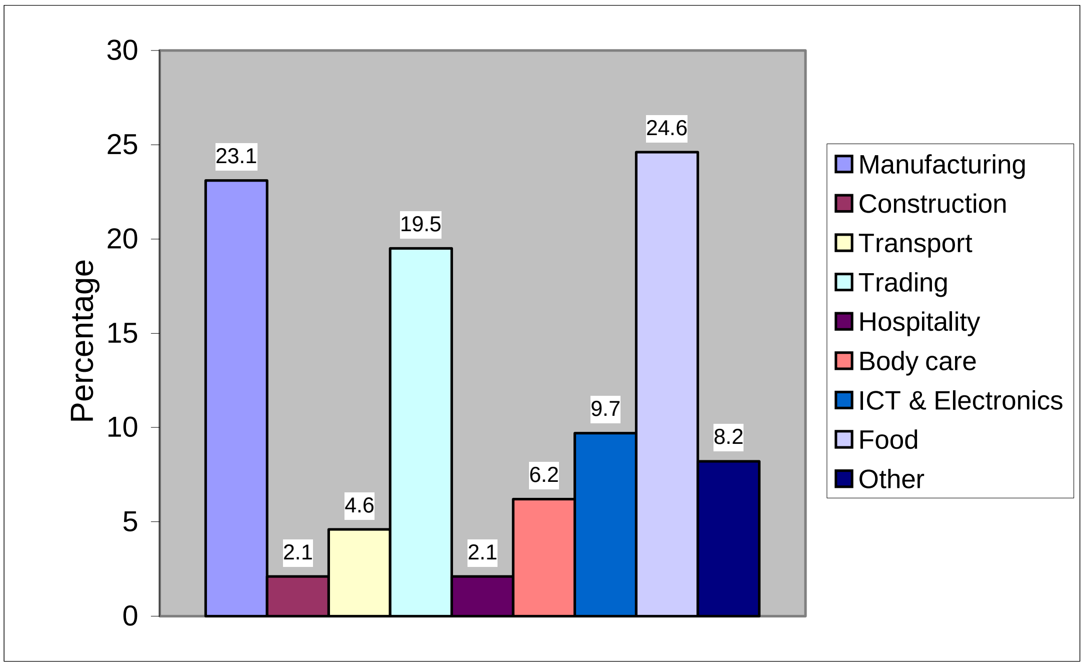
Chart 3: Levels of education



The distribution of the SMMEs according to industry sector or clusters of the participating enterprises in the Windhoek and Oshana districts as indicated in Chart 4 showed that 24.6 % of the respondents are operating in the food manufacturing, selling and catering businesses, followed by 23.1% in the manufacturing sector, 19.5% in trading and 9.7% in ICTs and electronics, 6.2% in the body care and health businesses, 4.6% in transport, 2.1% in construction and 8.2% in other sectors.

Those that indicated that they are in the manufacturing sector are mostly involved in metal welding, steel and aluminium fabrication, and the making of motor body parts. There is very little recorded in the textiles and garment sector and in leather manufacturing. The data also indicated that there are a growing number of small enterprises engaged in the ICTs and electronic services sector: selling of cell-phones and recharge cards, provision of phone shops and photocopying and printing facilities as well as the repair of electronic equipment. A number of enterprises also indicated that they were involved in dual activities like manufacturing and trading.

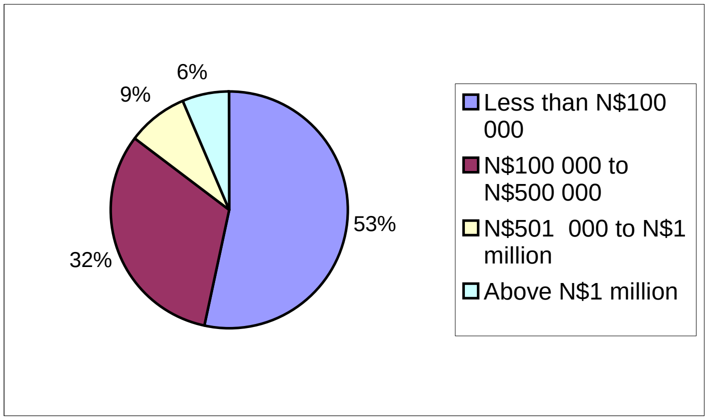
Chart 4: Industry sector distribution of SMMEs



The study also sought to establish how long the small businesses have been operating and the results indicate that 27.2% of the enterprises have been in business for less than two years, while 72.8% have been in business for more than two years.

The other important element to establish about the enterprises surveyed was the annual turnover levels and the data in Chart 5 indicate that 53.4% of the enterprises have an annual turnover of less than N$100 000[4], 31.8% have a turnover of between N$100 000 and N$500 000.00, 8.5% have a turnover of above N$500 000 and 6.3% of above $1 000 000.00.

Chart 5: Annual turnover levels among SMMEs



The data on the ownership of the enterprises indicate that 47.2% of the surveyed enterprises are family owned businesses while 52.8% are independently owned. On employment levels the data indicated that 80.6% of surveyed businesses had employment levels of from 0 to 10 employees, 13.1% had from 11 to 25 employees and 6.3% had from 26 to75 employees (Table 7). The data indicate that, according to our definition of SMMEs in Namibia, the majority are classified as micro enterprises.

[4] N$1 is equal to South African Rand -ZAR 1. Both Namibia and South Africa belong to one monetary union that also includes Swaziland and Lesotho. The smaller members of the union, Namibia, Lesotho and Swaziland rely heavily on South African imports of goods and services.

Table 7: Employment levels

Employment Levels	Percentage of total
0 to 10 employees	80.6%
11 to 25 employees	13.1%
26 to 75 employees	6.3%
Total	100

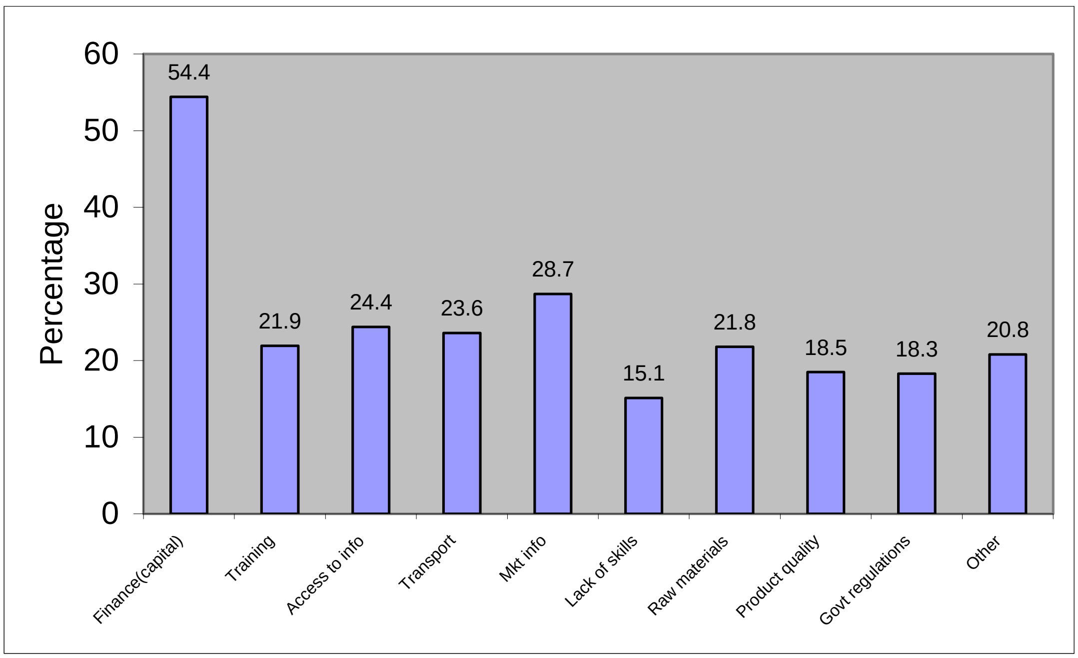
4.2.2 Information needs of SMMEs

Business information is important to small, medium and micro enterprises because their success depends on their ability to access information and use it strategically for the growth and development of their businesses. Enterprises require various types of business information as a result of their daily operations. In order to put the question of information needs in perspective, SMMEs were asked to rank the major constraints to the growth of their businesses (major constraints, medium constraints, low constraints and not a constraint).

The data in Chart 6 indicate that the surveyed enterprises ranked finance (54.4%) as by far the major obstacle to their growth and development. Finance as a major constraint was followed by access to markets (28.7%), access to business information (24.4%), transportation (23.6%), training (21.9%), and supply of raw materials (21.8%), product quality (18.5%) and lastly government regulations regarding the establishment of SMMEs (18.3%). As the data on business information services will show, business support organisations (section 4.3.2 Chart 19) also view access to finance by SMMEs as a major obstacle to their growth and development. However, a more detailed analysis of this problem indicates that SMMEs generally lack sound business proposals, management skills and collateral (security) and hence financial institutions do not consider many of them good candidates for loans. While finance is seen as a major obstacle to business growth there are other more pertinent issues that need to be addressed.

Access to markets emerged as the second most mentioned constraint in the growth and development of SMMEs. The data show that the Namibian market is limited and further that it is dominated by imports from South Africa, making it very difficult for SMMEs to market locally-produced products. Access to business information emerged as the third most important constraint behind access to finance and access to markets indicating the importance of information to the growth and development of enterprises and to this study.

Chart 6: Constraints to business growth in the SMME sector



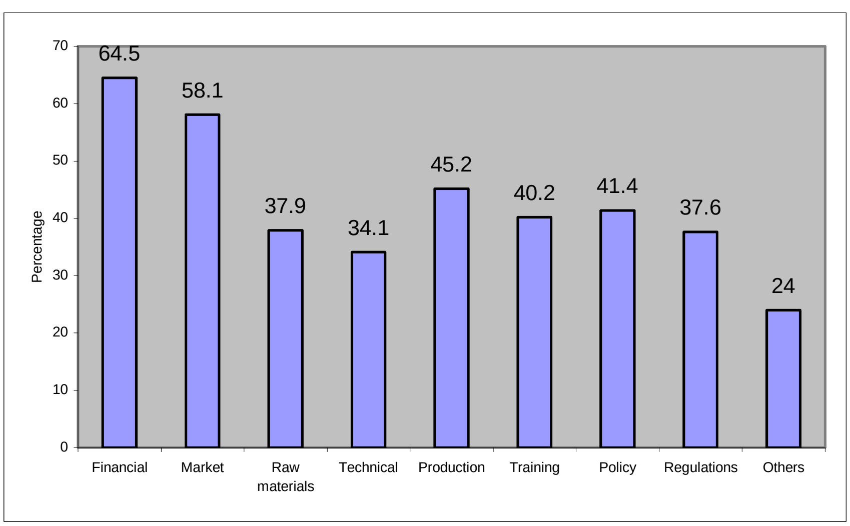
To establish the information needs of SMMEs, enterprises were asked to indicate the types of information required in their business operations as well as the importance of the information and the level of accessibility to the business information. The study grouped information requirements according to the following categories and respondents were required to rank them (highly required; moderately required; lowly required; and not required) according to their requirements:

- Financial Information;

- Marketing Information;
- Sources of Raw Materials;
- Technical Information;
- Production information;
- Training Information;
- Policy issues regarding SMME development;
- Regulations and Standards and
- Other types of business information.

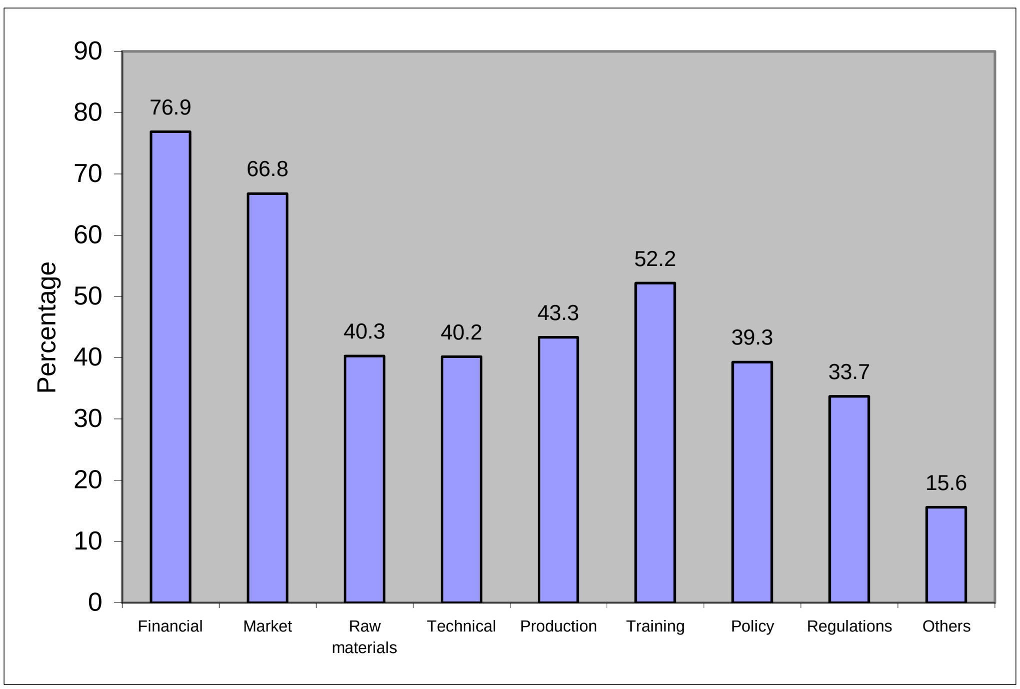
The data in Chart 7 indicate that enterprises ranked their information needs as follows: finance (64.5%), marketing information (58.1%), production (45.2%), training (41.4%), Policy/SMME development information (40.2%), sources of raw materials (37.9%), government regulations on SMMEs (37.6%), technical information (34.1%) and lastly other types of information (24%). The data showed that the information needs of the enterprises are closely related to the rankings of constraints to the growth and development of their businesses (Chart 6). Enterprises require a range of business information to solve a number of growth and development constraints. However as the results on information access will show, there are many barriers to accessing business information by SMMEs in Namibia.

Chart 7: Information needs of enterprises



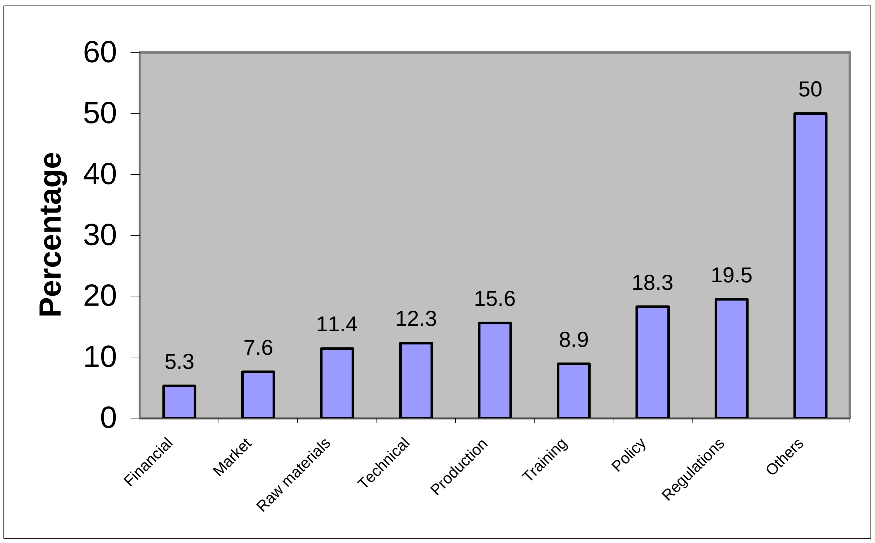
The surveyed enterprises were asked to rank the importance (very important, important, some what important and unimportant) of the above types of business information in their business operations. The data in Chart 8 indicate that the most important information still remained to be finance (76%), followed by market information (66.8%), training information (52.2), production (43.3%), sources of raw materials (40.3%), technical information (40.2%), policy development (39.3%), regulations and standards (33.7%) and other information (15.6%). The fact that there are no major discrepancies in the data presented in Chart 7 and Chart 8 shows some degree of reliability in the data collection process.

Chart 8: Level of information importance



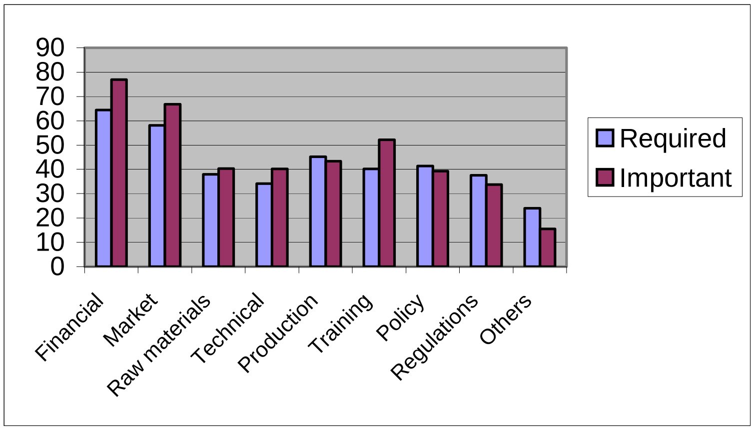
The question of information accessibility was also central to this study. Information access is often citied as one of the major obstacles to development in many economic activities in developing countries. The enterprises were required to rank the level of accessibility (very easy, easy, not easy and have no access) of the information indicated in Chart 7 and Chart 8. The data in Chart 9 show that it is not easy to obtain most of the important information required by the business operators. The most important and most required information, which was recorded as finance, marketing information, and training, was ranked low in terms of poor accessibility by the operators. The data show a consistency with the results on information needs and constraints to business growth (Chart 7 & Chart 6). This is despite the reported high level of availability of these types of business information services in business support organisations (section 4.3.2 Chart 20). This indicates a significant discrepancy between what information suppliers believe they are providing and the actual accessibility of this information by SMMEs.

Chart 9: Level of information accessibility



It should also be noted that most of the information areas of high importance had a low level of accessibility (Chart 9). Chart 10 further shows that there is indeed a correlation between the important information and the most required information and this showed that there is some degree of reliability that can be attached to the data collected in the survey.

Chart 10: Comparison of most required and most important information



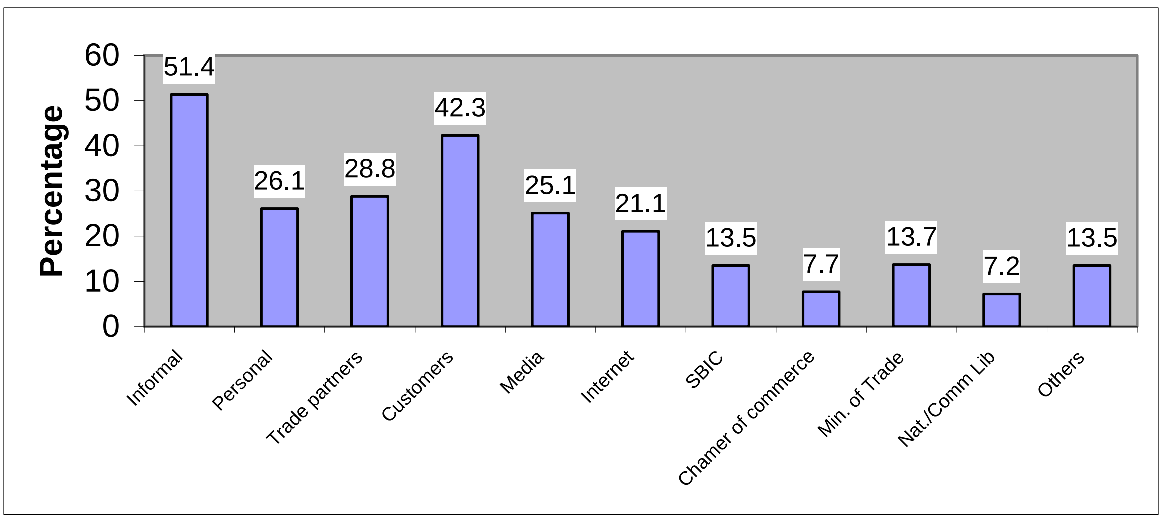
4.2.3 Information seeking patterns of SMMEs

The next important aspect of the study after establishing the information needs of the enterprises was to examine the enterprises' information seeking behaviours. As outlined in Chapter one, an understanding of both information needs and seeking patterns would help in the final design of a strategy for the delivery of sustainable information services in Namibia. Enterprises surveyed were asked if they were aware of where to obtain information for their business operations. The data indicate that 36.9% of the respondents were aware while 63.1 % were not aware of where to obtain information. Enterprises were further asked to indicate the frequency with which they utilise various information sources.

The data in Chart 11 indicate that the information seeking patterns of SMMEs are mostly informal and depend on staff knowledge. Internal documentation (51.4%), customers (42.3%) and trade partners and suppliers (28.8%) were cited as the most important sources of information. Personal friends and family members (26.1%), and the media (25.1%) were indicated as the next most frequently used sources of information by business operators. The least used sources were indicated as the Internet (21.1%), Ministry of Trade and Industry (13.7%), the Small Business Information Centre (13.5%), the local chamber of commerce (7.7%) and public libraries (7.2%). The results indicated that informal sources were the major sources of information for most enterprises. The established business information service providers are either shunned or did not provide adequate and relevant services to enterprises.

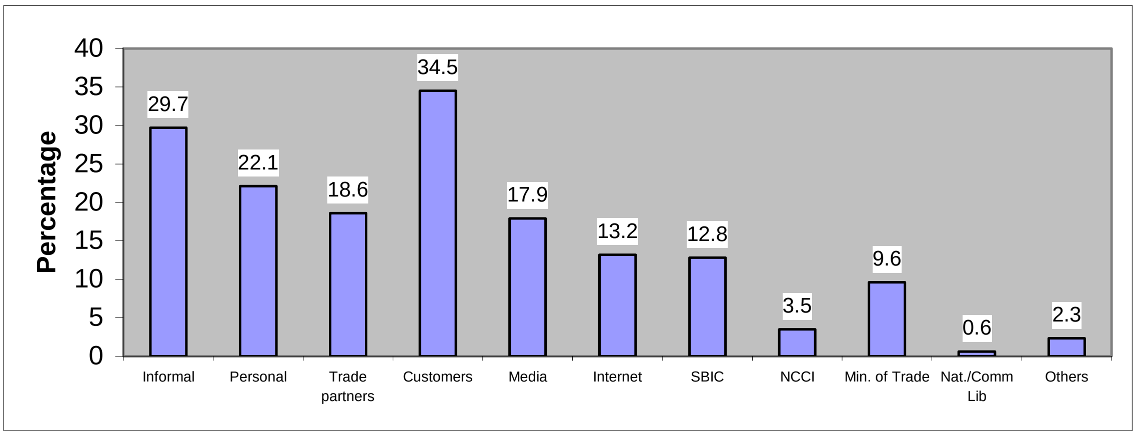
The in-depth analysis of information services in Namibia will later show that there is indeed a mix of business information and business advisory services and service providers feel that SMMEs are not responding to the various business information services that are available in the country. The data also indicated a low usage of some of the important business information sources like the Ministry of Trade and Industry, the Small Business Information Centre and the Namibia Chamber of Commerce and Industry. The Internet was also ranked low as a source of business information despite its growing importance globally as a source of business information for all sizes of enterprises.

Chart 11: Important business information sources (frequently used)



While Chart 11 shows the levels of importance of various sources of information used by SMMEs, the enterprises were also asked to indicate their satisfaction with the same sources. As indicated in Chart 12, enterprises are highly satisfied with sources they considered to be important. Customers' sources were ranked top at 34.5% of the respondents, followed by informal sources at 29.7%, information provided by personal friends and family members at 22.1%, supplied by trade partners/suppliers at 18.6%, media at 17.9%, Internet 13.2%, the Small Business Information Centre at 12.8% and the Ministry of Trade Industry at 9.6%. Again the results indicate the importance of informal information sources in the SMME sector.

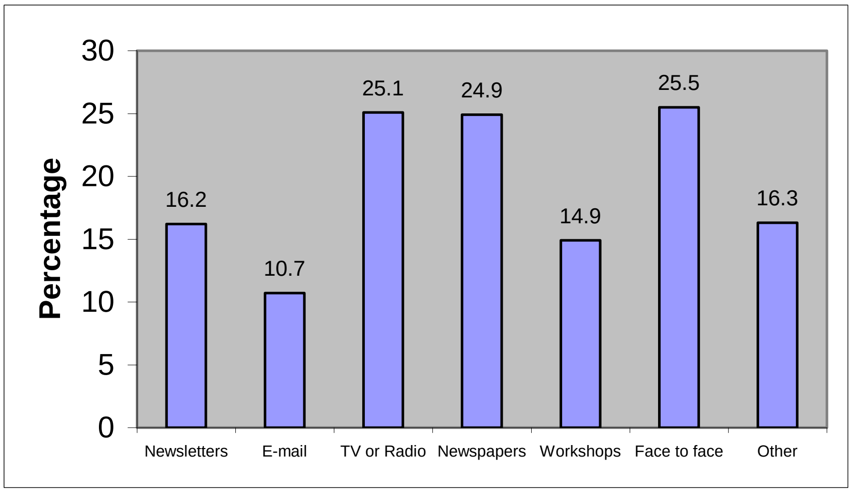
Chart 12: Level of satisfaction with sources of business information



Accessing business information from service providers should be an important preoccupation of enterprises. The surveyed enterprises were asked to indicate how they receive business information from service providers and as indicated in Chart 13, the most frequently used means to receive information were ranked as: face-to-face meetings with business support organisations (25.5%), TV and radio (25.1%), newspapers (24.9%), newsletters (16.2%), workshops (14.9%), e-mail (10.7%) and other means (16.3%), This is also confirmed by data from the open-ended question in the survey that sought comments and opinions on the best way that information could be delivered to SMMEs in Namibia.

Most SMMEs indicated in their responses that, face-to-face meetings, TV/radio and newspapers were the best means that business support organisations can use to deliver business information to the enterprises. The enterprises also indicated that personal visits and inspections by service providers would help to motivate them in their operations. Most feel that service providers provide lip service to the sector and that more could be done in terms of providing tailor-made information packages for industry specific enterprises.

Chart 13: Means of receiving business information



Several social, economic and environmental barriers exist in terms of accessing business information in the SMME sector. Barriers pose a range of problems and if not adequately addressed, they inhibit SMMEs from accessing business information. Once the question of the means of receiving business information was addressed, the next stage was to find out from enterprises the difficulties that they face in obtaining business information from service providers.

Enterprises surveyed indicated that the main difficulties in obtaining business information relates (Table 8) to the bureaucratic hassle of accessing information, both in terms of procedures required and time-frame involved, and a significant lack of awareness as to where information can be obtained. The lack of awareness of the existence of required information and the quality of information as well as the cost of information were also indicated as major difficulties in obtaining information from service providers. These difficulties are faced by enterprises despite the existence of many service providers who claim to have a wide range of business information sources (section 4.2.3.1 Chart 20). The data showed that there were several major obstacles that SMMEs face in accessing business information services. Furthermore, the results indicated that lack of skills or knowledge of the importance of business information for enterprises' competitiveness was also a barrier to information accessing.

Table 8: Main difficulties in obtaining business information

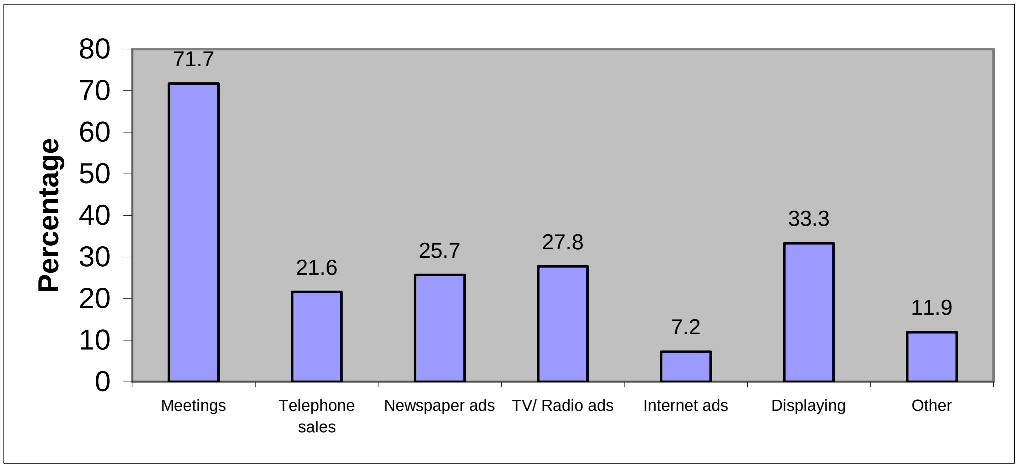
Main difficulties faced in obtaining information	Major difficulty	Occasional difficulty	Not difficult	Do not face this difficulty
It takes too long to obtain information from external sources	42.3%	32.1%	16.1%	9.5%
Do not know where to obtain information	39.3%	24.9%	16.8%	19.1%
Procedures of obtaining information from national sources are too complicated	32.9%	29.4%	19.4%	18.2%
Do not know if required information exists	37.8%	21.5%	18.6%	22.1%
Information is too expensive	31%	20.2%	25.6%	23.6%
Information is of poor quality	23.4%	24%	24%	28.7%
Others	14.6%	17.1%	14.6%	53.7%

4.2.4 Information exchange and storage

Proper information management practices are important to any business enterprise. The exchange and storage of all types of enterprise information was an important aspect of the study. Enterprises were required to indicate how they store business information and what means they use to communicate with their customers, suppliers and business support organisations. In the area of communication they were required first to indicate methods that they perceive to be the most effective in promoting their products and services. The data in Chart 14 indicate that the enterprises surveyed perceive the most effective means to promote their products and services as: meeting with customers

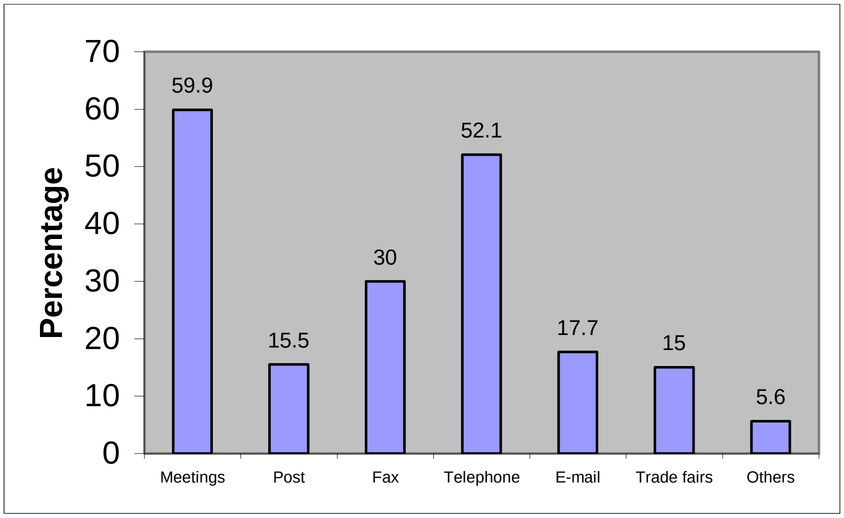
(71.7%), displaying their products (33.3%), advertising through TV and radio (27.8), advertising in newspapers (25.7%), and telephone sales (21.6%).

Chart 14: Methods perceived to be most effective in promoting products and services



While Chart 14 indicates the methods that SMMEs perceive to be most effective in promoting products and services, the data in Chart 15 indicate the actual methods used in communicating with customers, suppliers and business service providers. The data in Chart 15 indicate that face-to-face meetings (59.9%) were the most widely used means of communication between enterprises and their customers. The telephone (52.1%) and fax (30%) are also indicated as the more widely used means of communicating. In the lower end of the communication channels used are e-mail (17.7%), conventional letters (15.5%) and trade fairs and exhibitions (15%). While many service providers promote the use of trade fairs and exhibitions for SMMEs to showcase their products and services in Namibia, SMMEs shun these events due to the high costs of securing an exhibition stall. The data indicate that the business communication tools that are widely owned by the enterprises are indeed the ones widely used for communication (section 4.2.5 - Table 19)

Chart 15: Effective methods used for the promotion of products and services



In order to have a further understanding of information management systems within the enterprises, they were required to indicate how they store various types of information. The study categorised information kept in enterprises as:

- Inventories/stock control;
- Sales and invoices;
- Production records;
- Accounts;
- Staff records;
- Suppliers and customer records;
- Marketing and distribution; and
- Banking records.

The enterprises were asked to indicate where they store information and were given options ranging from: in cabinets, on computer, in cabinets and on computer, to not record at all. The data indicate that, overall, enterprises store most of their operational information in cabinets and files. Table 9 indicates the various storage media used in enterprises and as indicated most enterprises are maintain their records manually and very few enterprises use computers as storage media, pointing to the low usage of the computer technology in most enterprises and, will be reported in the sections dealing with ICTs in the SMME sector.

Table 9: Storage of enterprise information

Information about the following:	In Files/Cabinets	On Computer	In files /cabinets & computer	Not recorded	Not specified
Inventories/stock control	48.7%	19.3%	17.3%	8.1%	6.6%
Sales and invoicing	53.8%	14.7%	17.8%	%7.6	6.1%
Production records	48.2%	20.3%	12.2%	10.2%	9.1%
Accounts/bookkeeping	47%	17%	19.3%	9.6%	6.1%
Staff records	56.9%	13.2%	15.2%	9.1%	5.6%
Suppliers/ Customer records	55.8%	14.7%	17.3%	6.6%	5.6%
Marketing and distribution	50.3%	15.2%	11.7%	14.7%	8.1%
Banking records and statements	57.4%	11.2%	16.2%	7.1%	8.1%

4.2.5 Use of ICTs in the SMME sector

The utilisation of information and communication technologies (ICTs) by both SMMEs and business support organisations was investigated in order to assess the current levels of use and the potential of the technologies in increasing information dissemination. In terms of ICTs as a technology-based means of transmitting information and enhancing knowledge, increasing productivity and creating new products, ICTs have an important role to play in the SMME sector.

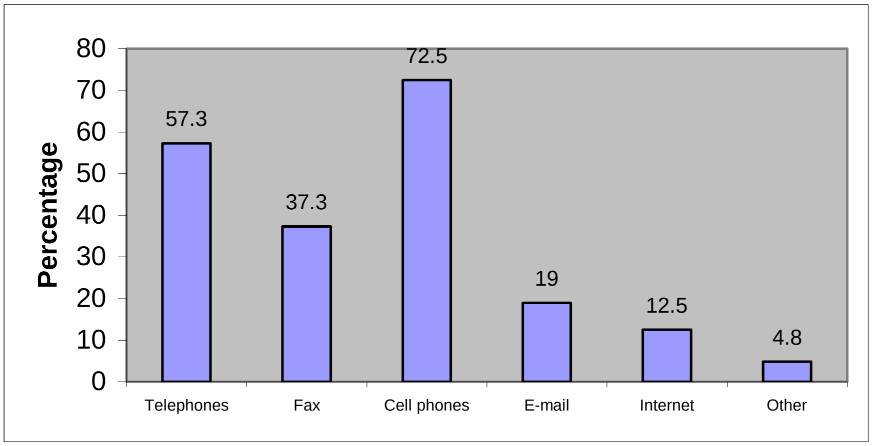
The data in Table 10 indicated that many enterprises own at least between 1 to 5 cell-phones (79.6%), telephone lines (76.8%), faxes (62%), PCs (50%) and post boxes (78.2%). As indicated in Table 10, very few enterprises indicated that they did not own a telephone or cell-phone line, while 33.7% of the enterprises indicated that they do not have a fax and 40% of those surveyed did not own a computer while 18% do not have a mailbox. The data indicated that there was widespread ownership of the basic means of communication in the sector.

Table 10: Ownership of ICTs – communication tools

Communication Tool	**None**	1-5	**Above 5**
Telephones	15.8%	76.8%	7.4%
Fax	33.7%	62%	4.3%
Cell-phones	6.3%	79.6%	14.1%
PCs (Computers)	40%	50%	9.8%
Post Boxes	18%	78.2%	3.2%

The most widely used communication tools in enterprises were indicated as cell-phones (72.5%), telephones (57.3%), fax (37.3%), e-mail (19%) and Internet (12.5%). The data showed a heavy dependency on telephone, fax and cell-phones by enterprises as a means of communicating with customers, suppliers and service providers. The data in Chart 16 also showed that the cell-phone technology is emerging as an important communication tool among business enterprises while the Internet and e-mail have not yet been fully embraced.

Chart 16: Use of ICTs by enterprises



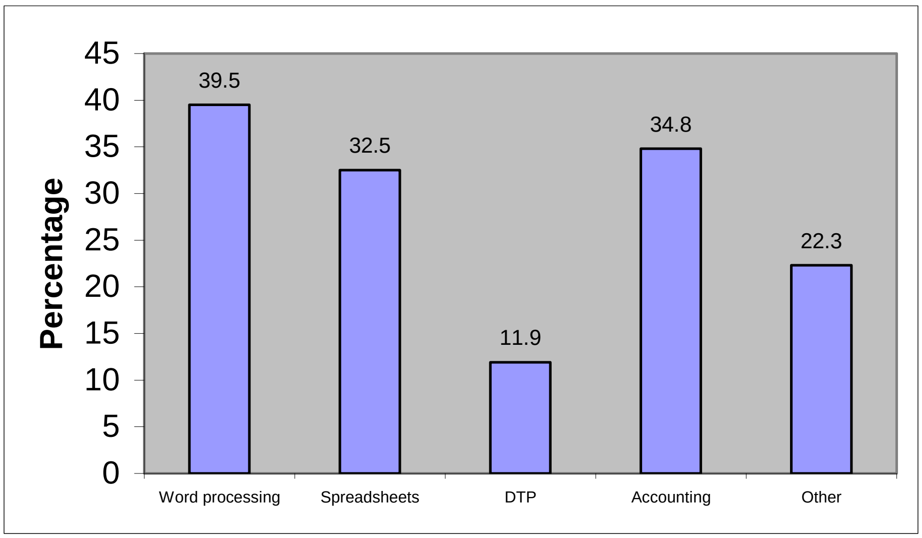
The study made an attempt to establish the frequency of use of various computer based operations. The data in Table 11 show that, in terms of the use of computer-based operations, word processing (47.6%), financial and accounting packages (35.1%) and spreadsheets (32.3%), are the most widely used computer packages by enterprises. The least used computer based operations were indicated as desktop publishing (14.1%) and other packages (31.7%). The data indicate that the level of ICT usage in enterprises with computer technologies has not advanced to any sophisticated levels as most operations are based on simple word processing, bookkeeping packages and spreadsheet operations.

Table 11: Frequency of use of computer-based operations

Type of computer operations	Very often	Quite often	Not very often	Not at all
Word processing	47.6%	10.6%	5.9%	35.9%
Spreadsheets	32.3%	19.2%	9%	39.5%
Desktop publishing	14.1%	11%	14.1%	60.7%
Bookkeeping packages	35.1%	13.7%	11.3%	39.9%
Other computer programmes	31.7%	8.7%	8.7%	50.8%

In addition to establishing the most widely used computer operations, the enterprises were asked to indicate the impact of these computer-based operations on their businesses. The data in Chart 17 indicated that the most widely used operations like word processing (39.5%), accounting (34.8%) and spreadsheets (32.5%), have the highest impact, while desktop publishing (11.9%) and other packages (22.3%) have a very low impact on business operations.

Chart 17: Impact of the use of computer-based operations on businesses



4.2.5.1 e-Business

e-commerce and e-business are increasingly growing as the alternative means of conducting business in countries, regions and internationally. Enterprises were asked to indicate if they use the Internet for business purposes and 42.7% of the enterprises indicated that they use the Internet while 57.3% indicated that they do not use it. The data in Table 12 also indicate a low usage of the Internet in business areas like marketing of business products and services (21.8%), looking up of product catalogues (22.8%), purchasing from suppliers (20.8%) and providing after sales service to customers (13.25%).

Table 12: Use of the Internet by enterprises

Nature of Internet use	Yes	No
Marketing the business's products	21.8%	78.2%
Facilitating access to product catalogues and price lists	22.8%	77.2%
Purchasing products from suppliers	20.8%	79.2%
Providing after sales support	13.2%	86.8%
Other (specify)	5.6%	94.4%

The emergence of the Internet and related communication tools as business platforms has also brought its own challenges to enterprises worldwide. It was important then in the study, to establish the major difficulties that enterprises face in conducting business over the Internet. As indicated in Table 13, low Internet speed (42.6%), uncertainty about suppliers (21.1%) contract terms and guarantees (14.8%) and logistical problems (14.8%) were cited as difficulties encountered in the use of the Internet by the enterprises. While higher percentages are recorded for the category "do not face this difficulty" this has been interpreted as meaning that the enterprises do not use the Internet at all.

Table 13: Major difficulties faced by SMMEs in using Internet for business purposes

Type of Difficulty	Major difficulty	Occasional difficulty	Not a difficulty	Do not face this difficulty
Low Internet speed	42.6%	20.2%	12.8%	24.5%
Unreliable payment methods	13.6%	23.9%	15.9%	46.9%
Unreliable suppliers	21.1%	22.2%	16.7%	40%
Uncertainty over contract terms of delivery and guarantees	14.8%	17%	26.1%	42%
Unskilled personnel in e-business	10.6%	17.6%	25.9%	45.9%
Logistical problems	14.8%	26.1%	15.9%	43.2%
Other (specify)	7.7%	15.4%	11.5%	65%

4.2.5.2 SMMEs' future business performance

To conclude the study on information needs and information seeking patterns the survey also sought to establish current and future business performance in the enterprises. Enterprises were asked to indicate the current performance of their business (2006) and 77.9% indicated that they were performing very well, while 18% indicated that they were performing fairly well. Only 3.6% indicated that they were performing badly. And in terms of the following year's performance (2007), 58.8% of the enterprises indicated that they expected to perform very well and 36.1% good while 5.1% expected to perform poorly. In terms of future employment levels 56% of the enterprises indicated that they expect to employ the same number of people, while 39.8% would employ much more and 5.2% would employ much less or the same. 89.5% of the enterprises indicated that they plan to invest more in the following year in their businesses while 1.6% indicated that they would invest much less in their businesses.

4.2.6 Improvement of business information delivery services

The last section of the survey with business enterprises sought the operators' comments and opinions on the overall improvement of the provision of business information services to SMMEs in Namibia. Several issues were raised in the open-ended question as to how business information services could be improved and an analysis of the comments and opinions of the enterprises is presented below.

4.2.6.1 Business information dissemination services

The content analysis of the comments by SMME operators reveals that enterprises expect government especially the Ministry of Trade and Industry (MTI) and the Namibia Chamber of Commerce and Industry (NCCI) to play more leading roles in the provision of business information services to small, medium and micro enterprises. As indicated in the survey with business support organisations, facilities that were once in place for information services are no longer functional and the updating of information sources is not done routinely (section 4.3.3). Enterprises also indicated that government and the chamber of commerce and industry need to move more towards the promotion of exports by SMMEs and leave the basics of business proposal writing to other smaller players in the service provision sector. Enterprises feel that in general service providers are not doing enough in terms of information dissemination and that a coordinated approach to the dissemination of information is required in the sector.

In the area of actual information dissemination, enterprises indicated that the most preferred means of information dissemination are radio, newspapers and workshops. The radio in particular is seen as far reaching, especially in a country like Namibia with a tiny population that is thinly distributed over a very large area. The type of business information that can be distributed through radio and newspapers is, however, limited to announcements of events such as training, trade fairs and workshops. Other types of information like marketing, production and technical would indeed require specialised and tailor made radio programmes and would present producers with new programming challenges.

4.2.6.2 Training in business information use

Another important area regarding information dissemination relates to training of SMMEs in the use of business information. The enterprises surveyed indicated training needs that ranged from the basics of what business information is, to how to use it effectively especially in emerging enterprises. The enterprises also prefer a holistic approach to training, which includes training in the use of ICTs to access and use business information, the analysis of business information and its application in daily business operations. It was also recommended that training would be best delivered through interactive workshops, onsite training or just ordinary training workshops. Business support organisations have also indicated the need for their staff to be trained in information analysis and dissemination to enable them to provide effective services to SMMEs (section 4.3.4.1). Training has indeed emerged as an important area that needs to be addressed both by SMMEs and business support organisations in the delivery and use of business information in Namibia.

4.2.6.3 Information enhancement and quality

While the importance of business information has been established for enterprise competitiveness, it must, however, be repackaged in formats that enterprises can use for their advantage. The enhancement and improvement of the quality of information disseminated emerged as an important issue that enterprises want addressed by service providers. Enterprises indicated the need to have information published in simple formats and an increase of information in local languages, especially in the northern regions of the country where local languages are widely spoken compared to the official language, English. It was also noted that enterprises are willing to pay for information provided it is of good quality. However, most enterprises felt that government and other organisations should also pay for information disseminated to emerging enterprises.

In this area of information enhancement and quality, enterprises also indicated the need for more networking and cooperation by service providers in order for them to better provide comprehensive business information packages. The survey of business support organisations will also show that networking is one of the areas that need urgent attention by service providers in order to overcome some of the current bottlenecks in the delivery of business information services.

4.3 BUSINESS INFORMATION SERVICES FOR SMMEs IN NAMIBIA

The second part of the study involved the analysis of the survey conducted with business support organisations on the supply and availability of business information services. The supply and availability of business information services in Namibia for SMMES was examined through a questionnaire survey of business support organisations based in the Windhoek and Oshana districts. In total 32 out of 60 organisations responded to the questionnaires that were distributed during the months of June and August 2006. An in-depth assessment of the information services was also carried out in fifteen organisations. Both the quantitative results and content analysis of the qualitative assessment are presented in the following sections.

4.3.1 Profile of business support organizations

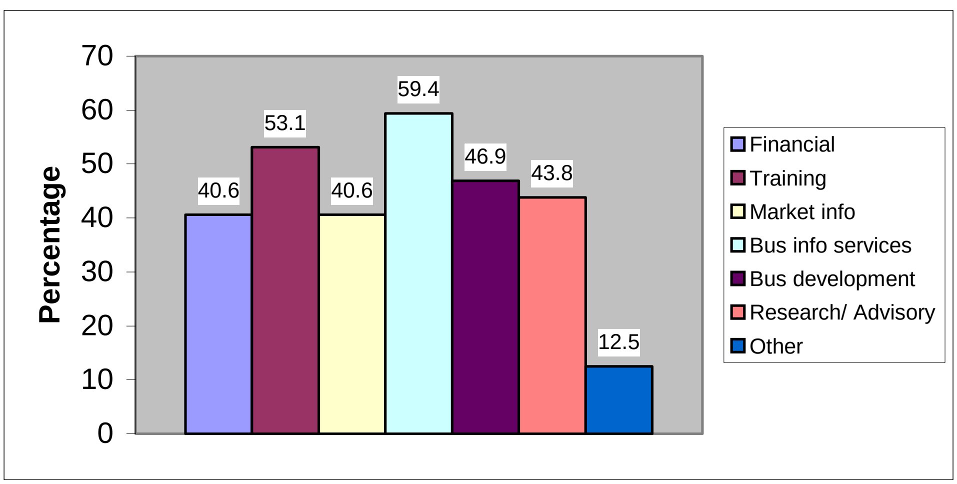
The first part of the survey on business support services sought background information organisations that are currently operating in Namibia. The information that was sought from the organisations included the type of organisation and services that they provide to SMMEs. The business support organisations that participated in the survey included commercial and development banks, government departments, chambers of commerce, Non Governmental Organisations (NGOs), small business information and development centres, training organisations, SMME consultancy companies and private companies. Table 14 indicates the types, number and percentages of organisations that responded to the survey. The list of the participating organisations as outlined in Chapter three was provided by the Joint Consultative Council, an umbrella body of SMME service providers in Namibia. The current membership list (2006) was used to draw up the final list of participants.

Table 14: Types of organisations which participated in the survey

Type of Organisation	No of Org.	Percentage
Commercial Bank	5	15.6%
Government Department	5	15.6%
Chamber of Commerce	2	6.3%
NGO	6	18.3%
Small Business Information Centre	2	6.3%
Training organization	3	9.4%
Other	9	28.1%
Total	32	100

The business support organisations provide a range of services and some are solely geared towards servicing the SMME sector, while others serve the overall business community. The data in Chart 18 indicate that the provided services include: business information services (59.4%), training (53.1%), business development services (46.9%), research and advisory services (43.8%), financial (40.6%) marketing services (40.6%) and other services (12.5%). The data point to an interesting aspect of the study that, despite the assertions by SMMEs that they do not have adequate access to business information services, business support organisations indicated that the most widely provided service is the provision of business information services. However a closer analysis of these results would also imply that provision of other services (training, marketing, business development, research and advisory) are also classified as provision of business information services.

Chart 18: Types of services offered by business support organizations

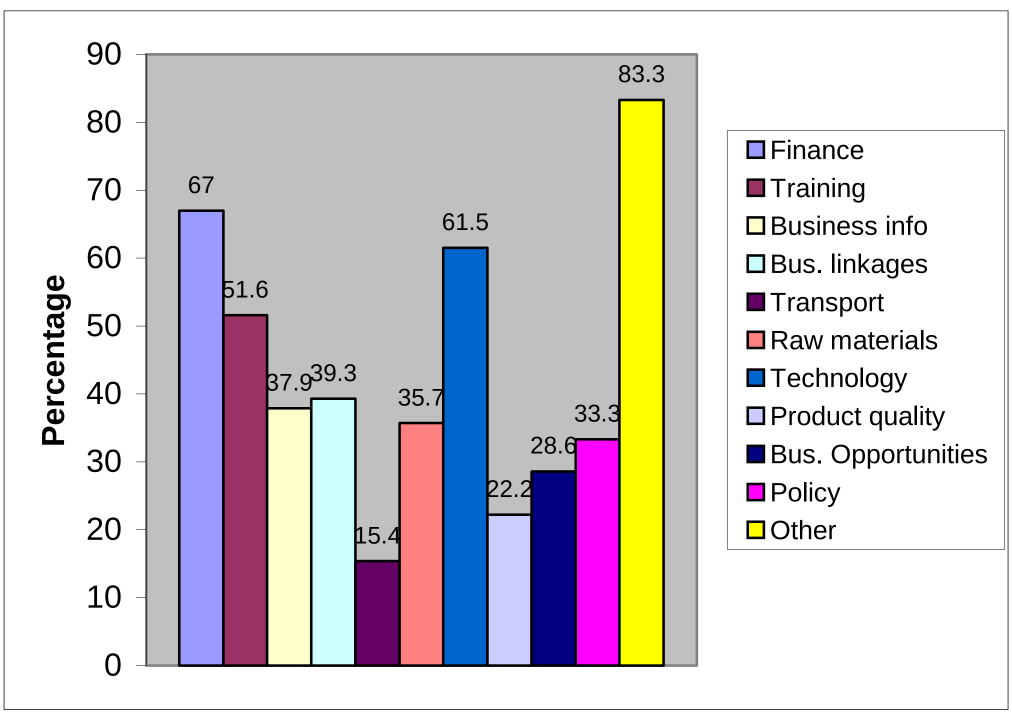


4.3.2 Business information services

An understanding of the growth and development constraints in the SMME sector by business support organisations was seen as an important step in the survey on business information services. Business support organisations were asked to rank the constraints faced by SMMEs in growing their businesses. A list of possible constraints was presented to the business support organisations. The data in Chart 19 indicate that the major constraints to SMMEs development as seen by business support organisations are: finance (67%), technological limitations (61.5%), training (51.6%), business information (39.3%), business linkages (37.9%), and policy and business regulations (33.3%). However, several organisations indicated in the in-depth analysis of the information services that all of the above areas were interrelated, and that it was often ineffective to provide capital without the required training and information in order to plan and manage SMME businesses.

The data also indicated that the ranking of the constraints (by business support organisations) is similar to the rankings by SMMEs themselves (finance, markets, training and access to business information (section 4.2.2. Chart 6) although the order is slightly different. The high ranking of business information as a major constraint to the growth of SMMEs by both SMMEs and business organisations is obviously highly relevant to this study.

Chart 19: Major constraints to the growth of SMMEs



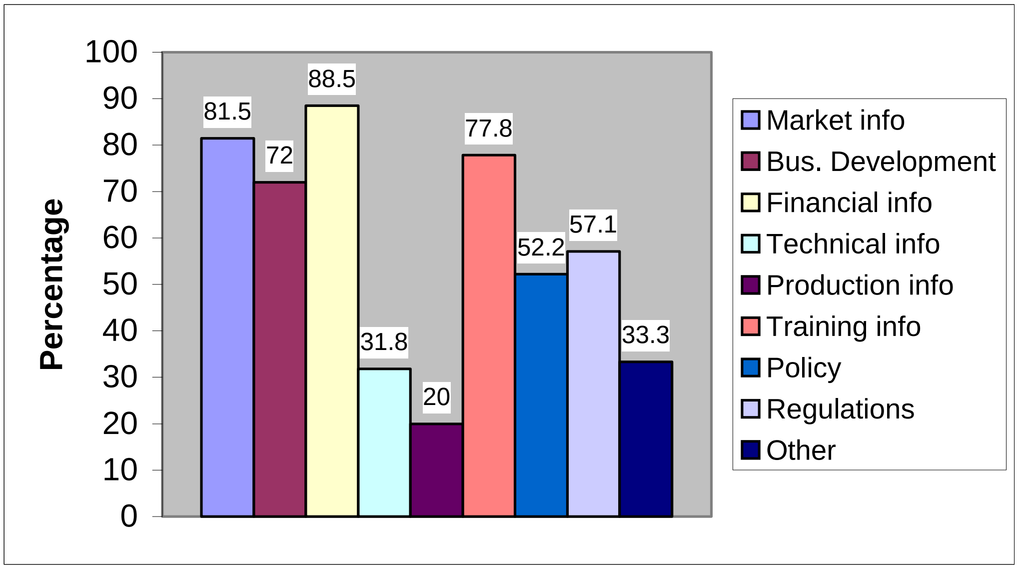
4.3.2.1 Types of business information provided by business support organisations

A determination of the types of information disseminated by business support organisations was also important in the survey of business information services. Business support organisations were asked to indicate the type of information that they provide to SMMEs. As in the needs survey, information was grouped under the following categories:

- Market information;
- Business development;
- Financial information;
- Technical;
- Production;
- Training;
- Policy and
- Regulations/standards.

From the above business information categories, the data in Chart 20 indicates that the ranking of the most commonly provided information by business support organisations relates to: finance (88.5%), marketing (81.5%), training (77.8%), business development (72%), regulations/standards (57.1%) and policy/SMME development information (52.2%). The first two groupings (finance and marketing information) correspond with SMME needs (finance, marketing, production and training - Section 4.2.2 Chart 7). Again this showed some degree of the reliability of the data collected in the survey.

Chart 20: Types of information services provided to SMMEs



The volume of business information has been growing on a day-to-day basis and new information technologies have come to replace old methods of information storage and management. In order to understand fully the nature of business information services, business support organisations were required to indicate whether business information kept was in print or electronic form. The data in Table 14 show that most of the information is in print form. Nearly 44% of the organisations indicated that finance information, 40.6% indicated that market information, 40.6% indicated that business development, 31.3% indicated that training and 31.3% also indicated that regulations and standards information are in kept in print form. The data show a rather disturbing trend, which is that, despite the growth and development of ICTs, many business support organisations are still managing information manually. However, a closer examination of the results also indicated that since most SMMEs are not fully computerised it would be meaningless for business support organisations to keep most of their business information in electronic form. Many service providers have also indicated that they are finding it increasingly difficult to communicate with SMMEs that do not have access to e-mail and the Internet.

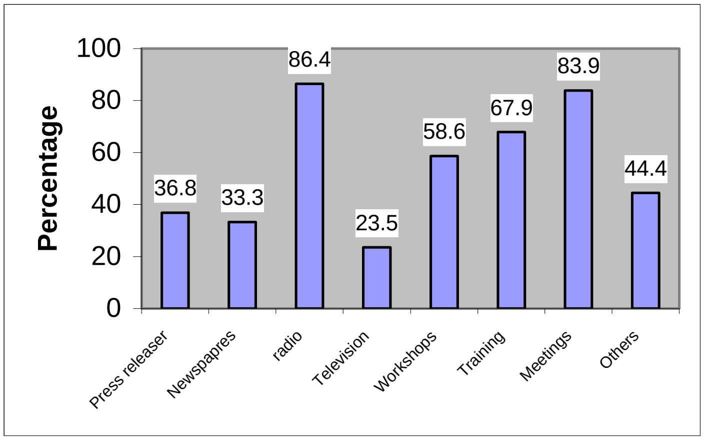
Table 14: Specific types of business information available in business organisations

Type of business information source	Printed form	On PC/Hard drives	Online-Through the Internet	Not available at all
Market information	40.6%	3.1%	6.3%	31.3%
Financial information	43.8%	3.1%	6.3%	31.3%
Business development	40.6%	9.4%	6.3%	31.3%
Technical information	12.5%	6.3%	6.3%	68.8%
Production information	9.4%	6.3%	6.3%	78.1%
Training information	31.3%	9.4%	3.1%	34.4%
Policies on SMME development	21.9%	6.3%	12.5%	59.4%
Regulations/Standards	31.3%	3.1%	6.3%	59.4%
Other(s) specify	3.1%	0%	0%	96.9%

Business information communication channels used by business support organisations were also considered important in the study as the final strategy or model for delivery of sustainable business information services would also rely on their full understanding. Business support organisations were asked to indicate the methods that they use to disseminate business information to SMMEs. The data in Chart 21 indicates that the radio (86.4%) and face-to-face meetings (83.9%) are the most favoured means of disseminating business information. The data indeed correspond to what the SMMEs indicated as their preferred means of receiving information from service providers (face-to-face meetings, TV and radio - Section 4.2.3 – Chart 13). The other preferred means of disseminating information include: training programmes, workshops/seminars, press releases and newspapers.

While most SMMEs prefer information to be disseminated in English and other local languages, business support organisations indicated that they disseminate information mostly in English. Only 12.5% of the business organisations indicated that they charge for business information while 87.5% do not charge for their services.

Chart 21: Methods used by business organisations to disseminate information



Business support organisations, like the enterprises, face a number of barriers in disseminating business information to the SMME sector. Business support organisations were asked to indicate constraints that they face in disseminating business information to SMMEs. The data in Table 15 indicated that the major constraints to information provision were: those SMMEs are hard to reach and they also appear not to be interested in the services provided by service providers. This could be attributed to the high mobility of some of the enterprises that do not stay in one place for a long time. The data also indicates that more awareness campaigns are needed in order to educate SMMEs about the value and importance of business information access and use. In the least category of constraints that business support organisations faced in disseminating business information to SMMEs were language and cost of services (Table 15).

Table 15: Constraints to dissemination of business information to SMMEs

Constraint	Major constraints	Medium constraint	Low constraint	Not a constraint
SMMEs are hard to reach	40%	20%	10%	30%
SMMEs are not interested in our business information services	24.1%	20.7%	55.2%	0%
SMMEs do not understand the language in which we disseminate our business information	13.3%	26.7%	13.3%	46.7%
Our services are too expensive for SMMEs	3.6%	3.6%	14.3%	78.6%
Other reasons (specify)	11.1%	22.2%	66.7%	0%

4.3.3 Use of ICTs for business information delivery services

The use of ICTs in business information delivery services is very important in order to achieve better networking among service providers and in the long run to provide faster and efficient services to SMMEs. In order to understand the level of ICT utilisation by service providers, their ICT profiles were examined. The ICT profiles in Table 16 of business organisations indicated that most have a range of ICTs: telephones, PCs, PCs with Internet access. However, only 10 or 35.7% of organisations indicated that they have 1 to 5 PCs reserved for SMMEs to engage in information searches while 57.1% do not have PC reserved for SMMEs. This is also confirmed by the in-depth analysis of the business organisations' facilities, i.e. very little exists in terms of facilities reserved for business operators to come in and carry out research. This indicates, however, that the high ICT ownership level in the business support organisations could be a platform for future cooperation and networking in the dissemination of business information to SMMEs.

Table 16: ICT Profiles in business support organisations

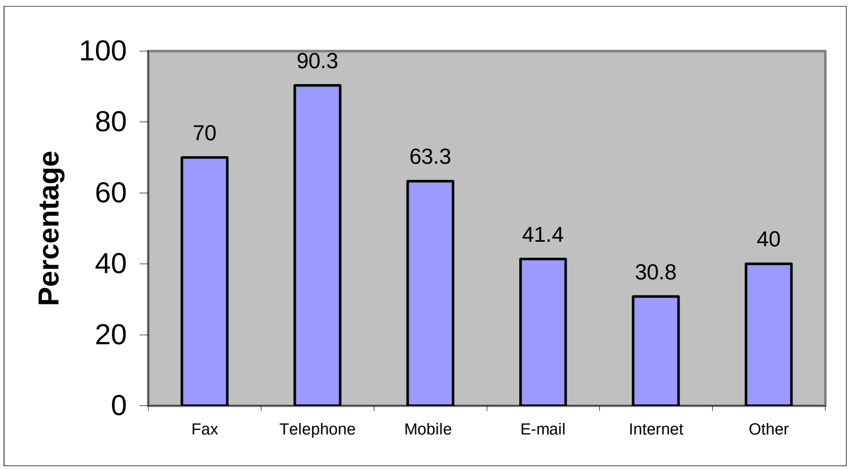
Communication Tool	None	1-5	5 -10	Above 10
Telephones	0%	48.4%	12.9%	38.7%
Faxes	6.5%	67.7%	3.2%	22.6%
PCs	6.5%	41.9%	25.8%	25.8%
PCs that are available for information research by SMMEs	57.1%	35.7%	7.1%	0%
PCs with Internet access	12.9%	45.2%	22.6%	19.4%

Organisations were asked to indicate whether their PCs are networked or not and 80% indicated “yes” while 20% indicated “no”. Again this indicates a good level of ICT development within business support organisations. The organisations were also asked to indicate whether they are subscribers to external online business information databases and 44.4% indicated “yes” while 48.1% indicated “no” and 7.4% indicated that they planned to subscribe to online databases. The data indicate that there is need to raise more awareness in business organisations about the importance of Internet-based business information databases and services that they can subscribe to in order to enhance information delivery services to SMMEs.

About 70% of the business organisations responded that they provide information services through e-mail while 30% did not. 46.9% of the organisations also indicated that they receive information requests from SMMEs through e-mail while 53.1% did not. The level of usage of e-mail again clearly indicates that the business support organisations have better facilities than SMMEs and that the technological gap between the two needs to be narrowed if business information delivery is to be improved.

In terms of communicating with SMMEs, business support organisations were asked to indicate the ICTs that they use most to communicate with SMMEs. The data in Chart 22 indicates that the most widely used business communication tools are: the telephone, fax and cell-phones. The least used are e-mail and the Internet. Again the data show that despite the widespread ownership of ICTs in business support organisations, SMMEs are still lagging behind in the use of e-mail and Internet services. Business support organisations have indicated that there is need to have special and affordable ICT packages for SMMEs if the sector is to enjoy the benefits of ICTs. Currently many ICT packages are priced well beyond the means of most SMMEs.

Chart 22: ICTs most used to disseminate business information to SMMEs



Business support organisations were presented with a list of possible obstacles to SMMEs' using e-commerce. In terms of the business support organisations' rankings the biggest obstacle to SMMEs using e-commerce was that it is still seen as a grey area and that there is a lot of uncertainty concerning contracts. The other obstacles include the terms of delivery and guarantees that goods will actually be delivered after payment. The data in Table 17 also indicates that SMMEs face logistical problems in using e-commerce and that many customers and suppliers in Namibia are not yet ready to do business over the Internet. Business support organisations also view the products and services of the majority of SMMEs as not suitable to transact over the Internet.

Table 17: Obstacles to the use of e-business by SMMEs

Obstacles to e-business	High obstacle	Medium obstacle	Low obstacle	Not an obstacle
Products/services of SMMEs are not suitable for sales through Internet	40%	23.3%	13.3%	23.3%
Customers and other businesses are not yet ready to use e-commerce	59.4%	21.9%	12.5%	6.3%
There are security concerns over payments	60%	16.7%	13.3%	10%
There is uncertainty concerning contracts, terms of delivery and guarantees	60.7%	17.9%	10.7%	10.7%
Logistical problems	50%	42.3%	7.7%	0%

4.3.4 Information services and management

Business information management practices within service providers were also seen as an important element in the delivery of business information to SMMEs. The study attempted to find out the level of information management capabilities and state of preparedness to deliver business information services within the business support organisations by looking at the following:

- Personnel dedicated to information services;
- Information coverage and
- Frequency of information updating.

The data in Table 18 indicates that the highest number of personnel in information management services in business organisations is in the 1 to 5 ranges (67.9%). The data from the in-depth assessment of the business information facilities, however, indicate that business information services personnel are not solely dedicated to information services, but that they have other duties assigned to them like public relations, marketing and even maintaining registries and fleet management. Furthermore organisations were asked to indicate if they have enough staff to support business information services to the SMMEs sector. The data shows that 45.2% of the organisations indicated that they have enough staff, while 54.8% indicated that they do not have enough staff. The data from the last part of the questionnaire (Section 4.3.4) on requirements for strengthening information services shows that there is need for more personnel and more training if business support organisations are to provide effective business information services to the SMME sector.

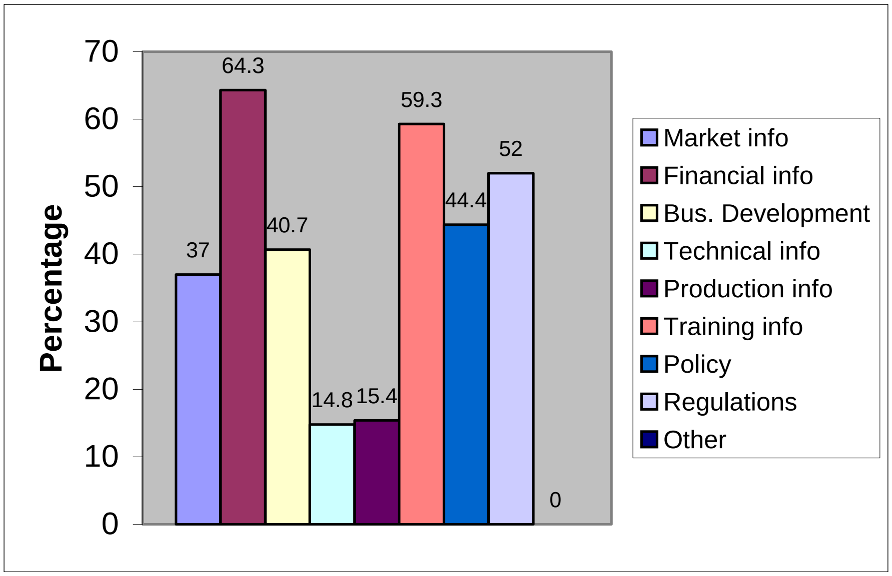
Table 18: Average number of personnel in information services in business support organizations

Number of personnel in business information services	**Percentage of organisations**
1-5	67.9%
6-10	10.7%
11-15	3.6%
16-20	7.1%
+20	10.7%

4.3.4.1 Business information coverage

The depth of coverage of business information kept within business support organisations was also examined. The examination was also carried out in the in-depth assessment of information facilities within business support organisations. The data in Chart 23 show that most of the information kept in organisations is indeed covered well enough to support the needs of the SMMEs. Information about finance (64.3%), training (59.3%), government policies and SMME development (44.4%), and business development (40.7%) is highly covered. The information that is least covered was technical (14.8%) and production information (15.4%). This is a further confirmation of the earlier results on types of services that business support organisation provide to SMMEs (Section 4.2.3.1).

Chart 23: Levels of business information coverage in business support organizations



In addition to finding out about business information coverage, the study also sought to establish how frequently this information is updated. The data in Table 19 indicate a mix of frequencies for various types of information and show that information that is considered more important is updated more frequently on a monthly and a quarterly basis and that includes information on finance, marketing and training. The least important information is updated less frequently, either half yearly or annually or, in some cases, with no updates at all. And information in this category included production, technical and policy information on SMME development and on regulations and standards.

Table 19: Frequency of information updating

Type of business information source	**Monthly**	**Quarterly**	**Half yearly**	**Annually**	**No updates are made**
Market information	34%	30.8%	7.7%	15.4%	11.5%
Financial information	22.2%	37%	14.8%	18.5%	7.4%
Business development	9.1%	22.7%	13.6%	27.3%	27.3%
Technical information	8.7%	21.7%	30.4%	39.1%	0%
Production information	19%	14.3%	4.8%	28.6%	33.3%
Training information	22.2%	29.6%	11.1%	22.2%	14.8%
Policy/SMME development	10.7%	14.3%	25%	32.1%	17.9%
Regulations/Standards	9.1%	18.2%	22.7%	22.7%	27.3%
Others	0%	0%	0%	0%	0%

The study also sought to establish the annual budgets devoted to the provision of business information services. In terms of the annual budgets for information services, 50% of the organisations indicated that they have a budget of below N$100 000 per year while the other 50% indicated that their budgets were above N$100 000 per year. The organisations were also asked to indicate whether the budgets are growing or not. 80.8% of business support organisations indicated that their budgets were growing while 19.2% of the organisations indicated that their budgets were not growing at all.

In the in-depth analysis of the services carried out, the results show that some organisations that have facilities keep outdated information and that it needs to be urgently updated if it is to be of use to small enterprises. This was most noticeable in the government departments and in the offices of chamber of businesses visited. There was a noticeable outdated collection of: trade directories (export and import, business listings), information on products and market surveys of foreign markets, country specific information (details about how to do business in a country, taxation, tariffs and general business climate). Furthermore, in some of these organisations, information is neither catalogued nor classified to international standards. In the Ministry of Trade and Industry the facility has been temporarily closed since 2000 because the last trade information officer resigned and has not been replaced. The same was reported at the NCCI where due to downsizing the post of information officer was abolished leaving a dysfunctional information resource centre in place.

4.3.5 Strengthening of business information services

The last part of the survey on business information required service providers to address a number of issues through open-ended questions concerning the following:

- Training requirements for effective business information services;
- Requirements for improving business information services;
- Networking among service providers;
- External assistance requirements; and
- The future regarding overall improvement of the business information delivery services in Namibia.

The results of the content analysis of the above areas as provided by business service providers are presented in the following sections.

4.3.5.1 Training for effective business information services

In the area of training for effective delivery of business information services, business support organisations indicated that they required their staff to receive further training in the following areas:

- Financial information and data analysis – how to analyse various financial information generated by organisations like financial institutions, company reports and other related research data and be able to interpret it for the benefit of their own work and for small enterprises;

- ICT training, especially Internet and e-mail handling, and use of interactive training in teleconferencing so that training programmes can cover more areas in sparsely populated Namibia;

- Business development and planning, e.g. how to write business plans, how to approach banks without collateral and the use of government credit guarantee schemes that are specifically targeted at SMMEs;

- Marketing services to improve outreach programmes, to the SMME sector; and

- Public relations and customer services.

The data indicate a range of training needs required within business support organisations for the effective delivery of business information services. Training also emerged as a major requirement in business enterprises in areas that are closely related to the requirements of business support organisations.

4.3.5.2 Requirements for improving business information services

Business support organisations indicated that they require the following in order for them to improve business information services:

- More funding for equipment and vehicles to improve outreach programmes;
- More staff with skills in information analysis and dissemination;
- Electronic link up with SMMEs;

- Enhancement of the development of business information packages for SMMEs;
- More linkages with other organisations especially information centres so that business information can be disseminated in a more coordinated manner and
- Improvement in the quality and updating of information kept within business support organisations and more access to online business databases that are more current.

Business service providers also indicated the need to increase their budgets and equipment in order to deliver appropriate services. This was emphasised by most of the organisations visited. In many organisations, resources were clearly limited but they have the will to provide a better service. It also comes out clearly in some organisations that the shortage of donor funding was limiting their capacities to expand business information services to the SMME sector.

4.3.5.3 Networking among service providers

Networking among business support organisations has always been seen as important in the effective delivery of services. Often many NGOs, training organisations and micro-lending institutions are established to serve the same client base and yet the service providers do not coordinate their activities. The business support organisations were asked to indicate the type of networking that should exist amongst service providers in order for them to improve service delivery. In this regard, business support organisations proposed a number of approaches that should be considered and these include the following:

- The sharing of SMME development research literature – many organisations carry out research projects on various activities within the SMME sector, but the results are not being widely distributed;

- Joint assessments of the impact of information dissemination to the SMME sector – due to limited resources some organisations felt that it was important to pool resources together to carry out assessments of the impact of their business information services;

- Work closely with local chambers of business – although the national chamber of commerce is actively involved in the promotion of SMME activities through joint programmes with government and other stakeholders like municipalities other service providers want them to be more visible and have direct contact with enterprises and

- Coordination of their various activities.

While an umbrella body, the Joint Consultative Council exists to coordinate activities of service providers, there was a feeling among business support organisations that more networking needs to be done. Again, it would seem that the limited financial resources within organisations inhibit better networking and coordination of service provision to the SMMEs. It also emerged from the results that networking among sources of information, information services and sources of expertise are highly desirable but very difficult to implement and sustain.

4.3.5.4 External assistance for improving business information services

Since many of the development projects in the SMME sector are donor driven, the organisations were required to indicate the types of external development assistance that they required for improving service delivery. The business support organisations indicated many areas that external development assistance could be used to develop their information delivery capacities and these include the following:

- The establishment of an online database of SMMEs accessible to all service providers – at present there are many and unreliable lists of enterprises and there is need to keep current information about enterprises in business, so that they can be reached easily by service providers;

- Training of staff in handling of ICTs – with the current levels of ICTs, development in business support organisations, there was a strong indication that donor funding can be mobilised to enhance staff skills in handling ICTs and especially in information analysis and dissemination;

- Assistance in helping SMMEs get access to affordable ICTs and more reasonable levels of pricing by service providers in the telecommunications sector and

- Funding to achieve a more coordinated approach to the provision of information services to SMMEs.

4.3.5.5 Organisations that can provide assistance in business information delivery

Both private, public and donor organisations play a central role in providing donor assistance programmes to the SMME sector. In terms of the provision of development assistance, many organisations see both the public and private sectors playing a key role. The NGO based organisations as well as government departments see external donor funding as the key to the development of information services in the sector. Some of the organisations that were mentioned as sources of possible funding include:

- UNIDO (United Nations Industrial and Development Organisation);
- USAID (United States Agency for International Development);
- EU (European Union) and
- The Commonwealth.

Locally, the service providers think assistance in developing better information services should come from:

- The Ministry of Trade and Industry;

- The Namibia Chamber of Commerce and Industry;
- The private sector;
- The National Planning Commission;
- Regional Councils;
- Banking institutions and
- Funding partner NGOs.

4.3.5.6 Future improvement of business information services

The assessment of the future improvement of business information services indicates that those business support organisations have plans for the development of their information services. Whether or not any of these plans will ever be realised is a matter of conjecture but availability of funding will clearly be a major factor.

Specific plans for future development indicated by organisations include:

- Improving the design and distribution of information, especially to rural based operators;

- Mobilising resources from the private sector through the local business chambers to assist SMMEs;

- Providing more training to SMMEs in information analysis and management;

- Providing a platform for business support organisations to report back on their experiences of working with SMMEs;

- Improving information sharing and communication among service providers; and

- Establishing of more business information centres in areas that are more accessible to SMMEs.

Overall, the business support organisations proposed a number of strategies that could be implemented to improve the business information flow to SMMEs. The focus should, however, be on resource mobilisation, training, networking and deployment of more ICTs in the SMME sector.

4.4 CONCLUSION

This chapter has dealt with the presentation of the data collected from the field surveys in Windhoek and Oshana districts. The data in this chapter show that SMMEs require a broad range of information services. The data also show that SMMEs currently rely mostly on informal sources to access information. While in theory there are many business support organisations in the country providing a range of information to the sector, the quality and depth of information provided is weak. The data also indicated that more resources and training is required to narrow the information gap between service providers and enterprises. More networking and coordination is required among service providers to enable them to provide a better service.

The next chapter deals with the interpretation and discussion of the data that has been presented in this chapter. The discussion centres on the trends and patterns in the data with reference to the research questions as outlined in section 1.3 (Table 1) in Chapter One and the literature review as presented in Chapter Two.