

CHAPTER 5 - INTERPRETATION OF THE DATA

5.1 INTRODUCTION

The previous chapter presented the data from the survey. The data presented in that chapter addressed the research questions posed in the study, and these questions were based on the broad objectives of the study. The purpose of this study is to identify the business information needs and seeking patterns of SMMEs in Namibia. It also examines the business information services for the SMME sector, the utilization of ICTs in the use and delivery of business information and provides a strategy for sustainable business information services in Namibia based on the results of the study.

The following discussion is based on the presentation of the results of the quantitative analysis of the survey data and content analysis of the qualitative data from the in-depth study of the small business information services in Namibia. The interpretation of the data is presented according to the overall objectives of the study. The first section, deals with information needs and seeking behaviour. The second section deals with business information services and the third section deals with utilisation of ICTs in the delivery and use of business information.

The survey that was carried out confirmed that there are problems with SMMEs accessing business information in Namibia despite the existence of many service providers. It was also shown that there is a need to increase training and awareness of information sources and services, and that there is a need to increase funding to business support organisations in order for them to reach out to more SMMEs. There is a need to improve the quality of information and for organisations to be more focused in service delivery. While there are benefits to be derived from the use of ICTs, the data showed that there is still limited use of technologies in the SMME sector. Despite the existence of these challenges, there is potential for the improvement of overall business information

service delivery in Namibia for SMMEs. The following sections provide an interpretation and analysis of the data according to the research questions of the study.

5.2 WHAT ARE THE BUSINESS INFORMATION NEEDS OF SMMEs?

The theoretical framework behind this study is Wilson's Information Behaviour Model (1996). Wilson's model was discussed and presented in Chapter 2 (Figure 1). The model pictures the cycle of information activities, from the rise of an information need to the phase when information is being used. It includes various intervening variables, which have a significant influence on information behaviour, and mechanisms which activate it (Niedziedzka 2003). Chapter 2 also indicated that despite the varying differences in emphasis and definition of information needs, the consensus is that information needs are linked to specific situations and that information needs arise when the present level of knowledge is too limited to deal with a new situation (Wilson 1981; Chen & Herson 1982; Dervin 1992; Nicholas 1996; Case 2002).

In order to understand the context in which SMMEs look for information, the enterprises that were surveyed were required to rank the constraints that they face in growing and developing their businesses. A similar question was also posed to business support organizations in order to build a synergy with the SMMEs' response to their business constraints. The results, as presented in chapter four indicated that what SMMEs regard as constraints to their business growth are the same things that business organizations regard as constraints to SMMEs' growth and development. What emerged from the data was a consensus that access to finance was the biggest constraint. The other constraints identified were access to markets, the lack of adequate business management training and poor access to business information services. Access to finance is acknowledged worldwide as being a barrier to entrepreneurship although the discussion will later show that there are other issues that need to be addressed to improve access to finance.

The survey results showed that the information needs of SMMEs are: information on sources of finance, marketing information, and information on production processes, training in business management and development, information regarding government policies on SMME development, sources of raw materials, government regulations and technical information. The literature review showed a similar range of business information needs for SMMEs with slight variations in information categorisations (Zhao 1991; Kinnel et al 1994; Duncombe & Heeks 1999; Mchombu 2000; Ikoja-Odongo 2001 and Bourgouin 2002).

Service providers argue that it is not access to information on finance that is a problem but other issues relating to security and use of finance once the banks have paid out the loans to SMMEs. The Small Business Credit Guarantee Trust (SBCGT), a joint venture trust between the Government of Namibia and the private sector, has been introduced to assist small business entrepreneurs with security to access commercial loans. According to data from the Trust it has supported over 600 clients. The Namibia Development Bank (NDB) has also set up a special fund for SMMEs to access funds and to ensure efficient utilisation of the funds and limit political interference. The money is channelled through a commercial bank for onward lending to SMMEs. Again from this it would appear that the real problem of SMMEs is not finance but rather issues of knowing where to go and ask for the right information and how to use the money once it has been acquired from the banks.

A Joint Consultative Council/NEPRU (Arnold et al. 2005) assessment of SMMEs in Namibia and their use of business development services have also shown that some operators actually shun financial institutions because they fear getting into debt and they would rather operate with minimal finance. In a recent study in Botswana, it has been shown that SMMEs need niche-banking products. The study shows that more than two thirds of SMME owners in that country would not recommend their bank to a good friend. The report also identified that the products offered by private financial institutions in Botswana are not tailor-made for the local market and tend to be watered-down versions of products that are developed for and targeted at South African conditions. The

same scenario also applies to the Namibian market whose banking sector is dominated by South African-based banks (Republikein 2006).

The ranking of marketing and training information needs as high information requirements is not in dispute. It is clear that SMMEs in Namibia face a lot of marketing problems caused partly by the dominance of South African companies in the economy. With the Namibian population standing at close to two million people, this also presents problems of numbers in a market that is already dominated by imports from South Africa and, more recently, from China. Some enterprises surveyed indicated that service providers, and especially government and the chamber of commerce and industry, must move towards the promotion of exports from the SMME sector if problems of the small domestic market are to be overcome. SMMEs need to think globally and not locally, and need to find innovative ways to access markets from SADC (Southern African Development Community) and beyond. They need to create niche markets where they identify key products and services that are unique and to be sold to the outside world (Gaomab 2004).

With regard to training information needs, it is clear that there is a need for further training in many areas of business development in the SMME sector. Most respondents indicated that they had attained secondary education and some had vocational training skills. However, this needs to be complemented by hands-on skills training on how to run and manage an enterprise. Enterprises certainly require information on where to get business training. While 53.1% of the business support organisations indicated that they offer training, their outreach and awareness campaigns do not reach out to many SMMEs. One private consultancy training and business development organisation indicated that it only works with a chosen group of 300 SMMEs that have shown a certain level of commitment and seriousness with their businesses. This obviously excludes many smaller and survivalist type of enterprises. But according to the organisation, there are benefits derived in focusing on a smaller group of SMME trainees, as it is easy to follow up and to provide one-to-one mentorship instead of trying to reach out to every existing small enterprise.

The information needs identified in the studies cited earlier (Zhao 1991; Kinnel et al 1994; Duncombe & Heeks 1999; Mchombu 2000; Ikoja-Odongo 2001; Bourgoquin 2002) confirm the results of the survey that needs are influenced by the requirements of business operators to solve a range of business problems in order to achieve given business goals. While there are differences in the order of the information needs presented in the literature, what has emerged clearly from the study is that the information needs of SMMEs in Namibia are not fundamentally different from other developing economies. The challenges that SMMEs face in developing countries are generally the same and, in most cases, relate to poor access to finance, markets, lack of adequate business management training and poor access to business information. Hence their information requirements are bound to be the same (McKenzie 2002; Beyene 2002; Murphy 2002; Premaratne n.d.). Table 20 provides a comparison of the information needs of SMMEs from the studies cited in the literature review and those of the current study. They are listed according to the rankings of the studies.

Table 20: Comparison of business information needs of SMMEs

Zhao (1991)	Duncombe & Heeks (1999)	Ikoja-Odongo (2001)	Njoku (2004)	Current study
<ul style="list-style-type: none"> • New product development • Markets • Standards • Investment opportunities • Research and development • Technology • Economy • Finance • Foreign trade 	<ul style="list-style-type: none"> • Access to skills • Access to markets • Access to finance 	<ul style="list-style-type: none"> • Marketing • Raw materials • Seeking advice • Looking for contracts • Advertising • Government information regarding policies and regulations 	<ul style="list-style-type: none"> • Credit facilities • Skills training • Storage and processing • Marketing strategies 	<ul style="list-style-type: none"> • Finance • Marketing • Production • Training • Policy/SMME development • Sources of raw materials • Government regulations • Technical information

It is clear from Table 20 that information needs of SMMEs are not fundamentally different even though the studies have been carried out in different countries over a period of fourteen years using both qualitative and quantitative approaches. What also emerged from the results of the current study on information needs and seeking patterns of SMMEs was that the information types required most were the least accessible despite the indications by service providers that they provide information services in areas of great need.

5.3 WHAT ARE THE INFORMATION SEEKING PATTERNS OF SMMEs?

Chen & Herson (1982), Wilson (1999), and Case (2002) have all shown that information seeking is a direct response to an information need and in this study information seeking was seen as those actions that SMMEs pursue in order to get required business information in response to a range of business operational requirements. In the SMME sector, McKenzie (2002), Beyene (2002), Murphy (2002), and Premaratne (n.d.) have shown that problems that SMMEs experience revolve around issues of general management, business operations, finance, technology and marketing and that information seeking is bound to focus on solving these problems.

The results showed that the majority of enterprises (or 51.4%) are more inclined to use informal sources for business information and advice than formally established sources. The informal practices include the use of staff knowledge, customers' responses and advice from friends and family members. The second category most used was that of trade partners and the media. The sources of business information least used were the established business information services and public libraries. The results are consistent with other studies on information seeking behaviour in this area and have largely pointed to a reliance on informal information sources by a variety of information users. More specifically, the reported studies of Triana et al. (1984), Duncombe & Heeks (1999), Mchombu (2000), Moyi (2003) and Njoku (2003) have all indicated that informal information sources and enterprises' own resources are the most important in the SMME

sector. This is not necessarily a problem (i.e. most business organisations throughout the world rely heavily on their own resources for information). However, what is of concern is the fact that very few enterprises rated formal business information services as very important sources of business information (MTI 13.7%, SBIC 13.5%, NCCI 7.7% and public libraries 7.2%).

The use of informal information sources by SMMEs can be seen to be a response to several social and economic considerations. Wilson's Information Behaviour Model (1996) presents a concept of "activating mechanisms" between the levels of information need and the decision to look for information. The stress coping, risk reward and social learning theories are used to explain why people may or may not pursue an information-seeking goal successfully. The results of the survey have indicated that SMMEs are generally not aware of where to obtain the right business information and that they face many bureaucratic difficulties in obtaining information from established business support organisations. Duncombe & Heeks (1999), in their study on Botswana's SMMEs, have indicated that the more established the SMMEs become the more they are likely to use formal information sources. The use of informal information sources has also been attributed partly to the informal networks that SMMEs create and use for advice. The studies by Sturges & Neill (1998), Frese et al. (2002), Kiggundu (2002), Murphy (2002), and Greve & Saloff (2003) have clearly demonstrated that small enterprises create informal networks that eventually become trusted information sources, advice and finance.

It is clear from the data that SMMEs make little use of publicly available business information sources and services such as government departments responsible for SMME development (trade and industry development), the chamber of commerce and industry, the media, small business information centres, small business development offices and public libraries. Only 13.7%, 13.5% and 7.7% of the respondents indicated that they regularly use the Ministry of Trade and Industry, the Small Business Information Centre and the Chamber of Commerce, respectively, for sourcing business information. It is indeed surprising that, despite the mention by service providers of a range of business

information services, there is very little use of these services by SMMEs. Butterly (1998), in a review of the Namibia Chamber of Commerce and Industry's (NCCI) Access to Information and Marketing Centre (AIM), revealed that the centre only received two visitors per week. The report also revealed that the AIM library was completely underutilised and that it required professional staff to run it and reorganise information resources according to international standards. The report also calls for more information campaigns in order to bring the centre's facilities to the attention of enterprises. Again the question of information awareness poses major obstacles to the utilisation of established business information services. In order to address the needs of SMME export requirements, the report recommends the establishment of a trade point (TP) to facilitate communication with outside traders who want to link up with Namibian importers and exporters. Trade Points are an initiative of the United Nations Conference on Trade and Development (UNCTAD) and have been established in many developing countries and assist SMMEs to gain access to external markets.

The data indicates that the Internet was not seen as a useful source of information. This is consistent with the low levels of utilisation of such technologies by SMMEs covered in the survey. Moyi (2003), in the study on ICTs and small-scale enterprises in Kenya, concluded that enterprises did not find ICTs useful and in some cases they felt marginalised by the new technologies. However, Duncombe & Heeks (1999) have called for a clear distinction between those SMMEs that are not ICT-inclined and those that are inclined to embrace the technology. It is also surprising that despite the SMMEs' preference to receive information from business support organisations through the print media, the results show that the media did not provide important information for their businesses.

Regarding preferred methods of receiving information, the data showed that SMMEs prefer receiving information from service providers through face-to-face meetings, through the radio and TV, newspapers and newsletters. The face-to-face meetings could include workshop and training programmes. The least frequently used means of receiving information from service providers was indicated as e-mail and workshops. Again these

results showed that Internet technology has not been fully embraced in the SMME sector. The discussion on business information services in the following sections will further highlight the means of delivering business information to SMMEs by service providers.

5.3.1 What are the barriers to information seeking by SMMEs?

The literature review reveals the existence of several possible barriers to information seeking (Wilson & Walsh 1996; Wilson 1999) as social, economic and environmental. Wilson's Information Behaviour model specifically calls them intervening variables that might motivate or hinder information seeking. This study's results show that SMMEs face several difficulties in accessing business information from business support organisations.

5.3.1.1 Personal and environmental barriers to information seeking

While the data established that the majority of the enterprise operators had attained at least secondary education (46.9%) and vocational training skills (23.5%), one would conclude that enterprises should not face any problems in looking for information and that they should be well aware of where and how to obtain business information. However, the data show that what is true in the current results is that what matters is not only knowledge and skills learnt at school and vocational training colleges but the enhanced ability to learn and to seek information (Kristiansen et al. 2005). Wynne & Lyne (2004) and Kristiansen et al. (2005) identified low levels of education as barriers to information seeking. Other studies in developing countries reported low levels of literacy as the major contributing factor (Mchombu 2000; Moyi 2003) in the failure to access information. What has certainly emerged from the data is the need for further training and education on what business information is where it can be sourced, and how it should be used for competitive advantage.

Another important barrier that was identified is the environment. According to Wilson & Walsh (1996) and Wilson (1999) the environment may impose barriers of an economic, political, geographic or other nature. In Namibia the official language is English and many publications from service providers are published in the same language. Language is a situational barrier that can inhibit the free access to business information. The results show that most service providers disseminate information in English but SMMEs prefer that information also be disseminated in local languages other than English such as Oshiwambo, Herero, Damara>Nama and Afrikaans.

Distance from the capital city is another barrier for SMMEs located outside the capital city. Most service providers are concentrated in the capital city, Windhoek, and very few of them operate in the northern regions, thereby depriving many operators of an opportunity to interact with them directly.

5.3.1.2 Information sources as barriers to information seeking

Besides the barriers associated with low skills in obtaining information and awareness of where to obtain information, SMMEs also face problems with access. The data from the survey show that there are many problems with accessing information from established suppliers. The results show that SMMEs also consider the procedures of obtaining information from national sources as complicated and in some cases they do not know the importance of information obtained. While only 12.5% of the business support organisations charge for their business information services and the majority of the services are for free, SMMEs seem not to make meaningful use of them.

The literature review has demonstrated that service providers present several barriers to accessing information. Njoku (2004) identified the shortage of information officers and extension workers or the failure to perform their duties as a problem for small scale-fishermen in Nigeria. The results from the in-depth analysis show that one person runs the SMME development centre based in the northern region which is part of the University of Namibia. The centre does not have any business information resources like

directories, product catalogues, price lists or marketing information for SMMEs to use. Instead, those visiting the centre solely rely on the officer. Heeks & Duncombe (1999) also identified the failure by some service providers to articulate information requirements of SMMEs and the failure to educate them on how to access and use information, as another barrier to information access by enterprises. The data have shown that there is a need for further training in the use of business information by SMMEs. This further indicates that staff in business support organisations requires further training in information gathering, interpretation and dissemination to SMMEs.

5.3.2 How do SMMEs store and exchange business information?

The types of information resources stored in enterprises range from inventories/stock control, sales and invoices, production records, accounts, supplier and customer records, to marketing and distribution to banking records. The results show that most enterprises store their operational information manually in files and cabinets, and that very few enterprises use computers as storage media. These results concur with the literature review that showed that there is very little use of computer-based operations by SMMEs beyond basic word processing and simple application of spreadsheets and basic bookkeeping operations (Kyobe 2004, Moyi 2003).

The data showed that SMMEs perceive the most effective means of promoting their products and services as: meetings with customers, displaying their products and advertising through radio and TV. In practice, SMMEs indicated that they actually use face-to-face meetings with customers as the most widely used means of communication. They also indicated that telephone sales (including the cell-phone) and faxes were a popular means of communicating with customers. However, while the SMMEs perceive displaying as an important means of communication, only 15% indicated that they attend or use trade fairs. This is also despite the widespread promotion of trade fairs by service providers as a means of selling products and services for SMMEs. The small enterprises are probably too busy trying to make ends meet to spend time displaying their products and services at trade fairs. A further analysis of the data, however, shows that SMMEs

lack the knowledge and understanding of the benefits to be derived from product and service promotion through trade fairs. Another reason for the poor participation of SMMEs at trade fairs is the high costs of exhibition stands. The Ministry of Trade and Industry and the Namibia Chamber of Commerce and Industry, the Ministry of Gender Equality and Child Welfare, and other service providers have facilitated participation in the past.

5.4 WHAT ARE THE CURRENT BUSINESS INFORMATION SERVICES FOR SMMEs?

According to Temtime et al. (2003), there are a host of small business assistance programmes conducted by public, private and non-profit organisations. These include a wide range of information activities undertaken by business support organisations to enable SMMEs to respond to market signals, support at trade fairs and exhibitions, one-stop information shops and distribution of printed information and support for learning visits to improve information flow from business associations.

The data show that there are wide ranges of small business support organisations in Namibia. Of the 32 organisations that participated in the survey, there were commercial banks, government ministries and departments, chambers of commerce, NGOs, small business information and support centres, training organisations and private business consultancy firms. Most business support organisations provide services that include: business information services, small business training services, business development, research and advisory services, financial and marketing services. Business information ranked top with 59.4% as the most widely provided service by business support organisations. This led to the conclusion that despite the many problems that confront SMMEs, a wide range of services and, especially business information services, are at their disposal to help overcome business constraints and to achieve sustainable growth. The real problem confronting the SMMEs could be awareness of the existence of the services or rather how seriously they take these services as possible contributing factors to their growth and development. Another serious problem that emerges from the in-

depth analysis of business information is the depth and relevance of information kept by business support organisations. Like many other services, business information services for SMMEs must be tailor-made to suit the needs of small enterprises. Often business support organisations think they have the right information. But in many cases it is more suitable for large firms than small ones.

According to Kinnell et al. (1994) and Erastus-Sacharia et al. (1999), the deployment of fully- fledged business information services in developing countries is hampered by many problems. The problems include poor computer and communication industries, poor information resources and their low utilisation, poor awareness of business information sources and immature business information markets. The data of the survey on business information services indeed confirm the findings reported in the literature review that business support organisations face a number of barriers in disseminating business information to SMMEs. These include a lack of interest on the part of SMMEs and poor communication channels to SMMEs. The results also concur with the literature review that the technological gap between the SMMEs and service providers is a big barrier to effective information dissemination.

5.4.1 What are the types of business information services provided to SMMEs?

The literature review on business information services showed that the scope of business information services to SMMEs should include information on: business trends and markets, advisory services (on legal and regulatory aspects, business management, customer services, business expansion and diversification and technology), identification of business opportunities, provision of linkages to finance and markets, trade and facilitation of business partnerships (Committee of Donor Agencies 1998, Schleberger 1998). The results, confirm that the services most provided by business support organisations relate to business information services on finance, marketing, training services and business development. Most of the information services offered by business support organisations are print-based. There is an increasing desire among business support organisations to communicate via e-mail and the Internet when disseminating

business information. This is, however, limited due to the low level of ICT utilisation among the SMMEs.

5.4.1.1 Business information channels to SMMEs

According to Bourgooin (2002), there are several channels that service providers use to disseminate business information to SMMEs. They include both formal (institutionally facilitated) and informal (word of mouth). Face-to-face meetings and the radio were the most favoured means of disseminating information to SMMEs by service providers. Training programmes, workshops/seminars, press releases and newspapers were also favoured. The data from the SMMEs' survey also confirm that these are the preferred means of receiving information from service providers. However, from the literature review it was evident that service providers are failing to effectively communicate with SMMEs. Some of the problems highlighted include lack of adequate staff, the ICT gap, lack of business information awareness, lack of training in information use and access as highlighted earlier. According to Miehlbradt (2002), the providers of specific technological interventions must develop personal channels for information delivery in order for SMMEs to use new technologies.

5.4.2 What is the level of business information management in business support organizations?

The rapid development of business information to SMMEs by business support organizations depends to a large extent on good information management practices. The growth in information sources has led to the introduction of new information management practices that are electronic, i.e. most business information is now kept in digital form. Table 29 showed that many of the business support organizations keep their business information in print form, which includes information that is widely disseminated to SMMEs. Business support organisations, however, prefer more

electronic business information databases. But their target clients, the SMMEs, do not have the means to access electronic information.

The data show that many business support organisations use a variety of means to disseminate information to SMMEs. These means include the use of print information, the use of radio and television, and the use of the print media, workshops, seminars and training programmes. The data also show that many organizations disseminate information manually to SMMEs although they preferred the use of e-mail and the Internet. But due to the low level of ICT utilization among SMMEs little business information is channelled through e-mail or the Internet. Print information, if properly repackaged, is not a problem as it is easier to use among the SMMEs. The enterprises also prefer receiving information through the various media that service providers use. However, there is a need to find solutions that suit both service providers and the enterprises.

About 67.9% of the organizations indicated that they had between one to five employees dedicated to business information services for SMMEs. The organisations with staff levels of six to ten and eleven to fifteen dedicated to information services represented about 10.7% and 3.6% respectively. However, in many cases, as presented in the analysis of the data, these employees are assigned to other duties and they are not very effective in disseminating business information to the sector. About 43.2% of the organizations indicated that they had enough staff to maintain business information services, while 54.8% did not have enough staff to maintain business information services. This shows that there is a great need for business support organizations to increase their staff levels dedicated to business information services. The depth of business information coverage in organizations depends on the types of services that are being offered. Information requirements for the SMMEs relating to finance, training, government policies and SMME development and business development are well covered to meet their needs.

The most widely kept and disseminated types of business information are those that are updated frequently - on a monthly and quarterly basis. The least kept information

concerning production and technical issues and business development were all updated either on a half-yearly or annual basis or with no updates at all. The data also showed that, in many business support organizations, information was actually outdated, particularly information on import and export trade. In the Ministry of Trade and Industry and at NCCI, the once functional trade libraries were no longer in use at the time of the survey due to a number of unknown reasons.

The overall commitment of business support organisations to the provision of business information services was also measured in the survey. The results showed that 50% of the organizations had a budget of below N\$100 000 annually while the other 50% had budgets of over N\$100 000. It was pleasing to note that 80.8% of these organizations showed that their budgets are growing. This shows a commitment to the development of information services for SMMEs. However, what is challenging is the actual implementation of plans to provide services to the SMME sector.

5.5 WHAT IS THE LEVEL OF ICT UTILISATION IN THE SMME SECTOR?

According to Duncombe & Heeks (2001), Avgerou (1998), World Bank (1998), Thioune (2003) and UNCTAD (2004), ICTs have the potential to improve the efficiency of business processes through the development of new products and services, new business opportunities and access to remote markets. The literature further points out that the diffusion of ICTs into the SMME sector has been slow despite their perceived role in contributing to poverty alleviation. According to Chacko & Harris (2006), digital opportunities provided by ICTs are fundamental to the improvement of all aspects of developing economies and their entry into the global marketplace. ICTs have the potential to assist SMMEs to instantaneously connect to vast networks of SMMEs across great geographic distances at very little cost. A strong SMME sector that is integrated into the global digital economy can lead to job creation, increased public revenue and a rise in the standard of living.

5.5.1 ICT utilisation among SMMEs

The results in Table 10 show that many enterprises owned at least a fixed telephone line (76.8%), a fax (62%), a cell-phone (79.6%), a post box (78.2%) and a PC (50%). The results presented showed that the cell-phone, telephone, and fax were widely used means of communication by SMMEs. The e-mail and Internet were rated low in terms of usage by the SMMEs. According to Stork and Aochamub (2003), the fixed line density in Namibia increased from 3.11% in 1992 to 6.41% in 2002 and the number of installed lines from 45 000 in 1992 to 121 413 in 2003. Also, Beyene (2003) argues that despite the fact that 90% of the telecommunications network is in digital lines, it poses no major problems to SMMEs. The data also show that the mobile telephone sector has opened up, thereby increasing communications options for small businesses. Mobile communications and information technology are two of the most important factors behind the competitiveness of small, medium and micro enterprises in South Africa (Kyobe 2004). The research by Kyobe (2006) shows that 47% of the respondents believe that mobile telecommunications have had a huge impact on their ability to win and retain customers.

In terms of the utilisation of computer-based operations, the data in chapter four showed that the most widely used operations by SMMEs were word processing, spreadsheets and accounting packages. The results also showed that these computer-based operations had a high impact on business operations. It is clear, however, that the utilisation of more sophisticated operations in the SMME sector is very limited. There was no indication of the use of computer operations in production and technical processes. Kyobe (2004) noted a similar trend with regard to SMMEs and Information Technologies (IT) utilisation in South Africa. ICTs were not used to create links with suppliers or to differentiate products and services or to enable innovations to a great extent. Moyi (2003) also found that in Kenya small enterprises do not find IT useful.

According to Lee (2003), the lack of Internet technology diffusion and sometimes telephone access has hindered the take off of e-commerce in developing countries.

Studies on Namibia (Stork and Aochamub 2003) have shown that while ICTs have advanced relatively well in other sectors, the SMME sector is yet to fully embrace them. The literature review also showed that despite the efforts of many governments world wide in both developed and developing countries to improve e-readiness, SMMEs are still at the very early stages of adopting e-business practices. According to Chacko & Harris (2006), the use of e-business techniques has emerged as an efficient gateway for SMMEs to take greater advantage of opportunities in global markets. Most SMMEs are still lagging behind large corporations in using the Internet as an efficient business tool. The data from the study indicate that only 42.7% of the enterprises indicated that they used the Internet for business. Furthermore, the enterprises surveyed indicated that they hardly used the Internet for searching business products and services, for looking up products catalogues, conducting purchases from suppliers or providing after-sales services to customers via e-mail and the Internet.

There are a number of obstacles that SMMEs face in using the Internet for business purposes. The major obstacles cited were low Internet speed and uncertainty about contracts and delivery guarantees offered over the Internet, and mis-trust over payment methods. Stork and Aochamub (2003) established several factors that are still holding back the full development of e-business in Namibia as: lack of IT literacy among many people, high communication costs and the monopoly of one telecommunications service provider, the lack of e-commerce and e-banking legislation, the lack of e-readiness many businesses both large and small to conduct business over the Internet and language barriers with respect to Internet content which is largely in English. The literature suggests that there is a need for urgent action on the part of government to address issues of e-readiness in order to support the SMME sector to join the mainstream economy and create a knowledge-based economy.

The above discussion suggests that direct dissemination of business information to the majority of SMMEs via the Internet is not a viable option at this stage. However, considerable opportunities exist for the use of these technologies for the exchange of business information between business support organizations. Further, there has been

considerable success in South Africa and other countries in the use of Local Business Services Centres (LBSCs) to act as telecentres and/or resource centres for the dissemination of information to SMMEs (Butterly 1998). In this model, the LBSCs are established with full Internet connectivity. They also provide access to business services (at a price) to SMMEs through the assistance of a trained business councillor. It is noted, however, that these centres tend to be more effective in urban areas with high technical competencies and less successful in the more rural and less developed areas.

5.5.2 The utilisation of ICTs within business support organisations

In Namibia, according to Tjituka & Harris (2005), the number of business development service organisations providing technology services to SMMEs is small. They also note that service providers feel that the low level of perception of ICTs among SMMEs, the cost of investment, import and maintenance costs and the effects of competition from South Africa, contribute to their low usage.

The level of ICT development in business support organisations is high, with over 80% organisations indicating that they have networked PCs and 44.4% subscribing to online business information databases. Despite the high level of computerization in organizations, only 35.7% have between one to five PCs reserved for SMMEs to engage in business information searches on the Internet. A computer facility for SMMEs' use was only found at the Small Business Information Centre in Katutura Township in the capital city Windhoek. This could be an indication that service providers prefer to repackage information in print format rather than provide "access" means for SMMEs within their premises. Such "access" facilities would indeed enhance services within business support organizations and provide a platform to understand the information needs of visiting clients.

Getting the right balance in this area is difficult. While technology could and should play a very useful role in enhancing access to business information by SMMEs, it would be a

mistake to view this as a panacea for all the difficulties faced by SMMEs in Namibia. Instead, technology should be one of several approaches to the problem. Many of the difficulties relating to the overall level of access to business information considered in this study (such as information coverage and quality, networking and coordination, publicity to SMMEs, etc) are more organizational and attitudinal than technological in character.

The data show that many of the business support organisations have a desire to provide services to SMMEs through e-mail and the Internet, but they are limited because most SMMEs are not connected. The data also indicate that the most widely used means of communicating with SMMEs are the telephone, fax and cell-phones, while the least used means are e-mail and the Internet.

5.6 HOW CAN BUSINESS INFORMATION SERVICES IN THE SMME SECTOR BE IMPROVED?

The overall goal of this study was to have an understanding of the information needs and seeking patterns of SMMEs as a basis to design sustainable information services in the SMME sector. The survey findings showed that there are a number of issues that need to be addressed in order to improve the delivery of business information in the SMME sector.

5.6.1 What are the SMMEs' views on the strengthening of business information services?

The small, medium and micro enterprise operators expect the government and the Ministry of Trade and Industry (MTI) to provide the leading role in the provision of business information services to the small enterprises' sector. The operators also expect the Namibia Chamber of Commerce to play a leading role, especially in the export trade. According to Erastus-Sacharia et al. (1999), the availability of information to the SMME sector in Namibia is low. Small businesses complain of a lack of market information,

distribution arrangements that are oriented towards South Africa, and very little information on export markets for Namibian products that have potential for export. Often Ministries of Trade and Industry in developing countries take the lead in providing trade promotion services that include comprehensive business information services to support emerging and established businesses in the export trade. The facilities in the Ministry of Trade and Industry for accessing export and import information are poorly managed and require more resources. This also applies to the main office of Namibia Chamber of Commerce and Industry and its regional offices in the Oshana region that clearly lacked an organised approach towards the dissemination of business information services to the SMME sector.

Another area that is critical to the dissemination of business information is the training of SMMEs in information gathering, analysis and use. While support organizations have pointed to an abundance of business information, SMMEs are not fully aware of the services on offer. One way of addressing the problem of awareness and lack of skills in information use is through targeted training in information use. Arnold et al. (2005) identified that the lack of information and awareness among SMMEs in Namibia is one of the major problems with the use of business services.

Information enhancement and quality is another important area that needs urgent attention on the part of the service providers. Information disseminated must be sector-specific and must be repackaged in formats usable by SMMEs. This includes the dissemination of information not only in English but also in local languages that are widely spoken in the townships and the northern parts of the country.

5.6.2 What are the business support organizations' views regarding the strengthening of business information services?

The data clearly demonstrated that there are many areas that need addressing if information delivery to the SMME sector is to be improved. Business support

organisations provide solutions to issues relating to: training requirements, requirements for improving information services, networking, external assistance and their future plans regarding the improvement of business information services.

Njoku (2004) identified the lack of staff and extension workers among service providers as one of the obstacles to effective information dissemination to SMMEs. Duncombe & Heeks (1999) also identified the failure to adequately interpret SMMEs information needs as another obstacle to effective information dissemination. In the results on business support organizations, it is clearly indicated that there is a need for their staff to be trained in areas of information gathering, analysis and dissemination to SMMEs. The data showed that 54.8% of the organizations do not have enough staff in business information support services. The other areas that require further training include the handling of computer technologies, business development, marketing, public relations and customer care services. These were seen as areas that would enhance information delivery to the SMME sector.

More resources are required in order to improve information delivery. While 80.8% of the organizations showed that their budgets for business information services were growing, the situation on the ground points to a requirement of funding to acquire more equipment and vehicles to improve the outreach programmes, and train staff in information analysis and dissemination. Financial resources are also required to enable more electronic linkages between service providers and the SMMEs, and to improve networking among service providers. And finally, business support organizations require more resources to improve the quality of information as well as information updating that should be done more regularly.

The data indicate a number of areas that service providers need to address in order to achieve better networking and coordination in the dissemination of business information services to SMMEs. Butterly (1998) pointed out that the Namibian market for business information is small and overcrowded with suppliers of free information. Such an environment requires that service providers come together and streamline their services if

they are to have any meaningful impact on the small enterprises. More specifically, the data show that service providers need to share baseline data on various research projects on SMMEs. They need to carry out joint assessment of the impact of information dissemination, as the data point to an overall weakness in the delivery sector.

In terms of overall coordination, service providers see the business chambers of commerce and the government's ministries responsible for trade and industry playing the leading roles in coordinating business support organizations' services. Namibia's SMME sector has been fortunate to have the Joint Consultative Council, an umbrella body of service providers. But it is clear from the findings that more needs to be done in order to achieve sustainable service delivery, especially in the area of business information services. However, it has also been noted that there are many difficulties in building partnerships between organisations. The difficulties start with the sharing of information between potential partners on why they "really" intend to go into a partnership and the benefits each side perceives from joint actions. Then there are also problems such as the management of the jointly-created value as a result of the partnership.

Donor development assistance has always played a key role in the provision of services in the SMME sector in many developing and developed countries. This investigation has shown that, as in many other developing countries, service providers, especially the non-governmental organizations, would require more funding from donors to improve their business information service delivery. The areas that donors should support are linkages with SMMEs through enhanced ICT utilization, training in the handling of new ICTs and helping SMMEs gain access to affordable ICT packages as well as to improve the networking among service providers. The problem with donor support is that it comes and goes, and if organizations do not have sustainability strategies in place most service providers close before they have made any impact in the SMME sector. This trend has also been observed in Namibia where service providers on the membership list of JCC in 1999 were 160, but by 2006 (at the time of this survey) those on the membership of JCC had dropped to a mere 60. Another critical issue complicating external assistance in building partnerships among business support organisations is the distribution of external

resources among potential partners. Perceived and real inequalities in sharing project resources are factors that influence the willingness to enter into partnerships supported by a project. Networking among sources of information, information services and sources of expertise is highly desirable but is very difficult to implement and sustain.

The data show that the business support organizations have a wide range of plans for the improvement of business information delivery to SMMEs. Some of the specific strategies that come out of the study include: targeting rural operators with business information services, resource mobilization through donor and the private sector, training of SMMEs to handle business information, reporting back on SMME research to the wider service provider community, improving general information sharing and communication between service providers, and the establishment of more business information centres in areas more accessible to SMMEs.

5.7 CONCLUSION

This chapter examined and interpreted the data relating to SMME business information needs, seeking behaviour and how they store and exchange business information. It also examined and interpreted data relating to the business information services available to SMMEs in Namibia as well as the levels of ICT utilisation by both SMMEs and business support organisations. It is clear that SMMEs have a range of business information needs that are directly related to overcoming business constraints. Their information seeking patterns can be described as mostly informal, making little use of established business information services in the country. There are ranges of business information services under various types of business development organisations, but they are not widely used. There is a need for better service coordination among service providers. There is also a need to add value to the information provided to SMMEs. Furthermore, outreach programmes must be implemented. On the side of SMMEs it is clear that there is a need for increased awareness, training on the nature and use of business information and more effective promotion of IT utilisation by SMMEs through cheap and affordable packages.

The following chapter proposes a business information delivery strategy that can be adopted by Namibian business support organisations, both in the public and private sectors, to ensure sustainable delivery of business information to the SMME sector.