BUSINESS INFORMATION NEEDS, SEEKING PATTERNS AND INFORMATION SERVICES IN THE SMALL, MEDIUM AND MICRO ENTERPRISES SECTOR (SMME) IN NAMIBIA

By

Elisha Rufaro T. Chiware

Submitted in partial fulfilment of the requirements for the degree

Doctor Philosophiae (Information Science)

in the Faculty of Engineering, Built Environment and Information Technology

UNIVERSITY OF PRETORIA

Supervisor: Professor Archie L. Dick

January 2008
ABSTRACT

This thesis reports on a study conducted to investigate the business information needs, seeking patterns and information services for small, micro and medium enterprises (SMMEs) in Namibia. The survey methodology was used and questionnaires were distributed to 308 SMMEs and 60 business service providers in the Windhoek and Oshana districts of Namibia. An in-depth qualitative assessment of the business information services was also conducted in 15 business support organisations in the two districts. The data collected through questionnaires was analysed using the Statistical Package for Social Sciences (SPSS) while qualitative data was analysed using content analysis.

The study revealed that SMMEs have a range of business information needs and top among them are information on: finance, marketing, training and business information. The study also revealed that the information seeking patterns of SMMEs are largely informal with limited use of formal business information services provided by a range of business support services. There are several business support organisations in Namibia providing a range of services, including the provision of business information services. However, the study established that there is need for a coordinated approach towards the provision of business information services in the SMME sector in Namibia.

The study showed that the utilisation of ICTs among SMMEs is very limited to basic computer operations like word processing, book-keeping packages, and spreadsheets. The use of Internet as a business tool and source of business information among SMMEs is also very limited. However, the study shows that the utilisation of ICTs among business support organisations is advanced and that this could be used as a platform to improve information delivery services to the SMMEs.

The study proposes a strategic model that could be used in the deployment of business information services in the SMME sector. This strategy is based on a definition of
business information services, components of business information services and the steps that must be followed in the development of the services. The proposed strategy also outlines the steps that should be taken in the impact assessment of business information services.

The study concludes by making several recommendations concerning the improvement of business information delivery services to the SMME sector. Business support organisations and, in particular government and Chambers of Commerce and Industry need to consider various approaches in the design of sustainable business information services.
ACKNOWLEDGEMENTS

I wish to extend my sincere gratitude to the following people and institutions for their contributions to this research:

- My supervisor Professor Archie Dick for his guidance throughout the study;
- The University of Namibia for the research grant to undertake the field survey in Windhoek and the Oshana regions of Namibia;
- Ms Anna Kaduma of the Department of Statistics at the University of Namibia for her professional help and guidance in the analysis of the data;
- Dr. Laura Otaala for reading and correcting the language in the text;
- My family Maureen and Rufaro for their support and understanding of my long absence from home;
- My research assistants Laimi Iyambo, Albertina Nashindengo, Jakobina Shanigwa and Sabina Amukoshi for the distribution and collection of questionnaires in Windhoek and the Oshana region;
- My colleagues in the Department of Information and Communication Studies at the University of Namibia for their encouragement and support and
- All the SMME operators and service providers who participated in this study.
DEDICATION

I dedicate this work to my wife Maureen, my son Rufaro and my late grandparents Elisha and Marian Chiware.
# TABLE OF CONTENTS

ABSTRACT ....................................................................................................................... ii
ACKNOWLEDGEMENTS ................................................................................................. iv
DEDICATION ...................................................................................................................... v
TABLE OF CONTENTS ................................................................................................ vi
LIST OF FIGURES .......................................................................................................... xi
LIST OF CHARTS ........................................................................................................... xi
LIST OF TABLES ........................................................................................................... xi
LIST OF ABBREVATIONS AND ACRONYMS ............................................................... xiii

CHAPTER 1 - OVERVIEW ............................................................................................ 1
  1.1 BACKGROUND TO THE STUDY ......................................................................... 1
  1.2 OBJECTIVES OF THE STUDY ............................................................................ 6
    1.2.1 Research problem ........................................................................................ 7
    1.2.2 Research sub-questions ............................................................................. 8
    1.2.3 Working framework ................................................................................... 9
  1.3 RESEARCH METHODOLOGY ............................................................................ 10
    1.3.1 Literature review ....................................................................................... 11
    1.3.2 Research population .................................................................................. 11
    1.3.3 Data collection methods .......................................................................... 11
    1.3.4 Data analysis techniques ......................................................................... 12
    1.3.5 Limitations of the study .......................................................................... 13
  1.4 SIGNIFICANCE OF THE RESEARCH ................................................................ 13
  1.5 DEFINITIONS OF TERMS AND CONCEPTS .................................................... 14
  1.6 STRUCTURE OF THESIS ................................................................................ 15
  1.7 CONCLUSION .................................................................................................. 17

CHAPTER 2 - LITERATURE REVIEW ..................................................................... 18
  2.1 INTRODUCTION .................................................................................................. 18
  2.2 EXISTING INFORMATION BEHAVIOUR MODELS ....................................... 19
  2.3 WHAT ARE THE BUSINESS INFORMATION NEEDS OF SMMEs? .......... 23
    2.3.1 What are information needs? ................................................................... 23
    2.3.2 What are business information needs? ................................................. 24
    2.3.3 Business information needs of SMMEs ............................................... 25
  2.4 WHAT ARE THE SMMEs’ INFORMATION SEEKING PATTERNS? .......... 29
    2.4.1 What is information seeking? .................................................................. 29
    2.4.2 Information seeking patterns of SMMEs ............................................... 29
    2.4.3 What are the barriers to accessing business information? ................. 32
      2.4.3.2 Social barriers to accessing information ........................................ 33
      2.4.3.3 Environmental/situational barriers to information seeking .......... 34
      2.4.3.4 Information sources as barriers to information seeking .......... 34
  2.5 WHAT BUSINESS SUPPORT ORGANISATIONS EXIST TO MEET THE
     BUSINESS INFORMATION NEEDS OF SMMEs? ........................................ 35
    2.5.1 Business support organisation for SMMEs ......................................... 35
    2.5.2 Business information services for SMMEs ........................................... 37
2.6 WHAT ARE THE COMMUNICATION CHANNELS FOR BUSINESS INFORMATION SERVICES TO SMMEs? ......................................................... 41
  2.6.1 Business information communication channels ........................................ 41
    2.6.1.1 Media as a channel of business information ........................................ 42
    2.6.1.2 Training and research as a channel of business information ............... 43
2.7 WHAT IS THE LEVEL OF ICT UTILISATION IN THE SMME SECTOR? ...... 44
  2.7.1 ICTs and the SMME sector ........................................................................ 44
2.8 THE STATE OF e-READINESS OF THE SMME SECTOR IN NAMIBIA ...... 46
  2.8.1 SMMEs and e-commerce ........................................................................ 46
2.9 HOW DO BUSINESS SUPPORT ORGANISATIONS DISSEMINATE BUSINESS INFORMATION TO SMMEs THROUGH ICTs? ........................................ 50
  2.9.1 BDS organisations and information dissemination through ICTs to SMMEs. 50
2.10 HOW DO SMMEs USE ICTs TO ACCESS, STORE AND EXCHANGE BUSINESS INFORMATION? ....................................................... 51
    2.10.1 SMMEs and the use of ICTs in accessing, storing and exchanging information ................................................................................................. 52
2.11 THE DESIGN OF A BUSINESS INFORMATION DELIVERY SERVICE .... 54
    2.11.1 User needs assessment ........................................................................... 54
    2.11.2 Design stage .......................................................................................... 56
    2.11.3 Implementation stage ............................................................................ 60
    2.11.4 Evaluation stage .................................................................................... 61
2.12 CONCLUSION ............................................................................................... 62

CHAPTER 3 - RESEARCH METHODOLOGY ............................................................. 64
  3.1 INTRODUCTION ............................................................................................ 64
  3.2 RESEARCH PROCEDURE ............................................................................ 66
    3.2.1 Survey methodology ............................................................................... 67
      3.2.1.1 The advantages of survey research .................................................... 68
      3.2.1.2 The disadvantages of survey research ............................................... 69
    3.2.2 Research population ............................................................................... 70
      3.2.2.1 Characteristics of the research population ........................................ 70
      3.2.2.1.1 Small, medium and micro enterprises ......................................... 70
      3.2.2.1.2 Business support organisations .................................................. 72
    3.3 SAMPLING PROCEDURES ........................................................................ 72
    3.4 RELIABILITY AND VALIDITY IN SURVEY RESEARCH .......................... 74
3.5 DATA COLLECTION INSTRUMENTS ............................................................. 75
    3.5.1 Questionnaires ....................................................................................... 76
      3.5.1.1 Design of questionnaires .................................................................. 76
      3.5.1.1.1 Questionnaire for SMME operators ............................................ 78
      3.5.1.1.2 Questionnaire for business support organisations ...................... 79
      3.5.2 Qualitative assessment of business information supply services’ guide ... 80
    3.6 THE PILOT STUDY ................................................................................... 81
7 3.7 DATA COLLECTION PROCESS .................................................................. 81
    3.7.1 Administering the questionnaires ............................................................ 81
    3.7.2 The in-depth analysis of business information services ........................... 82
3.8 DATA PROCESSING AND ANALYSIS ......................................................... 82
3.8.1 Analysis of quantitative data................................................................. 82
3.8.2 Content analysis.................................................................................... 84
3.9 ETHICAL CONSIDERATIONS................................................................. 85
3.10 CONCLUSION......................................................................................... 86

CHAPTER 4 - ANALYSIS OF THE DATA...................................................... 87
4.1 INTRODUCTION ....................................................................................... 87
4.2 BUSINESS INFORMATION NEEDS OF SMMEs IN NAMIBIA................. 88
  4.2.1 Background of participating SMMEs.................................................... 88
  4.2.2 Information needs of SMMEs............................................................... 93
  4.2.3 Information seeking patterns of SMMEs.............................................. 98
  4.2.4 Information exchange and storage...................................................... 102
  4.2.5 Use of ICTs in the SMME sector.......................................................... 105
    4.2.5.1 e-Business .................................................................................... 108
    4.2.5.2 SMMEs’ future business performance......................................... 110
  4.2.6 Improvement of business information delivery services............... 110
    4.2.6.1 Business information dissemination services............................... 110
    4.2.6.2 Training in business information use............................................ 111
    4.2.6.3 Information enhancement and quality......................................... 112
4.3 BUSINESS INFORMATION SERVICES FOR SMMEs IN NAMIBIA............. 112
  4.3.1 Profile of business support organizations.......................................... 113
  4.3.2 Business information services............................................................ 114
  4.3.3 Use of ICTs for business information delivery services..................... 120
  4.3.4 Information services and management.............................................. 123
    4.3.4.1 Business information coverage.................................................. 124
  4.3.5 Strengthening of business information services................................. 127
    4.3.5.1 Training for effective business information services.................... 127
    4.3.5.2 Requirements for improving business information services........ 128
    4.3.5.3 Networking among service providers.......................................... 129
    4.3.5.4 External assistance for improving business information services... 130
    4.3.5.5 Organisations that can provide assistance in business information delivery ................................................................................................................................. 131
  4.3.5.6 Future improvement of business information services................... 132
4.4 CONCLUSION.......................................................................................... 133

CHAPTER 5 - INTERPRETATION OF THE DATA.......................................... 134
5.1 INTRODUCTION ....................................................................................... 134
5.2 WHAT ARE THE BUSINESS INFORMATION NEEDS OF SMMEs?.......... 135
5.3 WHAT ARE THE INFORMATION SEEKING PATTERNS OF SMMEs?....... 139
  5.3.1 What are the barriers to information seeking by SMMEs?.................. 142
    5.3.1.1 Personal and environmental barriers to information seeking........ 142
    5.3.1.2 Information sources as barriers to information seeking.............. 143
  5.3.2 How do SMMEs store and exchange business information?............... 144
5.4 WHAT ARE THE CURRENT BUSINESS INFORMATION SERVICES FOR SMMEs? .......................................................... 145
  5.4.1 What are the types of business information services provided to SMMEs?.. 146
    5.4.1.1 Business information channels to SMMEs................................. 147
5.4.2 What is the level of business information management in business support organizations? ................................................................. 147
5.5 WHAT IS THE LEVEL OF ICT UTILISATION IN THE SMME SECTOR? ... 149
  5.5.1 ICT utilisation among SMMEs ................................................................. 150
  5.5.2 The utilisation of ICTs within business support organisations ............ 152
5.6 HOW CAN BUSINESS INFORMATION SERVICES IN THE SMME SECTOR BE IMPROVED? ........................................................................................................ 153
  5.6.1 What are the SMMEs’ views on the strengthening of business information services? ................................................................................................. 153
  5.6.2 What are the business support organizations’ views regarding the strengthening of business information services? ................................................. 154
5.7 CONCLUSION ..................................................................................................... 157

CHAPTER 6 - PROPOSED STRATEGIC MODEL FOR THE DELIVERY OF BUSINESS INFORMATION SERVICES IN THE SMME SECTOR IN NAMIBIA ........................................... 159
  6.1 INTRODUCTION ................................................................................................. 159
  6.2 SMME BUSINESS INFORMATION SERVICES ............................................. 161
  6.3 DEVELOPMENT OF A STRATEGIC MODEL FOR BUSINESS INFORMATION SERVICES ........................................................................................................ 162
    6.3.1 Information needs assessment .................................................................. 164
      6.3.1.1 Business information needs assessment ............................................. 165
      6.3.1.2 Information seeking patterns assessment .......................................... 166
      6.3.1.3 Assessment of ICT in business information services .......................... 167
    6.3.2 Designing business information services for SMMEs .............................. 168
      6.3.2.1 Business information resources .......................................................... 170
      6.3.2.2 Business information delivery channels ............................................ 173
      6.3.2.3 Human resource requirements ............................................................ 175
      6.3.2.4 Information and Communications Technology requirements ............ 176
    6.3.3 Implementation of business information services ..................................... 177
      6.3.3.1 Setting up the business information services project team ................... 178
      6.3.3.2 Defining business information service goals and objectives ............... 178
      6.3.3.3 Establishing business information service support infrastructure ........ 179
      6.3.3.4 Financing implementation activities ..................................................... 180
    6.3.4 Impact assessment of business information services ............................... 181
  6.4 CONCLUSION ..................................................................................................... 182

CHAPTER 7 - FINDINGS AND RECOMMENDATIONS ........................................... 184
  7.1 INTRODUCTION ................................................................................................. 184
  7.2 SUMMARY OF THE FINDINGS ...................................................................... 184
  7.3 FINDINGS ABOUT RESEARCH ISSUES ......................................................... 186
    7.3.1 Findings on SMMEs’ information needs .................................................. 186
    7.3.2 Findings on SMMEs’ information seeking behaviour ............................... 188
    7.3.3 Findings on barriers to information accessing by SMMEs ...................... 189
    7.3.4 Findings on business information services for the SMME sector ............ 190
    7.3.5 Findings on business information channels to SMMEs ......................... 191
    7.3.6 Findings on the utilisation of ICTs in SMMEs .......................................... 191
    7.3.7 Findings on the utilisation of ICTs in business support organisations ....... 192
LIST OF FIGURES

Figure 1: Wilson's 1996 model of information behaviour (Wilson 1999)........................ 20
Figure 2: Information Flow for an Business Information Service Provider (Miehbradt 1999: Online) ............................................................................................................ 57
Figure 3: BISnet– the One Stop-Shop and its partners (UNIDO 2003b) ....................... 58
Figure 4: Proposed model for the development of business information services in the SMME sector in Namibia ................................................................. 164
Figure 5: Proposed set up of business information services in Namibia ....................... 169
Figure 6: Delivery of information services to the SMMEs............................................. 170

LIST OF CHARTS

Chart 1: Distribution of SMME ownership by gender ..................................................... 89
Chart 2: Age distribution ............................................................................................... 89
Chart 3: Levels of education ....................................................................................... 90
Chart 4: Industry sector distribution of SMMEs .......................................................... 91
Chart 5: Annual turnover levels among SMMEs .......................................................... 92
Chart 6: Constraints to business growth in the SMME sector ...................................... 94
Chart 7: Information needs of enterprises .................................................................... 95
Chart 8: Level of information importance .................................................................... 96
Chart 9: Level of information accessibility ................................................................. 97
Chart 10: Comparison of most required and most important information ..................... 98
Chart 11: Important business information sources (frequently used) ......................... 99
Chart 12: Level of satisfaction with sources of business information ......................... 100
Chart 13: Means of receiving business information .................................................... 101
Chart 14: Methods perceived to be most effective in promoting products and services 103
Chart 15: Effective methods used for the promotion of products and services .............. 104
Chart 16: Use of ICTs by enterprises .......................................................................... 107
Chart 17: Impact of the use of computer-based operations on businesses .................... 108
Chart 18: Types of services offered by business support organizations ...................... 114
Chart 19: Major constraints to the growth of SMMEs ................................................ 115
Chart 20: Types of information services provided to SMMEs ..................................... 117
Chart 21: Methods used by business organisations to disseminate information .......... 119
Chart 22: ICTs most used to disseminate business information to SMMEs ................. 122
Chart 23: Levels of business information coverage in business support organizations . 125

LIST OF TABLES

Table 1: Research sub-questions .................................................................................. 8
Table 2: Research instruments used for the study ....................................................... 12
Table 3: Structure of the thesis ................................................................................. 16
Table 4: Approaches to the design of information services ....................................... 54
Table 5: Factors considered for ICT inclusion in information delivery services ......... 55
Table 6: Ministry of Trade & Industry (1997) determinants for SMME definition ........ 71
Table 8: Main difficulties in obtaining business information ........................................ 102
Table 9: Storage of enterprise information .................................................................. 105
Table 10: Ownership of ICTs – communication tools .................................................. 106
Table 11: Frequency of use of computer-based operations ............................................ 107
Table 12: Use of the Internet by enterprises .................................................................. 109
Table 13: Major difficulties faced by SMMEs in using Internet for business purposes. 109
Table 14: Types of organisations which participated in the survey .................................. 113
Table 15: Constraints to dissemination of business information to SMMEs................ 118
Table 16: ICT Profiles in business support organisations ................................................. 121
Table 17: Obstacles to the use of e-business by SMMEs ................................................. 123
Table 18: Average number of personnel in information services in business support
organizations ............................................................................................................... 124
Table 19: Frequency of information updating ................................................................ 126
# LIST OF ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIM</td>
<td>Access to Information and Marketing Centre</td>
</tr>
<tr>
<td>BIS</td>
<td>Business Information Services</td>
</tr>
<tr>
<td>BISnet</td>
<td>Business Information Solutions Network</td>
</tr>
<tr>
<td>BSO</td>
<td>Business Support Organisation</td>
</tr>
<tr>
<td>BDS</td>
<td>Business Development Services</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>EDI</td>
<td>Electronic Data Interchange</td>
</tr>
<tr>
<td>EIS</td>
<td>Enterprise Internet Solutions</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agricultural Organisation</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>ICTs</td>
<td>Information and Communication Technologies</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>ITC</td>
<td>International Trade Centre</td>
</tr>
<tr>
<td>JCC</td>
<td>Joint Consultative Council</td>
</tr>
<tr>
<td>LBSC</td>
<td>Local Business Service Centres</td>
</tr>
<tr>
<td>LIS</td>
<td>Library and Information Science</td>
</tr>
<tr>
<td>MIS</td>
<td>Management Information Systems</td>
</tr>
<tr>
<td>MIS</td>
<td>Marketing Information Systems</td>
</tr>
<tr>
<td>MTI</td>
<td>Ministry of Trade and Industry</td>
</tr>
<tr>
<td>NCCI</td>
<td>Namibia Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>NDP</td>
<td>National Development Plan</td>
</tr>
<tr>
<td>NEPRU</td>
<td>Namibia Economic Policy Research Unit</td>
</tr>
<tr>
<td>NDB</td>
<td>Namibia Development Bank</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisations</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>OSS</td>
<td>One-Stop-Shop</td>
</tr>
<tr>
<td>PC</td>
<td>Personal computer</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>RBRC</td>
<td>Rural Business Resource Centres</td>
</tr>
<tr>
<td>SACU</td>
<td>Southern African Customs Union</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
</tr>
<tr>
<td>SBCGT</td>
<td>Small Business Credit Guarantee Trust</td>
</tr>
<tr>
<td>SBIC</td>
<td>Small Business Information Centre</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SMME</td>
<td>Small, Medium and Micro Enterprises</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
</tr>
<tr>
<td>TPO</td>
<td>Trade Promotion Organisation</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Centre for Trade and Development</td>
</tr>
<tr>
<td>UNIDO</td>
<td>United Nations Industrial and Development Organisation</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>WSIS</td>
<td>World Summit for Information Society</td>
</tr>
<tr>
<td>WITFOR</td>
<td>World Information Technology Forum</td>
</tr>
</tbody>
</table>
CHAPTER 1 - OVERVIEW

1.1 BACKGROUND TO THE STUDY

Small, medium and micro enterprises (SMMEs\(^1\)) are important vehicles in the economic and social development of developing and developed countries. SMMEs constitute a vital element of the development process and their contribution in terms of production, employment and income is widely recognised (Van Oyen & Levitsky 1999). SMMEs in developing countries can militate against the problems caused by reduced Foreign Direct Investment (FDI) in that they stimulate economic development, create jobs and alleviate poverty. The major constraints to the development of SMMEs in many developing countries are limited access to: finance, technology, markets and management skills. Access to, and awareness of business information is also a major constraint to the development and growth of SMMEs in developing economies. However, access to, and awareness of business information is not often given the same attention as other constraints facing SMMEs. Limited access to information resources to start, survive and grow is one of the challenges faced by SMMEs in enterprise development. Studies on business information provision to small, medium and micro enterprises in developing countries reveal that there are several gaps in the demand for, and supply of business information in this sector (Zhao 1999; Duncombe & Heeks 1999; Moyi 2003).

SMMEs are limited in their capacity to access information in many ways, either through lack of knowledge, technological limitations, and the low levels of education or because of the nature of the businesses that they operate. SMMEs also face problems of accessing business information because they either do not understand what relevant information is needed or they do not know how to obtain it efficiently (Mutula 2005). It has been observed in earlier studies that SMMEs in general are under-performing due to the lack

---

\(^1\) The terms Small and Medium Enterprises (SMEs), Small and Micro Enterprises (SMEs), Micro and Small Enterprises (MSE) and Small, Medium and Micro Enterprises (SMMEs) are often confused and used interchangeably. However these are different as the names imply differences in size. Here, the study focus is on SMMEs i.e. Small (11-25 employees), Medium (26-75 employees and Micro (0-10 employees)
of relevant information to gain access to a wide range of resources like finance, markets, and technology and training facilities.

There is a general consensus among public policy makers, academics and researchers that entrepreneurship is a vital route to economic advancement for both developed and developing economies. As a result, a host of small business assistance programmes are conducted by business development services (BDS) organisations made up of public, private and non-profit organisations (Temtime et al. 2004: 563). The field of BDS continues to change rapidly as methodologies for defining and delivering services become more sophisticated and more rooted in commercial, day-to-day realities of small businesses. BDS organisations have supported many activities to improve the information environment of SMMEs so that they are able to respond more readily to market challenges. In many countries donor funding as well as private sector support and sometimes national governments support BDS organisations. It is the reliance on donor funding that has at times made many of the programmes provided by BDS organisations unsustainable as donor funding can shift focus without enough warning to the recipients.

In developing countries, information development projects have largely been associated with failure (Montealegre 1999; Heeks 2002). UNIDO (2003a) identified the failure of information services provision to SMMEs as being caused by: the lack of needs assessment, projects that are not demand oriented, the lack of networking among service providers, both in the public and private sector, as well as the lack of awareness raising about projects among policy makers, brokers and service providers. SMMEs in the area of export trade, for example, are largely supported by Trade Promotion Organisations (TPOs). However, a 1992 World Bank study showed that many of the TPOs in developing countries failed to meet their objectives, which included the dissemination of business information. The Food and Agricultural Organisation (FAO) has also been supporting the setting up of Marketing Information Systems (MIS) in various developing countries to assist small-scale farmers to access market information. The projects, based in recipient governments’ ministries of agriculture, have failed to meet their objectives and have experienced problems of sustainability. Many failures have also been recorded
in the area of dissemination of business information through the use of Information and Communication Technologies (Duncombe and Heeks 1999). Some of the reasons cited, for example, include the approaches adopted in deploying ICTs, which do not take information needs and information seeking behaviour into consideration.

In Namibia, before Independence in 1990, the growth of the SMME sector was slow due to unfavourable and even hostile government policies. The post-Independence government formulated an SMME policy framework (Namibia: Policy Programme on Small Business Development 1997) showing the importance it attached to the sector and its recognition of the role this sector could play in economic development, employment creation and poverty alleviation among previously disadvantaged communities. This policy document, amongst others, stipulates government’s role in various programmes that ensure conditions are favourable for SMMEs in Namibia to flourish. The sector is seen as an important force in generating employment, creating more equitable income distribution, activating competition, exploiting niche markets (both internally and internationally), and enhancing productivity and technological change, thus stimulating economic development. Namibia’s Vision 2030² and the NDP³ (National Development Plan) clearly spell out the role the state is to play in the promotion and effective development and operation of small, medium and micro enterprises in the Namibian economy (Republic of Namibia 2004).

The SMME sector in Namibia is estimated to comprise about 30 000 enterprises employing an estimated 160 000 people, about 19.79% (this figure does not include part-time, occasional, or commission workers or the SMME owners themselves) of the total formal labour force of 500 000 employees. About 75% of the small businesses operate in the service and trade sector, while 25% operate in the manufacturing sector. The contribution of the SMME sector to Gross Domestic Product (GDP) has been rising and

² Namibia Vision 2030 – Policy framework for long-term national development. The goal of the Vision is to improve the quality of life of the people of Namibia to the level of their counterparts in the developed world by 2030.
³ NDP – National Development – the vehicles for implementing Vision 2030’s objectives, often run over a five year period
is estimated to be about 8.7% of GDP (Arnold et al. 2005). SMMEs are seen as contributing to the overall improvement of peoples’ lives, especially the previously disadvantaged groups.

The SMMEs in Namibia are highly diverse, often operate under diverse market conditions, and employ varied means of production. Some SMMEs are expanding and making profits whilst others are poorly managed, lacking financial and managerial resources necessary to adapt to a growing economy. The main types of businesses in the SMME sector in Namibia are in the following categories: manufacturing, construction, retailing, catering, and personal and business services. Unlike other African countries, the proportion of manufacturing enterprises is small. The majority of the SMMEs are urban-based and are in the north of the country, corresponding with the population distribution. In the manufacturing sub-sector the greatest numbers of entrepreneurs are engaged in dress-making, tourist articles, carpentry, motor repairs, panel beating, welding, electronic repairs, food processing and services. The government considers the development of small enterprises as an important part of its industrial development policy. Thus, it has identified poverty alleviation and employment creation, through the promotion of small and medium enterprises, as its main objectives (Erastus-Sacharia et al. 1999).

The SMME sector in Namibia faces a variety of constraints. The most commonly cited problems to date include the lack of a suitable policy environment, market problems (especially not having enough customers), financial constraints (especially lack of operating funds) input difficulties (especially input costs), and effects of globalisation. There is also evidence that competition from imports (as a result of SACU - Southern African Customs Union-membership) is also a major problem. Access to business information is not cited as a major constraint to the growth of SMMEs and yet it is one of the major constraints to the sector, and it is the subject of this study. The ability of SMMEs to survive in an increasingly competitive global environment is largely dependent upon their capacity to access and use business information as an economic resource. However, one of the constraints limiting their capacity is access to timely, current, relevant and adequate business information for informed decision-making
(Mutula 2005). Ntsala, (cited in Mutula 2005), notes that there is consensus that small
businesses are not well served with information, yet they need access to up-to-date
information to keep up with technological developments locally, regionally and
internationally. Further it is noted that small businesses do not have libraries or
information centres of their own, and small business service providers are often not well
coordinated in their information dissemination activities.

The majority of entrepreneurs in Africa, whether contemplating a start-up or an
expansion, need some help to convert business ideas into technically and financially
acceptable plans. There are, however, many imperfections in the flow of information in
African countries and effective business development services can assist in reducing
business failure by filling the information gap. There is an element of risk in all business
undertakings – in fact there is a well-known, accepted relationship between reward and
risk in the business world. When information and data are available, undue risk can be
minimised, although not eliminated entirely (Van Oyen & Levitsky 1999).

The Namibian Economic and Policy Research Unit (NEPRU) have published surveys on
the overall needs of SMMEs in Walvis Bay and Greater Windhoek areas (Hansohm et al.
studies cite information as one of the critical issues that need to be addressed if
SMMEs are to develop. The NEPRU (Hansohm et al. 1998, 1999; Erastus-Sacharia et al.
1999; Arnold et al 2005 and Tjituka and Harris 2005) studies note two views on business
information. Firstly, that business information is viewed as a “luxury” that is much more
suitable for businesses that operate on a large scale. Secondly, the study found that some
institutions feel that business information should be disseminated to enable small
entrepreneurs to produce and deliver goods and services as required by the market. The
surveys by NEPRU (Hansohm et al. 1998, 1999; Erastus-Sacharia et al. 1999; Arnold et
al 2005 and Tjituka and Harris 2005), and other studies by the Commonwealth Secretariat
(1998), and the Ministry of Trade and Industry (1997) on SMMEs in Namibia, have not
addressed the business information needs, information-seeking patterns and the
information services that exist for Namibian SMMEs.
The design of sustainable information delivery services and systems is largely dependent on a full understanding of the target audience’s information needs and seeking patterns. Over the last five decades, several studies on information needs and seeking patterns have been carried out for an array of users in both developing and developed countries. The area of business information needs and seeking behaviour in companies of different sizes are also recorded in the literature. What is not well documented and researched has been the information needs and seeking behaviour of small, medium and micro enterprises, especially in developing countries. The SMME sectors have occupied an important role in developing economies as job creators, engines for economic growth and development and for poverty alleviation. It is the importance of this group and that of information in economic development that is at the centre of this study. SMME information needs and seeking patterns in Namibia have not yet been examined as a basis for the development of business information services to the sector. Hence these studies in a developing economy like Namibia.

1.2 OBJECTIVES OF THE STUDY

Studies on business information provision to SMMEs clearly indicate that information projects in developing countries and in Africa, in particular, have largely failed or are still in formative stages (Heeks 1999a, Heeks 2002, Roman & Colle 2002). While information behaviour has been studied in many contexts, with a variety of people and a broad array of motives and goals (Case 2002: 9), few studies identify the information needs and seeking behaviours of SMMEs in a business environment. The rapid changes in information provision, computerised access, digitised formats in full text and an oversupply of resources on the Internet, compel a review of information seeking behaviour among small, medium and micro enterprises in a developing country context (Atkinson & Figueroa 1997: 60).

The main objectives of this study are, therefore:
To examine the business information needs and seeking patterns of SMMEs in Namibia;
To examine the existing business information services for the SMME sector;
To determine the level of ICT utilisation in the delivery and use of business information; and
To use the research results to design a strategy for business information services for the SMME sector in Namibia

1.2.1 Research problem

Studies by Zhao (1999), Duncombe & Heeks (1999), and Moyi (2003) have identified gaps in information provision to the SMME sector. However, they have not adequately proposed how to narrow these gaps and provide better options in the development of sustainable information programmes to support the SMME sector. The lack of sustainability of information projects in developing countries on the one hand, and the absence of addressing information needs and seeking behaviours as strategies to provide lasting business information services to small, medium and micro enterprises, on the other, lead us to pose the main research question of the study as:

“How can a better understanding of the information needs and seeking patterns of SMMEs contribute to a strategy for successful delivery of sustainable business information services to this sector in Namibia?”

This study investigates the following themes in order to answer this question:

- Business information needs and information seeking patterns of small, medium and micro enterprises;
- Existing business information services;
- The utilisation of Information and Communication Technologies in the sector in Namibia; and
• Proposes how business information services can be delivered to the SMME sector in Namibia in the most effective way.

1.2.2 Research sub-questions

A number of sub-questions emerging from the above themes were addressed. The following table (Table 1) outlines the research questions emerging from the main research problem of the study.

Table 1: Research sub-questions

<table>
<thead>
<tr>
<th>Research theme</th>
<th>Research sub-questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMMEs’ business information needs</td>
<td>1. What are the business information needs of SMMEs?</td>
</tr>
<tr>
<td>SMMEs’ information seeking behaviour</td>
<td>2. What are the SMMEs information seeking patterns for business information?</td>
</tr>
<tr>
<td>The existing business information services</td>
<td>3. What business support organisations exist to meet the business information needs of SMMEs?</td>
</tr>
<tr>
<td></td>
<td>4. What are the communication channels for business information to SMMEs?</td>
</tr>
<tr>
<td>The utilisation of Information and Communication</td>
<td>5. What is the role of ICTs in the SMME sector?</td>
</tr>
<tr>
<td>Technologies in the SMME sector</td>
<td>6. What is the state of e-readiness in the SMME sector?</td>
</tr>
<tr>
<td></td>
<td>7. How do business support organisations disseminate business information to SMMEs through ICTs?</td>
</tr>
<tr>
<td></td>
<td>8. How do SMMEs use ICTs to access, store and exchange business information?</td>
</tr>
<tr>
<td>Design of a business information delivery services for the SMME sector in Namibia</td>
<td>9. How can the results of this study be used to design a model business information service for the SMME sector in Namibia?</td>
</tr>
</tbody>
</table>
1.2.3 Working framework

The study of information needs and seeking behaviour falls within what has been generally referred to as user studies (Mchombu 1994, Wilson 1999, Jorosi 2006). According to Jorosi (2006:98) the field of information behaviour falls within mainstream user studies, spanning over four decades during which many researchers have been trying to understand the information behaviour of various types of groups of users. Information needs and information seeking have been the subject of many studies resulting in several models that explain human behaviour in the seeking and searching for information, and how information needs arise. The models include: the information behaviour model by Wilson (1981), information seeking by Wilson (1981; 1999), Dervin (1986), Ellis (1989) and Kulthau (1993) and information searching and retrieval by Ingwersen (1996). A conception of information seeking as a process in which information needs are pursued, or in which problem solving takes place, is found in each of these models at some or other level (Foster 2004:228).

Models are needed for various purposes and in research they provide guidance in setting research questions and formulation of hypotheses (Jarvelin & Wilson 2003:1). Wilson and Walsh (1996) explain that information seeking is usually a result of the recognition of some need perceived by the user. The demands for information are usually placed upon formal or informal sources or services, resulting in failure or success to find information. There are intervening variables such as psychology, demography, that are role related or interpersonal and environmental that can impact on information use. This study attempted to explore the suitability of these models in designing a suitable business information service for the SMME sector in Namibia, and more specifically it used Wilson’s General Model of Information behaviour (1996).

In the field of user studies of information behaviour for small, medium and micro enterprises in developing countries, the literature is very much limited with few studies reported. The majority of studies in this field are based on western experiences and do not
help us much in our understanding of how small enterprises look for and use business information. However, what western studies have provided us with are the theoretical frameworks on which we can base our own studies of various user groups’ information needs and seeking patterns. And the ultimate goal is to design information delivery systems that work and are sustainable.

This study investigates information needs and seeking patterns as a basis for the design of a sustainable business information delivery service in the SMME sector in Namibia. In order to achieve this overall goal of the study, Wilson’s General Information behaviour Model (1996) was used to investigate how small, medium and micro enterprises information needs arise, how they seek information and the kinds of barriers that they face in seeking information. Wilson’s model pictures the cycle of information need and seeking, and how various intervening variables can help or impede successful information searching. The variables provided in Wilson’s model are important in this study as the model has also been used to inform the design of business information delivery services for the Namibian SMME sector. Wilson’s model is discussed in Chapter 2.

1.3 RESEARCH METHODOLOGY

The survey research method was used, and applied both quantitative and qualitative techniques in the gathering and analysis of data. The quantitative approach was found most suitable to collect data from both the SMMEs and business support organisations, while the qualitative approach was found suitable for carrying out the in-depth analysis of business information services within business support organisations. The use of both quantitative and qualitative approaches ensured data collected was valid and reliable. Several studies reviewed in the literature review section (Zhao 1991; Kinnell et al. 1994; Duncombe & Heeks 1999; Mchombu 2000; Ikoja-Odongo 2001; Bourgouin 2002; Duncombe 2004; Njoku 2004) also used a mixed method approach in the study of information needs and seeking behaviour to ensure reliability of data collected. The full research methodology is discussed in Chapter 3.
1.3.1 Literature review

The literature review was based on the research questions of the study and it forms the foundation of the investigation. The review covers information needs, seeking patterns, business information services, utilisation of ICTs and previous experiences in the establishment of business information services for SMMEs in developing countries.

1.3.2 Research population

The target population of this study was the SMME sector in Namibia, which is made up of SMME owner/managers and business support service providers’ representatives as units of analysis.

1.3.3 Data collection methods

The survey research was carried out with the aid of three data collection instruments: a structured questionnaire for SMME operators, a structured questionnaire for business support organisations and an assessment guide for the existing business information services. These instruments are listed below and a brief outline provided for their use.
Table 2: Research instruments used for the study

<table>
<thead>
<tr>
<th>Research instrument</th>
<th>Description and use of instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literature review</td>
<td>The review covers information needs, seeking patterns, business information services, utilisation of ICTs and previous experiences in the establishment of business information services for small businesses in developing countries (Chapter 2).</td>
</tr>
<tr>
<td>SMMEs’ Questionnaire</td>
<td>The questionnaire for SMME operators addressed the research question on business information needs, the information seeking patterns and the usage of ICTs and the state of e-readiness in the SMME sector (Appendix 3).</td>
</tr>
<tr>
<td>Business Support Organisations’ Questionnaire</td>
<td>The questionnaire was designed for business support organisations. It was designed to address the research question on existing business information services that exist and the channels that they use to deliver business information to SMMEs (Appendix 4).</td>
</tr>
<tr>
<td>Business information services assessment guide</td>
<td>The instrument was used for the qualitative assessment of business information supply services within the business support organisations (Appendix 5).</td>
</tr>
</tbody>
</table>

1.3.4 Data analysis techniques

The survey data collected from SMMEs and business support organisations was evaluated and analysed using the Statistical Package for Social Sciences (SPSS), while the data from the in-depth business information services assessment was analysed using content analysis. The overall goal of the data analysis was to describe the business information needs and seeking behaviours of SMMEs as well as to describe the nature of the existing business information services and the utilisation of ICTs in the sectors. Descriptive statistics were used as they were more suitable for the study of information needs, seeking patterns and business information services for SMMEs in Namibia.
1.3.5 Limitations of the study

The limitations of the study are:

- The findings are very broad, focusing on the whole SMME sector and yet specific sector studies could be necessary to address specific sector problems;
- The survey method used in this study has its weaknesses. Standardized questionnaire items often represent the least common denominator in assessing people’s attitudes, orientations, circumstances and experiences; and
- The study on information needs and seeking behaviour, while addressing information provision, might not necessarily solve the many other problems that SMMEs face and fail to fulfil the goals of employment creation, poverty alleviation, and economic development.
- The study was descriptive of the situation regarding the business information needs, seeking patterns and services in the SMME sector in Namibia, and the results cannot be further generalized without proper inferential statistical tests.

1.4 SIGNIFICANCE OF THE RESEARCH

The results of the research should be significant in that they:

- Lead to a better understanding of the business information needs and seeking patterns of SMMEs and of the business information services that are provided by different business support organizations in Namibia;
- Identify the information delivery channels and information gaps in the SMME sector and the institutional and social structures governing information flows;
- Influence policy and decision makers and service providers on the best methods/practices for business information delivery to SMME sector; and
• Contribute significantly to academic knowledge on the subject of business information needs, seeking patterns and information services for SMMEs. Such knowledge is not easily accessible, especially for developing economies.

1.5 DEFINITIONS OF TERMS AND CONCEPTS

The following are working definitions of terms used in this thesis:

**Business information**: According to Thomas and Ballard (1995:4), a working definition of information in business is “raw data converted into a form to enable the user to make a decision in response to a business need”. This includes raw data, like statistics, market intelligence, contact information, marketing and sources of finance, government regulations, and tariffs.

**Business information services**: These refer to those services that aim to provide targeted clients with specific information for certain activities. In this study information services refer to those support services in the area provided by several business support organisations to SMMEs to enable them to carry out their business activities.

**Business Development Services (BDS)**: These are defined as all external non-financial support services to SMMEs that increase operational capacity, access to markets, management skills, financial efficiency and access to networks and information.

**Information behaviour**: According to Case (2002:5) information behaviour encompasses information seeking as well as the totality of other unintentional or passive behaviours (such as glimpsing or encountering information), as well as purposive behaviours that do not involve seeking such as actively avoiding information.

**Information need**: According to Wilson (1999:252) “information need is not a primary need, but a secondary need that arises out of needs of a more basic kind; and second, that
in an effort to discover information to satisfy a need, the enquirer is likely to meet barriers of different kinds”

**Information seeking:** These are strategies employed by individuals to acquire information including a selection of sources and channels to meet their need, and preference for messages on particular subjects (Chen & Henron 1982; Wilson 1999; Case 2002).

**Small, Medium and Micro Enterprises (SMMEs):** The definition of SMMEs used in this study is based on employment levels within the enterprises with the following ranges:

- From 0 to 10 employees are defined as micro enterprises;
- From 11 to 25 employees are defined as small enterprises; and
- From 26 to 75 employees are defined as medium enterprises.

### 1.6 STRUCTURE OF THESIS

This thesis presents the findings from the literature review, structured surveys and in-depth analysis as outlined in Chapter 2 and 3. Chapter 5 interprets the analysis of the data as presented in Chapter 4, and Chapter 6 presents a strategy for the delivery of business information services in Namibia. The final conclusions and recommendations of the study are presented in Chapter 7. Table 3 below gives an outline of the thesis, by listing the chapters and provides a brief overview of the contents of each.
Table 3: Structure of the thesis

<table>
<thead>
<tr>
<th>Chapters</th>
<th>Content overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1 Overview</td>
<td>Chapter 1 includes the introduction and study of the information environment and the SMME sector; problem statement and research questions; research methodology; definitions; research procedure; significance of the research and structure of the thesis.</td>
</tr>
<tr>
<td>Chapter 2 Literature Review</td>
<td>In Chapter 2, the literature review focuses on addressing the research questions; the information needs of SMMEs; information seeking patterns; the nature of business information services; the channels of disseminating business information to SMMEs; the use ICTs by SMMEs and their application in the delivery of information services.</td>
</tr>
<tr>
<td>Chapter 3 Research Methodology</td>
<td>The Research Methodology chapter discusses the components of the study design that has guided the survey study method. The chapter discusses how the survey research method was applied including its application of both qualitative and quantitative techniques in the collection and analysis of the data.</td>
</tr>
<tr>
<td>Chapter 4 Analysis of the data</td>
<td>Analysis of the data. The presentation focuses on the data collected on information needs and seeking patterns of SMMEs; the services provided by business information suppliers; and the level of ICTs’ utilisation in the use and delivery of business information services.</td>
</tr>
<tr>
<td>Chapter 5 Interpretation of the data</td>
<td>The discussion and interpretation of the data - the data of the study are analysed and compared to results reached in similar investigations reported in the literature.</td>
</tr>
<tr>
<td>Chapter 6 Proposed Strategy for business information services</td>
<td>In Chapter 6, the proposed strategy for a model business information services based on the results of the study and on other models as applied elsewhere in the world is presented.</td>
</tr>
<tr>
<td>Chapter 7 Findings and Recommendations</td>
<td>The Findings and Recommendations are discussed in Chapter 7. The overall summary of all the findings and recommendations and final conclusions of the study are presented.</td>
</tr>
</tbody>
</table>
1.7 CONCLUSION

This chapter has provided the overall framework for the study through the discussion of the background to the statement of the problem, the research objectives and research questions, the research methodology, outline of the literature review, justification of the study as well as its significance and limitations. Chapter 2 reviews the literature on information needs and information seeking patterns of SMMEs, the business information services for the sector as well as the utilisation of ICTs by SMMEs and business support organisation, and it lays the foundation for the empirical study that was carried out in Windhoek and Oshana regions of Namibia with SMME operators and Business Development Services (BDS) organisations.
CHAPTER 2 - LITERATURE REVIEW

2.1 INTRODUCTION

The goal of the literature review was to meet the objectives of the study, which are:

- To examine business information needs and seeking patterns of SMMEs;
- To review small business information services and the channels of information dissemination to the SMMEs;
- To examine the role of Information and Communication Technologies (ICTs) in the use and delivery of business information in the SMME sector; and
- To propose a strategy for the sustainable delivery of business information to SMMEs in Namibia.

The research questions as outlined in Chapter 1 formed the basis of the subtopics of the literature review. Although studies have been carried out in other sectors like rural development, agriculture and health, not many on information needs and information seeking patterns have been identified in the SMME sector. This review provides a basis for the empirical survey on information needs and seeking patterns and the results assisted in the design of a strategy for the delivery of sustainable business information services for the SMME sector in Namibia.

Information and communication theories and models have helped us understand the way information is sought and delivered in our societies. In this study, the information needs and information seeking models will help in understanding the way information is sought and disseminated in the SMME sector. The models for measuring the impact of information on development will also be reviewed, together with evaluations of the impact of ICTs on the development process, especially the delivery and use of business information.
In order to address the literature review adequately, several research questions were generated from the main research question of the study. These research questions were used as the subtopics in the review. The literature review is global but focuses mainly on developing countries, with specific reference to Namibia.

2.2 EXISTING INFORMATION BEHAVIOUR MODELS

Information needs and seeking behaviours has been the subject of many studies resulting in several models explaining human behaviour in how information needs arise and how we seek and search for information. The models on information seeking include among others: the Information Behaviour Model by Wilson (1981); Information Seeking by Wilson (1981; 1999) and Dervin (1992); Information Searching by Ellis (1989) and Kulthau (1993), and Information Searching and Retrieval (in automated environments) by Ingwersen (1996). Information seeking as a process in which information needs are pursued, or in which problem solving takes place, is found in each of these models (Foster 2004:228, Case 2002:115). This study uses Wilson’s Information Behaviour Model (1996) as a framework for the investigation of information needs and information seeking patterns of SMMEs. The model was chosen because it incorporates both aspects of information needs and information seeking that were the subject of the investigation. Further more key aspects of the model were to be used in the design of the research instruments with both the SMMEs and business information service providers. The results should help to design a suitable strategy for business information services for the SMME sector in Namibia.

The basis of Wilson’s 1996 model as depicted in Figure 1, is his earlier model of 1981, which was based on the premise that: “information seeking behaviour arises as a consequence of a need perceived by an information user who, in order to satisfy that need, makes demands upon formal or informal information sources or services, which can result in success or failure to find relevant information” (Wilson 1999:251). The
model had many shortcomings (Case 2002; Niedzwiedzka 2003) and this led Wilson to revise it to the Information Behaviour Model of 1996, which is the theoretical basis of this study.

Wilson’s Information Behaviour Model (1996) pictures the cycle of information activities, from the rise of an information need to the phase when information is being used. It includes intervening variables, which have a significant influence on information behaviour, and mechanisms, which activate it (Niedzwiedzka 2003). The model begins with the “person-in-context” in which information needs arise. The needs are seen, as secondary needs caused by primary needs, which are of a physiological, cognitive or affective nature. The rise of a particular need is influenced by the context, which can be the person him- or herself, or the role the person plays in work, life or the environment.

Figure 1: Wilson's 1996 model of information behaviour (Wilson 1999)
Wilson also added intervening variables (previously called barriers in the 1981 model) that might motivate or hinder information seeking and these are: psychological, demographic (age, sex, education), environmental, and information source characteristics. Each of these intervening variables can either hinder or facilitate information seeking.

Between the levels of person-in-context and the decision to look for information is what Wilson calls the concept of “activating mechanism”. In this he notes that not every need leads to information seeking. In order to explain what stimulates and motivates information seeking, Wilson makes use of the stress coping theory to show that not all needs lead to information seeking. The risk/reward theory is applied to explain why in some situations, people seek information and not in others, and why certain information sources are more frequently used than others. And lastly, Wilson uses the social learning theory to explain why people may, or may not pursue a goal successfully based on their perceptions of their own efficacy (Wilson 1999; Case 2002; Niedzwiedzka 2003).

The model adds the different modes of search behaviours such as: passive attention, passive search, active search and ongoing search. According to Niedzwiedzka (2003), the first mode involves passive absorption of information from the environment, for example from a TV or radio without the person’s intention of seeking information. The second mode is the active search mode, which is said to apply when a particular behaviour leads to information acquisition and is relevant to the person seeking information. The third mode, the active search takes place when a person actively looks for information and lastly the fourth mode, the ongoing search, means continuing search carried out to update or expand the areas of information need (Niedzwiedzka 2003).

The last stages of the model include components about information processing and use. Information obtained by a user is processed, becomes an item of the user’s knowledge, and is used directly or indirectly, to influence the environment and, as a consequence, create new information needs (Case 2002; Niedzwiedzka 2003).
Wilson’s model is seen as a general model of information behaviour and its criticism comes largely from areas where it cannot be fully utilised to explain behaviours of given groups of people. The model, which draws on theories from decision-making, psychology, innovation, health communication and consumer research, ignored special circumstances in other disciplines. Niedzwiedzka (2003), for example, identifies the case of managers in a given organisation and finds that the model cannot be fully applied. Given the complexity of the subject it is rather difficult to come up with one global model that explains information behaviour. The result has been the existence of many other models and theories trying to explain the same concepts but in a different manner.

Niedzwiedzka (2003) has identified some of the weaknesses of the Wilson’s 1996 model as:

- Poor diagrammatical representation of the differences between the phase of the occurrence of information need and the phase when a decision to seek information is undertaken;

- The separation of psychological and demographic variables in the intervening variables section and yet they can be under one broad heading – personal variables;

- The separation of the features of information source from the information environment (context) and yet there can be a general class of environmental variables; and

- Variables should also be considered, not only at the stage of seeking, but also, at the need occurrence, decision-making, processing and use of information (Niedzwiedzka 2003).

Despite the above-mentioned weaknesses, Wilson’s Information Behaviour Model remains a relevant framework for studying information behaviour. Wilson (1999: 250)
describes information behaviour models as “statements, often in the form of diagrams that attempt to describe information seeking activity, the causes and consequences of that activity, or the relationships among stages in information behaviour”. According to Case (2002:128) “the model was intended to illustrate the broad scope of information behaviour…and more useful as a heuristic diagram for designing empirical studies of information seeking”. The stages that the model outlines in information searching can be potentially relevant in exploring the information needs and seeking patterns of the SMME operators in Namibia.

2.3 WHAT ARE THE BUSINESS INFORMATION NEEDS OF SMMEs?

The study of information needs is often complicated by the confusion over the definition of the concept “information” (Wilson 2000). The concept “information” can be defined in several ways depending on the perspective from which it is being looked at. Bernatowicz (1987:219) describes it “as of instrumental value, by which a man can achieve some values that contribute to basic elements of his system of values”. Mowlana (1997:25) defines information as ‘being associated with a human situation, with a communication medium, with something that can be added and accumulated, with something factual, valuable, and with knowledge”. In the business environment, Pleitener (1989:1) defines information, as “a structured, meaningful statement on reality which serves a purpose or, otherwise information is purpose-oriented knowledge”. It is important in this study to understand the nature of business information and the purpose of business information in a firm as a basis for making decisions that will lead to business growth and development.

2.3.1 What are information needs?

The definition of “information needs” has also presented researchers with problems of meaning. Wilson (1981:5) points out that information needs in user studies “has presented seemingly intractable problems” which leads him to conclude that what in fact is meant by information needs is “information behaviour”. Researchers on the subject of information needs still suggest that it is not a basic human need, comparable to those of
food, shelter, security, or companionship. Information needs are said to change constantly with new relevant sensory inputs (Case 2002:76). In other words, new questions emerge as old ones are answered or even partially satisfied. Dervin (quoted in Case 2002) describes a need as “a state that arises within a person, suggesting some kind of gap that requires filling”. When applied to the word “information”, as in information need, what is suggested is a gap that can be filled by something that the needing person calls “information”. For Dervin (1992), looking for information is only one response to a gap: other responses could include seeking assurance, expressing feelings, connecting with another being and so forth.

The definition of “information needs” is made more difficult by problems relating to distinguishing between “information”, “data”, and “knowledge”, and also the problematic terms “needs”, “wants” and “demands” (Nicholas 1996). Chen & Hernon (1982:5) define information needs as “that which arises whenever individuals find themselves in a situation requiring knowledge to deal with a situation”. Information needs arise in all aspects of life, the home, the office, in relationships, or at work (Wilson 1981, 1999). A variety of factors such as the range of information sources available, the uses to which the information will be put, affect information needs. The background, motivation, professional orientation and other individual characteristics of the users also affect them. The social, political, economic, legal and regulatory systems surrounding the user and the consequences of information use also affect information needs (Devadason & Lingham 1996).

It is clear that despite the varying differences in the emphasis and definition, there is consensus that information needs are linked to specific situations and that needs arise when the present level of knowledge is limited to deal with a new situation.

2.3.2 What are business information needs?

Information and business information services are of strategic importance to businesses as the success of any firm depends on its ability to acquire the right information at the
right time and cost. Both large enterprises and small businesses rely on information for success. Business information, according to Thomas & Ballard (1995: 1), is “raw data converted into a form to enable the user to make a decision in response to a business need. This includes raw data, like statistics, market intelligence, contact information, marketing information, and sources of finance, government regulations, and tariffs”. For the purpose of this study business information needs refer to any information that small, medium and micro enterprises require on a day-to-day basis for their business enterprises and supporting the economic activities of the communities where they conduct business.

2.3.3 Business information needs of SMMEs

There are very few studies on information needs, seeking patterns and information services for the SMME sector in Africa. Studies that are closely related to this study include: Zhao (1990); Kinnell et al. (1994); Duncombe & Heeks (1999); Mchombu (2000); Ikoja-Odongo (2001); Bourgouin (2002); Duncombe (2004); and Njoku (2004). Njoku’s (2004) study on information needs of small-scale fishermen in Nigeria examines their needs, sources and seeking behaviour. The study also examines problems encountered in a bid to obtain information. The results of this study show that information needs of fishermen are mostly on: credit facilities, skills training, storage and processing facilities, marketing strategies, sea conditions and locations of big fish and government policies. A similar study by Mchombu (2000) focuses on information needs of women operating small businesses in Botswana. The study ranked information needs as follows: business management (32.5 %), business diversification (22.5%), financial assistance (12.5%), and information on how to operate nursery schools (10%) and lastly 22.5 % of the respondents indicated a total lack of awareness of information needs.

The study by Ikoja-Odongo (2001) on information needs and use in the informal sector in Uganda relates closely to the above studies. The results show a variety of information needs, uses, effects, channels, languages, sources and constraints. It ranks information needs as: marketing information (22.7%), the need for raw materials and or supply
information (15.9%), seeking advice (13.6%), looking for contracts (9.0%), advertising services (9.0%), and government information regarding policies and regulations (4.5%), and other information needs (15.4%).

In a report on Information, ICTs and Small Enterprises in Botswana, Duncombe & Heeks (1999) emphasise the point that information is not the “be-all and end-all” of enterprise development and hence the study of information needs must be set alongside other needs. The results of their study ranked information needs as: access to skills, access to markets and access to finance. What is noticeable from the study from Botswana is the sectoral difference of information needs of enterprises. According to Duncombe (2004), manufacturing SMMEs (non-exporting) had higher levels of information needs – reflecting a struggle to survive, while service-based SMMEs and exporting ones had less information needs and had many information handling capacities.

The studies by Zhao (1990) and Kinnell et al. (1994) on the practice of information demand and business information provision for SMMEs in China respectively, also show that SMMEs have limited access to information. The types of information required are broad and include: new product development, markets for sale, standards, investment opportunities, research and development, technology, economy, finance and foreign trade. Furthermore, Chinese SMMEs require information on commercial intelligence on foreign markets, regulatory and barriers to foreign market entry, patents, product specifications and sample products.

Studies on the business information needs of SMMEs in Namibia are not readily available nor are they well documented. The only documented studies that treat information needs of SMMEs are the Namibia Economic Policy and Research Unit (NEPRU) sponsored surveys (Hansohm et al. 1998, 1999; Erastus-Sacharia et al. 1999; Tjituka and Harris 2005). In these studies the overall needs of SMMEs in the Walvis Bay and Greater Windhoek areas are reviewed and so are the information requirements, which were noted as: information about the services of the Chambers of Commerce; information about services of other agencies in all relevant areas; different sources of supply for raw
material and machinery; new markets; sources of finance; successful entrepreneurs as examples; and advice on improved financial record keeping; technology transfer; sites and premises and sourcing and training programmes.

The NEPRU surveys are limited in scope as their focus is more on other constraints to business growth than the role of information. The Small Business Information Centre (SBIC) in the Katutura Township of Windhoek keeps data on visits by small business operators to the centre, but this has not been analysed to identify delivery gaps and improve services at the centre. The Namibia Chamber of Commerce and Industry (NCCI) is another source of business information. A report by a consultant to streamline information services of NCCI indicated that visits to the NCCI information centre were low and there was no systematic way of keeping records on business information requests (Butterly 1998).

The studies cited above cover five different countries namely: Botswana, China, Uganda, Nigeria, and Namibia. They are representative of the subject of information needs and information seeking patterns of small, medium and micro enterprises in Africa and other developing economies. The studies are largely based on surveys using both qualitative and quantitative approaches. The studies, however, lack any approach towards hypothesis testing and are not based on any model testing. They have shown a variety of information needs and these needs generally fall within the same categories. The Chinese studies, on the other hand, show a wider range of information needs, reflecting a much bigger and broader economy in which the SMMEs are operating.

These studies on information needs of small and medium enterprises identify “information needs gaps” (Duncombe and Heeks 1999; Moyi 2003) across a wide range of business activities. The gaps were identified as the difference between stated demand for information from entrepreneurs and their success in obtaining information from service providers. These findings are confirmed by a study on the information and the small manufacturing firm (Muyawala 1997). The study carried out in Zambia noted that SMMEs lack adequate resources to obtain information on a systematic basis from both
local and foreign sources. There is no coordination between service providers and this result in wasteful duplication of work and leads to considerable gaps in information provision. The gaps are worsened by lack of physical access and costs involved and this has widened the gap between demand and supply of information. The study by Duncombe & Heeks (1999:7) attributes this to the following:

- Information services favour large enterprises and do not target small businesses;
- Entrepreneurs are not conscious of their information needs, are ignorant of existing information services and are not able to identify agencies which have appropriate information;
- Information providers rarely articulate information requirements of small businesses;
- Small entrepreneurs rarely look at information in monetary terms because they believe that information is a right, and therefore it is free of charge;
- Dissemination methods of information are poor, posing physical constraints in the flow of information to SMMEs; and
- There is a lack of qualified personnel to process and disseminate information to small businesses.

The literature indicates a range of business information needs of SMMEs. These needs are influenced by the requirements of the business operators in trying to solve a range of problems and achieve certain business goals. Further, the literature reveals that SMMEs are limited in their capacity to access information through lack of knowledge, technological limitations, barriers created by service providers, the low levels of education and the nature of businesses they operate. The gaps in the literature are on
issues of how to narrow information gaps in the SME sectors and on how to improve service delivery.

2.4 WHAT ARE THE SMMEs’ INFORMATION SEEKING PATTERNS?

2.4.1 What is information seeking?

Wilson (1999:238) defines information seeking “as a result of the recognition of some need perceived by the user. The behaviour may take several forms, such as demanding information from a formal or informal system like a library or from other people”. Information seeking is also described by Chen & Hernon (1982:6) as “the paths pursued by individuals in the attempt to resolve a need”. Case (2002:17) sees information seeking as an important part of being human and that it is something that we do on a regular basis. What is common to all the three definitions is the fact that information seeking refers to actions people takes to obtain needed information. In the SMME sector we consider information seeking as the actions that business operators pursue in order to obtain business information to tackle a number of business challenges.

2.4.2 Information seeking patterns of SMMEs

The problems most often experienced by small, medium and micro enterprises’ owners can be grouped into the following categories: general management, business operations, finance, technology, and marketing. Information seeking is bound to focus on solving these problems (McKenzie 2002; Beyene 2002; Murphy 2002; Premaratne n.d.). There are several factors that affect the information seeking patterns of small business. It has been shown in studies that small firms find information acquisition and utilisation to be a major problem (Fuelhart & Glasmeier 2003: 230). Wilson (1999) explains that information seeking behaviour is a result of the recognition of some need perceived by the user. The demands for information are usually placed upon informal or formal sources or services, resulting in failure or success to find information. Wilson’s
Information Behaviour Model (1996) shows how intervening psychological, demographic, interpersonal and environmental variables or barriers can influence information seeking. Triana et al. (1984: 40) also identify two independent variables in their examination of information seeking behaviour of Hispanic small businesses in the United States. The two are psychological characteristics of the business owners and the types of business problems that they perceived to be significant in running their business operations. It was identified that in these small businesses among Hispanics, the process of looking for information lay with the owner manager whose inclinations, predispositions and biases determine, to a large extent, what information will be found and/or used. The study by Triana et al. (1984) also reveals that lack of contacts and knowledge about where to obtain information are problems that plague almost all new small businesses.

The studies on information and small business (Duncombe & Heeks 1999; Moyi 2003; Njoku 2003; and Duncombe 2004) show that the main sources of information for enterprises are other business owners, family members or friends. The degree of friendship and relationship influences whether a businessperson approaches a specific individual to obtain information (Triana et al. 1984). Mchombu (2000) also observed the trend among small women’s businesses in Botswana. They obtain their business information through informal channels and a large number of the women operators were not aware of the formal information resources and sources.

The problem of SMMEs’ low level of awareness of their information needs also makes them unaware of where to look for information. Ikoja-Odongo (2001:5) observed that the SMME sector largely relies on other people in order to meet their information needs. Njoku’s (2004) study revealed that chief sources of information for small-scale fishermen include colleagues, friends, neighbours and relatives. Chen & Hernon (1982) confirm these findings that “the generally felt preferences of information-seeking individuals are interpersonal sources”. The results from the Botswana study by Duncombe & Heeks (1999) show that current information practices among respondents were largely informal in nature. This was true for both “traditional” sectors (manufacturing, leather, wood and
construction) and the “non-traditional” sectors (tourism, engineering and IT services). Duncombe (2004:8), in a recent study on formalisation of information in SMMEs, found a strong bias towards accessing of informal information and the use of informal information practices for information assessment and applications. More specifically small enterprises’ information sources and channels were characterised by the following (Duncombe & Heeks 1999):

- Reliance on information obtained through knowledge and experience of the business owner;

- Information received through local networking within the business community;

- Information received through contacts with family and friends; and

- Information accumulated through enterprise specific learning.

Furthermore, Duncombe (2004:10) observes that, “business owners prefer information generated by informal sources because it tends to be in closest proximity, it is more trusted, and it is applicable to their existing knowledge base. It is derived from sources that exhibit similar outlooks and aspirations to that of the recipient”. By and large, small businesses build external networks (Premaratne n.d.) that become important sources of information for many business inputs. Premaratne (n.d.), Sturges & Neill (1998), and Greve & Salaff (2003) maintain that informal networks (relatives and friends) provide inputs like advice and finance. Relatives are also a source of initial capital for many small enterprises.

The above studies indicate that formal sources are also used by SMMEs, both in the formal and informal sectors. The studies indicate that the more established SMMEs are the more they tend to rely on formal sources and the more they have established in-house information processing systems, often using ICTs. Duncombe & Heeks (1999) and
Duncombe (2004), in studies on Botswana’s SMMEs, indicate that the established exporting SMMEs and the ones in the service sector that are well established rely heavily on formal information sources to obtain business information. The nature of information sources, the nature of the information itself and the qualitative assessment of the usefulness of information from particular sources are likely to be important factors which relate to usage of these sources, depending on the information need (Fuelhart & Glasmeier 2003: 248).

The literature on information seeking reveals that when it comes to obtaining information, SMME managers/owners rely heavily on private or informal sources. The informal sources are part of networks that they belong to or create as they grow. SMMEs make moderate use of publicly available commercial and institutional sources. Small firms create their own informal networks and these are trusted sources of business information, advice and learning (Sturges & Neill 1998; Frese et al. 2002; Kiggundu 2002; Murphy 2002; and Greve & Salaff 2003). Both informal and formal sources present SMMEs with certain problems in terms of access to business information.

2.4.3 What are the barriers to accessing business information?

In the Information Behaviour Model, Wilson (1996) incorporates the concept of intervening variables to information seeking behaviour. Intervening variables to information seeking can be classified as: personal, social/interpersonal, environmental/situational and information source characteristics.

2.4.3.1 Personal barriers

Personal barriers include educational levels, knowledge base, demographic variables and other factors (Wilson & Walsh 1996). It has been noted that formal education, both secondary and university is significantly correlated with firm growth. What matters in education is not only knowledge and skills learned, but also the enhanced ability to learn
and seek information (Kristiansen et al. 2005: 169). Wynne & Lyne (2004) identify low levels of education as barriers to assembling and interpreting information among SMMEs. The lack of awareness about where and how to obtain information due to illiteracy has been identified in some studies (Mchombu 2000; Moyi 2003) as a major constraint to accessing business information by SMMEs. In Botswana about 20% of women respondents in Mchombu’s (2000) study were not aware of their information needs due to low levels of education. In Namibia the SMME operators are largely from previously disadvantaged communities and possess limited knowledge and business skills due to limited education. Further, despite the existence of many service providers in Namibia, SMMEs are still limited in terms of information sources and the knowledge of potential business services.

Another personal barrier that has been observed is age. Older entrepreneurs are more likely to have better access to information and tend to perform better than younger ones (Kristiansen et al. 2005).

2.4.3.2 Social barriers to accessing information

In developing countries, social networks have been observed to be particularly important for the delivery of a range of intangible, but critical enterprise resource inputs, including empowerment, trust, and motivation, as well as new knowledge and information (Greve & Salaff 2003; Duncombe 2004). Small enterprise networks tend to be composed of, and highly influenced by strong ties of close personal and family relationships (Frese et al. 2002; Kiggundu 2002; and Greve & Salaff 2003). These provide important conduits for predominantly informal, but trusted information. However, in “Innovations Research” it has been observed that “established behaviour patterns of the members of a social system may also act as a barrier to change and, hence as a barrier to information seeking” (Rogers, quoted in Wilson and Walsh 1996).

Murphy (2002) established in a study in Tanzania’s manufacturing sector that trust is an important binding and bridging mechanism in social relations that facilitates information
exchange and collective knowledge creation. But he also argues that social relations may limit access to information, ideas and capital if information and mutual assistance networks are only available to a small group of individuals.

Several other studies have also identified gender as a limiting factor in accessing information (Kristiansen et al. 2005). Mchombu (2000) established that the few studies that have reported on women’s use of information in business show that they have fewer opportunities to exchange information than men do.

2.4.3.3 Environmental/situational barriers to information seeking

The environment may impose barriers of an economic, political, geographic or other nature (Wilson & Walsh 1996). Several barriers to the growth and development of African SMMEs have been identified and they include: policy and regulatory environment, the state of the infrastructure and access to finance, markets and training (Beyene 2002). They all can be barriers to accessing business information.

Language is another situational barrier that can inhibit the free access to business information. Language in Namibia is seen as a big barrier to information seeking. The official language in Namibia is English and official publications are in English and Afrikaans but the majority of SMME operators do not necessarily understand or are able to read any one of these languages. Namibia’s population, though very small, is highly diversified in terms of languages and this makes it difficult for any service provider to satisfy all the language groups, especially when they cannot read English or Afrikaans.

2.4.3.4 Information sources as barriers to information seeking

The sources of business information are in themselves barriers to SMMEs in some cases. While governments, business support organisations and NGOs try to promote SMMEs’ access to information, programmes are not properly designed to meet the needs of the sector and are not adequately staffed with trained personnel to disseminate information.
Njoku (2004) confirms that the shortage of information officers and extension workers or the failure to perform their duties is a source problem for fishermen in the small-scale sector in Nigeria. The other source characteristics which act as barriers to information accessing are the lack of business support organisations to articulate the information requirements of SMMEs as well as failing to educate and train them on how to access and use information (Heeks & Duncombe 1999). This could be attributed to the lack of trained personnel to process and disseminate information within business support organisations. Dissemination methods of service providers are generally poor. They pose physical constraints in the flow of information to target groups especially in rural areas where the literacy rates are low and postal, telecommunication and related services are inadequate (Muyawala 1997). Charging for business information is another possible constraint that SMMEs face in accessing information, as they largely see information as a free product that cannot be charged for (Butterly 1998).

The literature identifies several barriers to information seeking by SMMEs. These range from personal, environmental, attitudinal, institutional, economic and social barriers. What are missing from the literature on SMMEs are further discussions on the information laws or policies (sustainable strategies, including regulatory and policy frameworks) that could enable the smooth flow of information in the sector. However Bayene (2002) notes that despite these shortcomings the African regulatory environment is slowly improving and could, in the long run, improve access to information.

2.5 WHAT BUSINESS SUPPORT ORGANISATIONS EXIST TO MEET THE BUSINESS INFORMATION NEEDS OF SMMEs?

2.5.1 Business support organisation for SMMEs

There is general consensus among public policy makers, academics and researchers that entrepreneurship is a vital route to economic advancement for both developed and developing economies (Temtime et al. 2004: 563). As a result, a host of small business
assistance programmes are conducted by public, private and non-profit organisations in developing countries. This group of programmes is collectively known as Business Development Services (BDS). BDS organisations are characterised by fragmentation and lack of coordination. Abadullah (1999) and Beyene (2002) acknowledge that organisations created to promote SMMEs are not sufficiently prepared for the task and the interface with policy makers leaves much to be desired.

BDS organisations include government ministries and agencies, regional and local municipalities, Non-Governmental Organisations (NGOs), trade development organisations and chambers of commerce and industry, financial institutions, marketing organisations and information brokers. Ideal business information services include the small business information centres equipped with a variety of business information sources that include: business directories, trade magazines, journals and newspapers. The centres also provide such services as telephone enquiry services and selective dissemination of information services. Services are also delivered through a variety of communication channels that include print and electronic media, workshops and training programmes, provision of research facilities, visits and face-to-face meetings.

A more holistic and systematic way of implementing small business assistance programmes should be followed if they are to achieve long-term sustainable development (Temtime et al. 2004). In their study on Botswana’s SMMEs, Temtime at al. (2004) identify the major characteristics of small businesses and potential assistance programmes, and present a decision tree model that matches the characteristics of firms with appropriate assistance programme(s). They illustrate with empirical data that there is a need for a small business assistance model that integrates the fragmented approach in supporting the development of small firms. Their model has not been tested and, more importantly, does not include business information provision as a component part of the assistance programmes.

In Namibia, the Government has been encouraging local authorities to play an active role in the development of SMMEs in their respective regions (Hansholm 1998, 1999). BDS
organisations have to develop an accurate understanding of the situation of SMMEs so that they can respond appropriately to their needs (Committee of Donor Agencies 1998). The Government of Namibia considers the development of small enterprises as part of its industrial development policy (Republic of Namibia 1997). Government has through various policy frameworks instituted measures to promote the sector. Through the Small and Informal Industries Division within the Ministry of Trade and Industry, government coordinates other government institutions involved in the development of small businesses (Erastus-Sacharia et al. 1999). The private sector and the NGO sector have also established the Joint Consultative Committee later to be called Joint Consultative Council (JCC) to coordinate the work of service providers. Some of the results of this effort are the establishment of the Small Business Information Centre in Katutura Township to provide SMMEs with business information.

There are several business service organisations in Namibia. Erastus-Sacharia et al.’s (1999) study on “Small Enterprise Support Institutions in Namibia” list several service providers. The Small Business Service Providers Directory of the Ministry of Trade and Industry and JCC also lists service providers in Namibia for small enterprises. What is true about service providers is that the rate of closure or failure in this sector is as high as that among the small businesses themselves. Service providers come and go except for established organisations like banks, government departments, local and regional authorities. The high closure rate in the sector is partly due to funding problems. Many business service organisations are donor funded and this creates problems of sustainability of their services once donors withdraw or focus on other development issues.

2.5.2 Business information services for SMMEs

A wide range of activities has been undertaken by BDS organisations to improve the information environment of SMMEs so that they are able to respond more readily to market signals (Committee of Donor Agencies 1998). They include support for
attendance at trade fairs and business exhibitions, one-stop information shops, distribution of printed information, and support for learning visits to improve the information flow from business associations. According to Schleberger (1998: [Online]) recommends that the scope of business information services should include:

- Information on business trends and markets;
- Information on business organisations;
- Advisory services on: legal and regulatory aspects, business management, customer service, business expansion and diversification and technology;
- Identification and communication of business opportunities;
- Provision of access to business linkages, finance, markets (e.g. trade fairs); and
- Facilitation of business partnerships

Schleberger (1998) further states that information has to be focused and precise and that it has to be needs-based. Information has to be presented in both written and spoken form, taking into account that vernacular languages may play an important role and that accessibility must take into account the social networks in which SMMEs exist.

The development of fully-fledged business information services in many other developing countries is however hampered by many problems. Kinnell et al. (1994: 2) identified some of these problems in a study of marketing business information services to SMMEs as:

- Backward computer and communication industries;
• Inadequate information resources and low utilisation of them;

• Poor information awareness among the public;

• Immature information market; and

• Lack of information policies/or the need to adjust and intensify them.

In Namibia, the government initiated various programmes for the development of SMMEs including a vendor development programme to address the market problems of SMMEs (Beyene 2002:151). This programme was designed to improve market access for small businesses; improve the structure of and trading relations in the economy through SMMEs and big business linkages; and improve sector linkages.

Through the above measures it is possible to match buyers to suppliers and to help establish ongoing relationships between SMMEs and big businesses and provide needed sources of information (Beyene 2002). However, Erastus-Sacharia et al. (1999) point out that the availability of information to the SMME sector in Namibia is very poor. Small businesses complain of a lack of market information, and distribution arrangements that are oriented towards South Africa. There is very little information on export markets for Namibian products that have the potential for export. They further point out that a number of Namibian handicrafts made with locally produced materials are suitable for export. However, Namibia’s export infrastructure in this regard is poorly developed with little information on export markets.

The Namibia Chamber of Commerce and Industry (NCCI) launched the Access to Information and Marketing Centre (AIM) in 1996 to provide market information and support services to the Namibian business community on a cost recovery basis (Butterly 1998). The services provided by AIM include: trade enquiry services, Namibian
companies’ database, business advisory services, AIM Library, publications and the NCCI website.

The report by Butterly (1998) indicates that, AIM received an average of only two visitors per week and that the AIM Library is completely underutilised. The report indicates that the market for business information in Namibia is small and that it is overcrowded with suppliers of free information. The reports also noted the resistance amongst clients to pay for business information. This makes it difficult to operate a commercial business information services centre that is self-sustainable. If this is the situation for the wider business community then it means that for SMMEs the services are also out of reach. In a more recently commissioned study by NEPRU, Arnold et al. (2005) have identified the lack of information and awareness among SMMEs as one of the major problems with the usage of business services. There is a need to find mechanisms of increasing awareness of BDS services in Namibia.

Public library networks have not been used successfully to provide access to business information. In the United Kingdom, according to Kinnell et al. (1994), public libraries provide ready access to directories and a range of business information sources. In Africa, public libraries have not been adequately used for this function. Muyawala (1997) has observed that the reason militating against public libraries as suppliers of industrial, technological and business information to SMMEs is their image as being primarily educational and recreational. BDS organisations and other government agencies should explore the possibilities of using public libraries as avenues for disseminating business information and help demystify the role of libraries as purely educational and recreational.

The literature indicates that there are a host of services meant to benefit SMMEs in developing countries with business information. Coordination and networking amongst business support organisations in the provision of information is weak and there is little or no specialisation on the part of business organisations providing information. More research needs to be done in order to address issues of networking and coordination.
among BDS organisations in order to provide better information services to the SMME sector.

2.6 WHAT ARE THE COMMUNICATION CHANNELS FOR BUSINESS INFORMATION SERVICES TO SMMEs?

An important consideration in studying the information needs of SMMEs and their seeking patterns are the channels used by service providers to disseminate business information to the sector. The following section focuses on reviewing the literature on channels used by business support organisations to disseminate business information to SMMEs.

2.6.1 Business information communication channels

The channels used by SMMEs to access business information can broadly be divided into the following categories: personal, media, training and research (Bourgouin 2002). Both SMMEs and service providers tend to divide the dynamics of information exchange into two main categories: formal (i.e. institutionally facilitated) and informal (i.e. word of mouth) mechanisms of communication (Peter quoted in Bourgouin 2002). However as Duncombe & Heeks (1999) and Bourgouin (2002) point out, it is difficult to pinpoint which mechanism is superior to the other as research shows that both formal and informal mechanisms are employed.

While Wilson’s (1981) earlier model does not include communication studies as a field of study, the Information Behaviour Model (1996) shows some relationships between information seeking and communication. In the model, information sources can be seen as communication channels which link the person in context (need) to either formal or informal information sources as communicators or originators of messages. The process of communication is either successful or not and the process can be repeated depending on the outcome of the process (Wilson 1999:264).
2.6.1.1 Existing business information channels

Service providers believe formal methods of communication and networking (i.e. service provider facilitated methods) to be effective both in terms of information exchange and cost savings. Most SMME owners however feel that these formal methods have limited benefits and prefer causal face-to-face, informal contact. Bourgouin (2002) believes that formal information systems can allow for increased contact outside networks based on certain localities and they can also be useful for entrepreneurs who lack a coherent social network. In the study on Botswana, Duncombe & Heeks (1999) noted that the exception to using formal information sources was found among SMMEs that depended on government tenders and were involved in more formalised information practices. These enterprises according to Duncombe & Heeks (1999:5) lack access to informal business networks that are valued by the wider SMME community, and that they place a far greater emphasis on information received from government and non-governmental support organisations.

2.6.1.1.1 Media as a channel of business information

The media has been hailed as a tool that will spread development information in developing countries (Schramm 1964). Some of the earliest writers and theorists on development strongly believed that traditional societies had to be transformed in order to achieve a certain level of “modernity” as was the case in the west (Mowlana 1997). Scholars like Lerner (The Passing of Traditional Society), Rogers (2003) in Diffusion of Innovations and Schramm (1964) in Mass Media and National Development, advanced the notion that information and communication were important means of influencing social change and spurring economic development in developing countries. However these works were found to be weak in that they assumed that communication always carries relevant messages and that development had to be based on western ideas (Mchombu 1994). Mowlana (1997:193) points out that “countries and communities throughout the world face problems of deciding how best to use modern technology while minimising any negative impact on indigenous cultures”. Furthermore, while it has
been shown that various forms of mass media have potential for use in developing
countries, traditional knowledge systems, forms and channels of communication and their
integration with modern communication systems could be most effective in generating
desired results with minimal negative impacts (Mowlana 1997).

Kristiansen et al. (2005:369) noted that it is generally recognised that exposure to media,
newspapers and TV, creates opportunities for access to new ideas and business
information. Studies covering channels used for disseminating business information to
the SMME sectors show that the mass media is an important source of information and it
is often ranked as a second or third choice of use by enterprises (Ikoja-Odongo 2001;
Bourgouin 2002). Other media sources like websites, e-mail, brochures and directories
are other formal channels for information on business in many countries, but SMMEs are
yet to make them significant sources of information. According to Miehlbradt (2002:20),
in order for SMMEs to view newer technologies as trustworthy information sources,
interventions must develop personal channels for information delivery. Miehlbradt (2002)
notes that experience from other countries shows that business information services can
be delivered on a commercial and profitable basis through a variety of media and
mechanisms such as radio, business to business magazines, point of sale outlets, web
pages and they are also embedded in other services or other commercial relationships.

2.6.1.1.2 Training and research as a channel of business information

Training programmes for SMMEs are one avenue widely used by service providers to
disseminate information. Not only is training an avenue for the introduction of new skills
and innovations but it is seen as a more formalised source of information for SMMEs
(Bourgouin 2002). Research according to Bourgouin (2002) involves information
gathering by SMME operators through the entrepreneur’s own observation and
comparison of information like prices and undertaking of visits to other business centres
and through personal experiences.
It is evident from the literature that providers are not effectively communicating the potential benefits of their services to SMMEs. They lack marketing skills. This then contributes to SMMEs lack of information about business development services (Miehlbradt 2002). The relationship between BDS organisations and SMMEs should be a two way process where both parties play a part in communicating needs and services.

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

2.7.1 ICTs and the SMME sector

ICTs are the “electronic means of capturing, processing, storing, and communicating information” (Heeks 1999:3). ICTs are seen as being synonymous with the Internet, and they refer to opportunities offered by the coming together of data processing techniques, electronic media, and telecommunications (Thioune 2003). There is often the distinction between old and new ICTs – old refers to radio and television and new to computers and specific data processing applications accessible through e-mail, Internet, word-processing and other data processing applications. Duncombe & Heeks (2001) believe that ICTs are merely a technology-based means of transmitting information, of enhancing knowledge, increasing productivity and creating new products and services but have no intrinsic value for development in themselves.

There is a large body of literature on ICTs on the one hand, highlighting their potential to developing countries (Avgerou 1998; World Bank 1998; Thioune 2003; and UNCTAD 2004) by improving the efficiency of business process and through development of new products and services, new business opportunities and markets. ICTs are also seen as having a role in improving business services, such as financial markets, training and the knowledge market. They can assist in improving the legal, regulatory and policy-making environment for SMMEs (Duncombe & Heeks 2001). On the other hand, writers like Montealegre (1999) and Qureshi (2003) point out that the technological progress is only
taking place in a few advanced industrial countries. Moreover, the technologies are not readily available; they have to be understood, absorbed and mastered. Instead the world is fast moving towards a “digital divide” that separates the rich nations from the poor ones (Baliamoune-Lutz 2003). Avgerou (1998) argues that investment in new technology does not lead to economic growth, and increase in information activities does not necessarily imply economic prosperity. Moyi (2003) agrees that there are other more critical constraints to information flow that deserve priority in developing countries like illiteracy, poor information and telecommunications infrastructure and many others. Heeks (1999:1) also agrees and points out that “serious inequalities exist that constrain the use of ICT based information by poor entrepreneurs”.

The constraints to increased ICT usage in developing countries are many and include: lack of physical infrastructure and affordable access to telecommunications; technology education and weak extension institutions; restricted local supply capabilities and access to international know-how; and low domestic demand due to underdeveloped public sector services and the lack of medium-scale and large scale firms driving ICT innovation. All these constraints and many more mean that ICT diffusion into the SMME sector is low (Duncombe & Heeks 2001). The success of ICT projects will depend not only on how these constraints are addressed but also on how they complement the local institutions and social networks that permeate the SMME sector. Avgerou (1998), Akpan (2003) and Moyi (2003) agree that continuing IT and telecommunications diffusion and emphasis on knowledge development activities are enabling far reaching structural changes in the world economy. Moreover the interest on ICTs and their role in SMMEs can also be linked to how they can contribute to poverty alleviation, given that ICTs are increasingly being seen as tools to fight poverty (Heeks 1999).

Existing research on transfer of Information Technology to developing countries has recognised the following: the need to develop skilled manpower, to learn from past mistakes of other countries, to use proven technologies and to employ consultants or develop international partnerships to import expertise alongside technology (Montealegre
(1999). The literature seems to address conditions and weaknesses in technology transfer, but as Montealegre (1999) argues, the gaps in the literature are on actions and behaviours and the lack of a comprehensive underlying theory to explain ICT transfer to developing countries. Akpan (2003:272) agrees that there are difficulties in making an argument about the utility of ICTs in the development projects of poor countries in the absence of empirical evidence that shows a connection between ICTs and socio-economic development. Duncombe & Heeks (1999) believe that most of today’s research on ICTs is overshadowed by what they call “ techno-centric” approach studies that make technology the starting point instead of information. The studies blame technical faults for information projects failure and yet there are other underlying causes that have not been adequately addressed such as information needs and practices.

2.8 THE STATE OF e-READINESS OF THE SMME SECTOR IN NAMIBIA

e-readiness is an assessment of how ready a country is to participate in the networked world to become a knowledge society/economy. It is a sum total of numerous factors that determine the readiness in terms of areas deemed most critical for ICTs adoption (Kapurubandara et al. 2004; UNCTAD 2004). Government and the private sector play important roles in the e-readiness of a country by creating an environment that can support electronic commerce. Government is also involved in creating stable and supportive environments for developing new industries, enhancing global competitiveness of companies, promoting innovations and fostering their competition. According to Jutla et al. (2002:1), because of its significant potential, electronic business is now the focus in many countries and governments play critical roles in nurturing the e-readiness of various industry sectors.

Promoting the use of ICT by SMMEs in developing countries should be a major priority of national e-strategies – as a key instrument in the advancement of the information society called for by the World Summit for the Information Society (WSIS) (UNCTAD 2004). While the UNCTAD (2004) reports of recent surveys showing an increasing
number of SMMEs (in Thailand, Ghana, South Africa, Morocco, Nigeria, Senegal and Uganda) connected to the Internet as well as having a web presence on the increase, the adoption of e-business is, however, low. Developing countries face major challenges in terms of e-readiness in infrastructure development, the state of their economies, improvement of social and cultural environments, and nurturing business culture as well as improving the regulatory framework. Developing countries are still a step behind in comparison to developed countries. This puts them in a poor state of e-readiness (Kapurubandara et al. 2004:2).

To overcome the challenges of e-readiness, Jutla et al. (2002) present a conceptual model that creates a partnership between government, private sector, public sector departments and agencies, industrial and research organisations, public research players and educational institutions. In the conceptual model, Julta et al. (2002) propose that several dimensions like: knowledge and innovation, infrastructure and access, regulatory, trust and financial infrastructure, skills distribution, access to content and e-government leadership must be addressed by government to foster an e-readiness climate, especially to support the small, medium and micro enterprises.

In Namibia, the e-sectors are growing and so are government efforts towards e-governance in order to create an enabling environment (Stork & Aochamub 2003). Namibia’s telecommunication system is modern and efficient. According to Stork & Aochamub (2003:9), the fixed line density (i.e. telephone per 100 inhabitants) increased from 3.11 percent in 1992 to 6.41 percent in 2002 and the number of installed telephones increased from 45 000 in 1992 to 121,413 in 2003. Beyene (2003:142) notes that 90% of the telecommunications network is on digital lines and the consensus among SMMEs was that the telecoms infrastructure poses no major problems to them. Namibia has an ICT policy framework in place and several other sectors’ needs like education, health, industry and commerce are also being addressed. However Stork & Aochamub (2003) still see several limiting factors that are holding back more rapid ICT deployment in Namibia and these are:
• Lack of IT literacy and in particular in rural areas;
• High communication costs owing to monopoly by one telecommunications service provider;
• Under-utilised radio spectrum;
• Lack of e-commerce and e-banking legislation;
• Absence of a Namibian automatic clearing bureau for bank transactions; and
• Language barriers with respect to Internet content which is largely in English.

While ICTs have changed the way of life in Namibia, they have done so for relatively few Namibians (Stork & Aochamub 2003), including the SMMEs. Although the role of the state in the development of the SMME sector is clearly spelled out in various documents and policy frameworks (Namibia Vision 2030; NDP2), the same is not the case in the Draft e-Governance Policy for Namibia (2004). Government needs to address issues of e-readiness in support of this sector if it is to play a meaningful role towards the creation of a knowledge society/economy.

The literature shows that despite the efforts of many governments worldwide in both developed and developing countries to improve e-readiness, SMMEs are still at the very early stages of adopting e-business practices. Online provision of government information and services can increase the efficiency and coverage of public service delivery to small firms, and act as model user and standard setter for ICT adoption by small firms (OECD 2004). SMMEs’ use of sophisticated e-business applications is not being measured in most countries, and evidence suggests that uptake of e-applications such as knowledge and content management is low (Jutla et al. 2002).
2.8.1 SMMEs and e-commerce

e-commerce is defined by the OECD (2004: 9) as “the sale or purchase of goods or services conducted over the Internet, with the goods and services ordered over the Internet and payment and ultimate delivery of goods and services either online or offline” The OECD’s broad definition includes transactions conducted over computer mediated networks, such as the Internet, EDI (Electronic Data Interchange), and interactive telephone systems.

There are two views on the adoption of e-commerce by small firms. Firstly, it is widely believed that, for small firms to adopt e-business and e-commerce strategies, benefits must outweigh investment and maintenance costs (OECD 2004:8). Beyond a certain level of connectivity (PCs, Internet access, online information and marketing) it is said that not all SMMEs will necessarily “catch up” with large firms simply because e-commerce may not bring large benefits and SMMEs will stay with traditional business processes. Secondly, it is believed that many Internet based services that are for the benefit of SMMEs are emerging and are affordable (Tanburn & Singh 2001; Duncombe 2004). According to the World Resources Institute (a clearing house for ICT projects for SMMEs globally), ICTs have proven to be a vital link in improving the efficiency and expanding the market reach for SMMEs as well as establishing new ways for them to obtain and make the most effective use of business information (World Resources Institute 2006: Online). Bourgouin (2002) found that there is an increased use of ICTs by rural tourism SMME operators in South Africa for making bookings and other vital business transactions. Many other case studies (Duncombe & Heeks 2001) also show that when the overall economies in which the SMMEs operate are growing so will the chances of increased use of Internet based services.

The lack of Internet technology diffusion and sometimes telephone access to the general population in many developing countries has hampered the take-off of e-commerce (Lee 2003). In Europe, barriers to e-commerce adoption have been seen to be the lack of ICT
competencies within the firms, and the non-availability and cost of appropriate interoperable small firms systems, inadequate network infrastructure and Internet related support services (OECD 2004).

2.9 HOW DO BUSINESS SUPPORT ORGANISATIONS DISSEMINATE BUSINESS INFORMATION TO SMMEs THROUGH ICTs?

The focus here is not on the diffusion of technologies to SMMEs; rather it is on how existing ICTs are used to effectively offer business information services to SMME sectors in developing countries.

2.9.1 BDS organisations and information dissemination through ICTs to SMMEs

The impact of globalisation and technological change, and the emergence of the Internet are having a major impact on the type of support interventions, which are required by SMMEs and the way in which such interventions can be designed and delivered (Committee of Donor Agencies 1998). The interventions in Africa by business development services organisations are limited, and experience problems associated with the following (Louw 1996):

- Government regulatory aspects;
- Expensive telecommunications services;
- High costs of equipment for both small businesses and their support organisations, which are mostly NGOs or similar organisations;
- Lack of adequate technical support; and
- Poor Internet connectivity, especially in rural areas.
According to Lee (2003), Business Development Services (BDS) providing technology related services to SMMEs must meet their business needs or else they will have little reason to purchase the services or learn skills taught. In all cases, a clear sense of why technology needs to be leveraged and how it relates to business needs must be formulated at the outset of such initiatives.

In Namibia, Tjituka and Harris (2005) noted that the number of interventions and the number of agencies offering interventions in relation to the use of technology among SMMEs appear to continue at a low level. Service providers feel that it is low levels of perceptions among SMMEs, the cost of investment, import and maintenance costs and the effect of competition from South Africa that have contributed to low usage of ICTs. Tjituka and Harris (2005), however, feel that despite these shortcomings a case remains for much higher levels of support for SMMEs in relation to developing and managing the use of technology in their businesses. This can be achieved, for example, through the sharing of computer equipment, especially in small business parks.

While there are many opportunities to apply new technologies in the health, educational and agricultural information sectors, their role in the SMME sector is only emerging and it requires rigorous attention in order to fully address how ICTs can help this sector. As Heeks (1999:1) rightly points out “the potential contribution of ICTs to small enterprise development can only be assessed by first understanding current information needs and practices in such enterprises”.

2.10 HOW DO SMMEs USE ICTs TO ACCESS, STORE AND EXCHANGE BUSINESS INFORMATION?

In seeking to understand the complex nature of ICTs and their requirements for successful use in the small-scale industry sector, this section reviews existing literature associated with SMMEs and ICT usage.
2.10.1 SMMEs and the use of ICTs in accessing, storing and exchanging information

The review of the literature on business information needs of SMMEs has shown that the information most required by the sector relates to: finance, training, marketing, raw materials, government regulations, and business management services. Duncombe and Heeks (2001) doubt the extent to which these core business information requirements can be transmitted via computer-based ICTs. Moreover, there is little digitised content in most developing countries – from local institutions, government agencies, BDS organisations and NGOs.

Many ICT-based projects for the benefit of small, medium and micro enterprises are being planned or are in a pilot phase. Not many, however, have reached full implementation (Louw 1996). Addressing a World Information Technology Forum (WITFOR) conference, Emre Berkin, Chairman for Microsoft in the Middle East and Africa noted “SMMEs in African countries are still reluctant to endorse Information Technology (IT) as part of their growth strategies” (Mokgoabone 2005). Service providers can rightly blame themselves for this state of affairs and for not having shown the value of ICTs to SMMEs. They have also not raised awareness and showcased pilot projects. Much more research needs therefore to be carried out in order to understand the real ICT needs of SMMEs and how they want these tools for information gathering, processing and exchange in their businesses.

It has been observed that only large firms use microcomputers and computer software packages for strategy formulation and managerial decision-making process (Temtime et al. 2003:231). Kyobe (2004) observed a similar situation with SMMEs and IT utilisation in South Africa. He found out that “SMMEs utilise their IT resources mainly to achieve improvements in customer services and to reduce or avoid costs. And they do not use these resources to create links with suppliers and neither do they use them to differentiate products and services nor to enable innovations to a great extent” (Kyobe 2004:143).
Most applications, particularly in the small and medium sized firms, are restricted to basic transaction and word processing, which are inexpensive to automate and maintain. Moyi (2003) in a study of micro and small enterprises in Kenya shows that most respondents (40%) do not find IT useful. According to the study, besides the commonly cited constraints (access to credit, limited skills, poor infrastructure and limited markets); the small-scale entrepreneurs see further marginalisation because of the modern technologies. Kyobe (2004) also reports that inhibitors to the strategic utilisation of IT resources by SMMEs are due to: lack of skills and knowledge to employ IT competitively, poor IT/business planning, lack of resources to invest in IT, poor IT vision and leadership and uncertainty in the environment.

While some SMMEs benefit from rapid Internet growth by selling over the Internet or experimenting with new business models, others are barely interested in the medium (Sadowski et al. 2002: 75). Heeks (1999) points out that while both formal and informal information sources do not adequately address the information needs of the small entrepreneurs, the formal sources are dominated by “commercially-inspired data or trivia” especially the Web which he thinks is providing the poor entrepreneurs with a lot of “noise” in digitised form and which is too westernised. The other problem could be that most information delivery projects in Africa have been taken over by organisations that think they fully understand the needs of these operators. In order to encourage more sustainable use of ICTs by SMMEs the answers seem to lie in understanding the information needs and information behaviours of these operators.

The impact of IT on industrial development has not been studied intensively in Namibia despite technological progress made by organisations in Namibia since independence. The NEPRU (Stork & Aochamub 2003) report on “Namibia in the Information Age” is the closest to addressing issues of ICT usage in industry and commerce, but the report does not address the SMME sector. With regard to large industries, the report noted a large group of companies connected to the Internet and the use of various ICT based applications in information processing. However, the use of e-commerce is still very low and this is due to the fact that goods and services offered by particular enterprises are not
suitable for sale over the Internet and the majority of customers are not ready to buy over the Internet (Stork & Aochemub 2003).

2.11 THE DESIGN OF A BUSINESS INFORMATION DELIVERY SERVICE

The following section reviews some of the literature on, design, implementation and evaluation of business information services for SMMEs in developing countries.

2.11.1 User needs assessment

In carrying out needs assessment for an information project, Kinnell et al. (1994), International Trade Centre (1996), Committee of Donor Agencies (1998), and Heeks & Duncombe (2001) have recommended a number of issues in user assessment needs for consideration. These recommended issues are presented in the table below:

Table 4: Approaches to the design of information services

<table>
<thead>
<tr>
<th>Issues</th>
<th>Factors considered</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Why is information important in the SMME sector?</td>
<td>• Service providers have considered the importance of information and the effects of information poverty on small enterprises in developing countries</td>
</tr>
<tr>
<td>b) What are the information needs of small enterprises?</td>
<td>• The information needs of the entrepreneurs must be understood so that the right information is supplied on demand.</td>
</tr>
<tr>
<td>c) How do small enterprises use information?</td>
<td>• Is data that is being supplied being turned into information that can be turned into actions and decisions?</td>
</tr>
<tr>
<td>d) Who provides information to small enterprises?</td>
<td>• While the social, business and institutional sources for information are recognised, service providers have aimed to link SMMEs to more sources and to a wider network</td>
</tr>
<tr>
<td>e) What type of information do small enterprises use?</td>
<td>• The balance between informal and formal information has been recognised.</td>
</tr>
<tr>
<td>f) What are the information management techniques/practices in SMMEs?</td>
<td>• What techniques do SMMEs use to manage both internal and external information?</td>
</tr>
</tbody>
</table>
g) Can information be sold?

- When initial scepticism has been overcome, consideration should be made to charge for information services – to ensure sustainability of programmes especially in donor driven environments

h) Major suggestions by SMMEs

- What other areas does the sector require to be tackled?

Table 4 clearly illustrates factors that several writers have recommended in assessing user requirements in the planning and design of business information services. This is followed by a clear understanding of what information is and its role in an enterprise is the starting point. It is also recommended that the users’ needs assessment stage include a review of the current services being provided and focus on: major deficiencies in terms of types of information that are missing and deficiencies in terms of geographical coverage of information, the major limitations in terms of quality, relevance and updating and limitations as far as access modes are concerned, the training needs expressed by information suppliers, major technical and ICTs assistance needs expressed by information suppliers, and major suggestions expressed by information suppliers (International Trade Centre 1996: 26).

In the area of utilisation of ICTs in information delivery and use by SMMEs, Heeks & Duncombe (2001: 6-10) have recommended the consideration of the following:

**Table 5: Factors considered for ICT inclusion in information delivery services**

<table>
<thead>
<tr>
<th>Issues</th>
<th>Factors considered</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) What approach should be taken to implementing ICTs?</td>
<td>Consider taking a holistic or integrated approach</td>
</tr>
</tbody>
</table>
| b) What ICTs can small enterprises use? | Consider the use of:  
  - Fixed telephone/fax  
  - Mobile phone  
  - Electronic mail  
  - Internet and World Wide Web  
  - e-commerce |
| c) What ICTs are being used by SMMEs? |  
  - Word processing  
  - e-mail and spreadsheets |
d) What ICT support should be provided to different enterprises?

Consider the following:
- Non-ICT users
- Non-IT users
- Non-networked ICT users
- Networked/Intensive users
- And provide services accordingly

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>d)</td>
<td>What ICT support should be provided to different enterprises?</td>
</tr>
<tr>
<td></td>
<td>Consider the following:</td>
</tr>
<tr>
<td></td>
<td>• Non-ICT users</td>
</tr>
<tr>
<td></td>
<td>• Non-IT users</td>
</tr>
<tr>
<td></td>
<td>• Non-networked ICT users</td>
</tr>
<tr>
<td></td>
<td>• Networked/Intensive users</td>
</tr>
<tr>
<td></td>
<td>• And provide services accordingly</td>
</tr>
</tbody>
</table>

e) What issues do “ICT intermediaries” face?

Issues to be addressed about ICT intermediaries are:
- Their identity
- The question of sustainability
- Opportunity costs

Table 5 illustrates what service providers have considered in introducing ICTs as tools for communicating business information to SMMEs as well as tools for information processing within the enterprises.

The above clearly indicates the issues that have been considered in the assessment stage of the planning and design of a business information service to the SME sector, as well as the issues considered in introducing ICTs.

2.11.2 Design stage

According to the International Trade Centre (1996: 27) business information development programmes have to address specific problems in order to have a chance of succeeding. In many cases, the International Trade Centre (1996) observes that integrated programmes claiming to improve the overall business information situation are neither feasible, nor desirable. The ranges of SMMEs’ needs are too wide and there are too many actors on the information market. The International Trade Centre has, therefore, recommended the formulation of a series of individual programmes dedicated to covering specific information needs and gaps (International Trade Centre 1996:27).

Miehlbradt (1999: [Online]) shows that information services have been offered together with other business development services because they offer a common customer benefit.
Furthermore, because of low information demand from SMMEs and the need to maintain financial viability, BDS information service providers have also focused on both SMMEs and large businesses. The provider either sources information directly from the Internet or works through other more specialised information providers (Figure 2). The model as proposed by Miehlbradt (1999) graphically illustrated in Figure 2, is made up of information providers, business support organisations, SMMEs/SMME sub-sectors and large businesses.

**Figure 2: Information Flow for an Business Information Service Provider (Miehlbradt 1999: Online)**

The functions of the various components of Miehlbradt’s (1999) model are:

- **Information providers** of various types of business information to business service providers and they include commercial and development banks, government ministries or departments, business information brokers, marketing organisations, training and tertiary institutions, private and public companies.
- **Business support organisations** (chambers of commerce or NGOs) have a more direct link with the SMME sector as they are specifically set up to provide various services to this sector.
- SMMEs/SMMEs sub-sectors are the recipients and users of business information provided by business support organisations, and in some cases, they get information directly from information providers.
Large businesses, because demand for business information from SMMEs is low, financial viability requires that an information service of this nature serve both SMMEs and larger businesses.

A second model is the networked business information service proposed by UNIDO (2003b). In this model, UNIDO proposes the establishment of networked business information solutions (BISnet) for SMMEs that link all relevant national and international information sources into a “One-Stop-Shop” (OSS). The OSS operates on a demand-driven and commercial basis, ensuring SMMEs’ trust and support through a strong local ownership of public and private sector business partners. Commercial operations also ensure the sustainability of the operation of the OSS (Figure 3).

Figure 3: BISnet— the One Stop-Shop and its partners (UNIDO 2003b)

The OSS, is a physical location (with regional or rural offices), where entrepreneurs can walk in for business advice and support. The OSS would host ICT training facilities for
individual and group training. The OSS will not store industrial and marketing information. Instead, it will have data bases on the location of information sources with a facility to access these. The institutions and or/initiatives that are linked will become network partners or nodes. This will ensure the ownership and accuracy of information available from respective nodes. UNIDO’s approach in establishing an OSS follows four sequential steps of: SMME information needs assessment, development of a business plan, awareness building and identification of network partners, establishment of a commercially operating OSS and expanding into rural areas to enhance the national SMME information support infrastructure.

The OSS is conceived as a decentralised and demand-driven network. The building entities of the network are:

- A focal point - offices of the OSS linked with nodes of BisNet depending on the ICT infrastructure;

- Core partners - institutions that are involved in collecting, processing and disseminating industrial technology and/or market information;

- External nodes - national and international information sources, which operate as a window to the external world and provide the link to the institutions and international agencies in various countries dealing with industrial, technology and market information;

- Support services - to support the business information services and related services which have to be offered, such as business and ICT training and Enterprise Internet Solutions (EIS); and

- Rural extensions - expansion of the services to rural entrepreneurs as a second stage of the development of the BISnet by setting up Rural Business Resource Centres (RBRCs) that offer business information and advisory services, business
and ICT training, e-learning, www services including e-commerce, consultancy services, cyber café operations, teleworking (cooperation among enterprises based on digital provision of services (UNIDO 2003b).

The choice of a model in the design stage of business information services depends, to a large extent, on the specific conditions prevailing in a particular country. The design stage is the transformation of the identified user needs into desirable outcomes or action plans. According to Underwood (1990), the design stage focuses on the users of the services and takes the following into consideration:

- Operational issues – development of a planned approach to service development;
- Marketing programme – to reach out to the intended users;
- Human resources requirements – ensure adequate human resources to provide the service; and
- Technology requirements - specify technology requirements for the delivery and management of the service.

The mapping out of action plans may require further negotiation with the target groups to clarify delivery modalities (Wilson 2000).

2.11.3 Implementation stage

According to Wilson (2000), an implementation stage involves the translation of plans into action, following the intended timetable, implementation of activities that make up the change or innovation. Programme ideas supported by clear needs have been widely circulated and strongly promoted among business information providers. They have been brought to the attention of governments and public or private BDS organisations. The
success of the programmes has largely depended on the existence of strong motivation, backed by a real (human, technical and financial) capacity to undertake and implement the desired programme (International Trade Centre 1996: 27). The effective delivery of information services for SMMEs will have to be based on a sound knowledge of their own mode of learning. The Committee of Donor Agencies (2001) points out that those SMMEs learn incrementally, from experience through trial and error. They also learn from their environment, particularly from peers, competitors, suppliers and customers.

2.11.4 Evaluation stage

Continuous evaluations and impact assessment measurements are necessary for an effective information delivery service in developing countries (Committee of Donor Agencies 1998). Evaluation of impact is regarded as an essential part of a project cycle (Bellamy 2000). Donor agencies have been working for common performance indicators and measurements methods for BDS provision over a number of years and this has resulted in a number of performance measurement tools (McVay 2001).

The Committee of Donor Agencies (2001) points out that systematic performance measurement provide a good basis for BDS organizations to improve the design of services in response to their clients’ demands. The Committee of Donor Agencies (2001) identifies three categories of performance measurement, which are relevant in BDS service provision as:

- Client impact - in terms of changes in SMME performance (e.g., sales, value addition, profitability), or broader social and economic impact (employment, poverty alleviation, etc.);
- Institutional performance - according to indicators of outreach, cost effectiveness, and sustainability; and
- Market development – measured, for example, by the price and quality of services available, SMME awareness, trial and repeat usage, the level of
satisfaction of SMMEs, and the extent to which BDS providers are reaching previously underserved populations (Committee of Donor Agencies 2001).

It has been noted however that given the diversity of business development service it is difficult to define one standard. To address this challenge, donors have sponsored the development of a Performance Measurement Framework (PMF) for BDS programmes. The Performance Measurement Framework is an ongoing global initiative to identify valid, practical, and useful performance indicators for business development service (BDS) programmes that serve SMMEs (McVay 2001). The Committee of Donor Agencies (2001), however, still argues that there remain unanswered questions regarding the degree to which standardised performance indicators can be applied across BDS programmes with different objectives and instruments.

The literature on the design of business information services in developing countries is very limited and even more limited for the SMME sector in Africa. Although theoretical models for prospective designers of information services are more biased towards experiences in the developed world, they, give us a framework that we can modify to suit the conditions prevailing in developing economies.

The greatest challenge that governments and BDS organisations face in developing economies is to promote SMMEs for creating employment and alleviating poverty. Timely and accurate business information services have been identified as a major component in those development efforts. The delivery of such services should not be done on an ad hoc basis, but rather be part of systematic planning that involve the study of information needs and seeking patterns, a review of existing services and assessment of the role that ICTs can play in information delivery and use.

2.12 CONCLUSION

The literature review has addressed all the research questions posed in the study and what has emerged is that research on information needs and seeking patterns of SMMEs in developing countries is limited. On Namibia, the literature review also shows that very
little has been published. It also reveals that while service providers exist with an
abundance of business information, SMMEs still face many problems in accessing it or
that they are not aware of its existence.

It has emerged from the literature analysis that the design of business information
systems should consider both the informal and formal systems that SMMEs use to access
business information. Social and business networks have been identified as being
important to small enterprises. Any information delivery programmes should consider
their role as both sources of business information and communication channels.

The literature on ICTs shows that, while they have been hailed as tools to reduce poverty
and spur economic growth there are still many infrastructure and resource problems to
deal with in the SMME sector. This applies not only to the SMME sector, but also across
economies. Equally important is the fact that ICT-based initiatives must acknowledge the
significance of informal systems of communication for the transfer of information
throughout the SMME sectors.

The next chapter addresses the research methods used to carry out the investigation into
how a better understanding of the information needs and seeking patterns can contribute
to a strategy for successful delivery of sustainable business information services in
Namibia’s SMME sector.
CHAPTER 3 - RESEARCH METHODOLOGY

3.1 INTRODUCTION

The purpose of this chapter is to describe the research methodology and techniques that were used to conduct the study. The survey research method was used and the study applied both quantitative and qualitative techniques in the gathering and analysis of data.

The aim of the study was to answer the question “how can a better understanding of the information needs and seeking patterns of SMMEs contribute to a strategy for successful delivery of sustainable business information services”. In order to address this question as outlined in Chapter 1 the objectives of the study were:

- To examine the information needs of SMMEs and the information seeking behaviour of SMMEs in Namibia;
- To examine business information services for the SMME sector in Namibia and identify existing and potential information gaps in the provider institutions;
- To determine the use of Information and Communication Technologies in the delivery and use of business information among SMMEs and business service providers; and
- To propose a strategy for the sustainable delivery of business information services in the SMME sector in Namibia.

This chapter outlines the methods used in the selection of the population, the research instruments used, the procedures followed in data collection and processing, analysis and interpretation.

A methodology is the underlying theory and analysis of how research should proceed and a method is the set of steps guided by methodology. According to Curran & Blackburn (2001:58) “there are an infinite number of permutations of the elements which make up a research design, but the character of the project often narrows the choices”. The final choice of the research design and methodology in this study was influenced by the
research objectives of the study. Furthermore, it was also suitable to have a combination of research techniques as they complement each other and increase the validity of the research being carried out.

Wilson (1999, 2000) argues that there have been too many studies that have used inappropriate quantitative approaches in information behaviour studies prior to the 1970s. From there on, Wilson notes, the shift has been towards qualitative methods that have drawn on theories from other social science disciplines and which have been applied to the study of information behaviour. This shift, according to Wilson (1999:250), has resulted in a number of theories and models in information behaviour (Dervin 1986; Ellis 1989; Kuhlthau 1991; Wilson 1996) that are now widely used as a basis for other studies in the field. This study uses Wilson’s (1996) General Information Behaviour Model, which has been reviewed in chapter two.

In this study of the investigation of information needs and seeking patterns, which also examines the level of ICTs utilisation, it was found suitable to apply both qualitative and quantitative techniques. According to Case (2002), several studies on information needs and seeking behaviour have used both qualitative and quantitative techniques. While the survey research methodology has been the dominant method in studying information behaviour and needs, it encompasses a variety of methods of data collection which still makes it suitable for current and future studies in the field (Case 2002: 190).

Research in small businesses presents the most challenges in the fieldwork stage (Curran & Blackburn 2001). Finding and recruiting samples, collecting and processing data – the essential elements of fieldwork – all have specific challenges. The survey methodology was the most suitable for this study on information needs, seeking patterns and services for SMMEs in Namibia. It has been chosen as the most suitable methodology for this study as it selects a group from a much larger population. A prime advantage of the survey methodology is that it allows the simultaneous collection of both qualitative and quantitative data (Aldridge & Levine 2001).
3.2 RESEARCH PROCEDURE

The study used the survey research methodology to examine business information needs, information seeking patterns, business information services for small, medium and micro enterprises and the utilisation of ICTs in the use and delivery of business information in Namibia. A research strategy or research design has been defined as the general approach taken in an inquiry (Creswell 2003). The design of a survey is a pre-arranged programme for collecting and analysing the information needed to satisfy the study objectives at the lowest possible cost (Warwick & Lininger 1975). The final choice of research strategy in a research inquiry or project depends to a large extent on the type of research problem and questions to be addressed in an enquiry or study. The design finally chosen should be consciously tailored to the overall objectives of the study and the exact types of information needed, and should also take account of the various methods to be used in gathering this information, such as a personal interview, a mail questionnaire, or a telephone interview. According to Hoyle et al. (2002), the three main research strategies in research enquiries are the use of experiments, surveys or case studies. The use and choice of these research strategies depends, to a large extent, on what type of research questions a researcher is trying to address.

Researchers will opt to employ a mixed quantitative – qualitative approach to gain some advantages of both. This has emerged as a common research design in small business research (Curran & Blackburn 2001) and in information science. This study also combines a quantitative survey (based on questionnaires) on information needs and seeking patterns of SMMEs, with a qualitative element (assessment/observation) of business information service provision within the SMME service providers. In effect, the quantitative elements add “bulk” to the findings; that is, they help support implicit/ explicit claims to generalise that all research makes, while the qualitative elements concentrate on the “how” issue - the reasons or causes which might underlie the pattern of findings discovered.

The quantitative elements of the research design reassure those with a strong faith in numbers, particularly policy makers and politicians. The qualitative elements allow the
researchers to go beyond the inferences based on correlations which are all many quantitative designs can strictly claim to have established (Curran & Blackburn 2001:72)

In this study, the survey strategy was the most suitable to address the question of information needs and seeking patterns as well as carrying out the investigation on business information services in the SMME sector in Namibia. The survey proceeded through the following stages: reviewing the relevant literature based on the research questions of the study, selecting the population (i.e. units of analysis), designing research instruments, pilot testing and distribution of the questionnaires, carrying out an in-depth survey, and analysing the data collected from the target population.

The following sections outline in detail how the above-mentioned procedures were followed in carrying out the survey in the Windhoek and Oshana districts of Namibia between June 25 and July 31 2006, and how the data was collected.

3.2.1 Survey methodology

Survey research is the study of a portion or sample of a specific “population” (magazine subscribers, newspaper readers, television viewers, and the population of a community or state). If done according to statistical principles, generalisations can be made from the sample to the population with a certain degree of assurance or confidence (Severin & Tankard 2001:35). Survey research is also described as a set of orderly procedures specifying what information is to be obtained and from whom and how. It provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of the population (Creswell 2003:153). Survey research is said to differ from informal techniques because it tends to be a more systematic and impartial means of getting information. Backstrom & Hursch-Cesar (1981) list the following as the main characteristics of survey research:

- Systematic: it follows a specific set of rules, a formal and orderly logic of operations;
- Impartial: it selects units of the population without prejudice or preference;
• Representative: it includes units that together are representatives of the problem under study and the population affected by it;
• Theory based: relevant principles of human behaviour and mathematical laws of probability guide its operations;
• Quantitative: it assigns numerical values to non-numerical characteristics of human behaviour in ways that permit uniform interpretation of these characteristics; and
• Self-monitoring: its procedures can be assigned in ways that reveal any unplanned and unwanted distortions that may occur.

From the above it is clear that the survey research methodology has strong qualities and that it is a reliable tool in information science research. Case (2002:190) also notes that “survey research can make use of a variety of question types and techniques, such as asking the respondent to relate a “critical incident” that illustrates an important type of event or change in the life of the respondent or an organisation”.

The survey method has several strengths and weaknesses and these are outlined below.

3.2.1.1 The advantages of survey research

The survey research method has several advantages and these are:

• It is flexible;
• It is useful for the discovery of new insights as well as for pointing out typical responses;
• It can be applied to many people; and
• It provides data about the present, what people are thinking and anticipating.

The survey research method differs from other kinds of research in an important way: the survey can generalise about many people by studying only a few of them. Furthermore, when it is compared to other research approaches, the survey method is the best means
available for describing certain characteristics of large populations. These are personal characteristics that people provide about themselves, how they feel, what they think, what they know, and how they act. Until we find a substitute method of getting the same information without talking directly to the people themselves, the survey will remain the best means of describing these characteristics.

3.2.1.2 The disadvantages of survey research

The study has its weaknesses, especially when it comes to applying structured questionnaires to a group of respondents that might have different needs. According to Babbie (2004), a key weakness in survey research is that it is very difficult to probe insights relating to the causes of, or processes involved in the phenomena being measured. The other weakness of survey research that has been identified is that by designing questions that will be at least minimally appropriate to all respondents, you may miss what is most appropriate to many respondents. In this sense, according to Babbie (2004), surveys often appear superficial in their coverage of complex topics. Although this problem can be offset through sophisticated analyses, it is inherent in survey research. According to Case (2002:194) “questionnaires cannot easily capture the complexity of information seeking, nor can they observe the influence of context (e.g. place, time, and situation) in the actual use of information. In-depth interviews and participant observation may be strong on capturing context, but they have their own drawbacks as well”

It has also been pointed out by Aldridge & Levine (2001), that it is always difficult to allow respondents to express themselves in their own words and that is simply not possible in survey design to have a large number of open-ended questions, where respondents are free to answer in whatever words they choose. Most questionnaires or interviews will inevitably consist of closed questions, where there are a series of choices from which respondents are asked to choose. It is from this weakness that critics point out that it is impossible to gauge the salience of issues to our respondents.
3.2.2 Research population

According to Babbie (2004) the population of a study refers to a set of objects which are the focus of the research and about which the researcher wants to determine some characteristics. It has also been referred to as the theoretically specified aggregation of the elements in a study and from which a sample is actually selected. According to Black (1999:111), a population is considered to be any group that shares a set of common traits. Why a researcher would specify a population will depend on to whom he or she wishes to extend his or her results; hence, by defining the population, the researcher is saying “this is the group from which I will select a representative sample for my study”.

Babbie (2004) states that it is generally much more economical in time, effort, and money to get the desired information for only some of the population elements rather than for all. Furthermore, when we select some of the elements with the intention of finding out something about the population from which they are taken, we refer to that group of elements as a sample. The sample is supposed to be representative of the population as a whole. The success of the study however depends to a large extent on how the sample is selected.

The population of this study was small, medium and micro enterprises owners or managers as well as managers within SMME business support organisations. A total of 308 SMME operators and 60 business support organisations were identified for the study and the sampling procedures used to select the respondents are discussed below.

3.2.2.1 Characteristics of the research population

3.2.2.1.1 Small, medium and micro enterprises

In Namibia, according to the Ministry of Trade and Industry (Republic of Namibia, Ministry of Trade and Industry 1997), the SMME sector is defined as any entity
employing less than ten people (in the manufacturing sector) and less than five in all other businesses. This definition was focused and geared towards enhancing the plight of previously disadvantaged groups, the majority of whose businesses are in the informal sector. The disadvantaged groups in Namibia are officially categorised as: all black people (male and female), all coloured people, white women and physically disabled persons. The table below provides the criteria that the Ministry of Trade and Industry used in their definition of SMMEs.

**Table 6: Ministry of Trade & Industry (1997) determinants for SMME definition**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employment</th>
<th>Turnover less than (NS)</th>
<th>Capital employed less than (NS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>Less than 10</td>
<td>1,000,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Non-manufacturing</td>
<td>Less than 5</td>
<td>250,000</td>
<td>100,000</td>
</tr>
</tbody>
</table>

According to the JCC, Namibia has since registered changes in key indicators due to economic growth, which have necessitated a review of the definition to meet both local and international imperatives (JCC 2004). Accordingly, the definition used in this study is as follows:

- 0 - 10 employees – micro business
- 11- 25 employees – small business
- 26 -75 employees – medium business

The Joint Consultative Committee (JCC) and the Namibian Economic Policy and Research Unit (NEPRU), estimates that about 75% of the small businesses operate in the service and trade sector, while 25% of them are operating in the manufacturing sector. The SMME sector’s contribution to Gross Domestic Product (GDP) is reported to be rising and is estimated to be about 8.7% of GDP (Arnold et al. 2005). Many SMMEs in Namibia are characterised by their small size, survivalist approach to business, and they are household ventures operating with limited means.
3.2.2.1.2 Business support organisations

The business support organizations were drawn from the private and public sectors including financial institutions, government ministries and departments, Non-Governmental Organisations, donor agencies, chambers of commerce and industry, local and regional authorities and private companies. The business support organisations are mainly characterised by the provision of various services to SMMEs. These services include the provision of financial services, training in business management, business development, business linkages, marketing, production and technical know how, business mentoring and many others.

In Namibia, business support organizations have formed an umbrella body known as the Joint Consultative Council whose mandate is to coordinate the support activities of service providers for SMMEs. These joint activities have resulted in many projects, including the establishment of a Small Business Information Centre sponsored by private and public sector players.

3.3 SAMPLING PROCEDURES

The issue of sampling is important because it is rarely the case that a researcher has sufficient time and resources to conduct research on all those individuals who could potentially be included in a study (Bryman & Cramer 1994: 99). The sampling frame for the study was a consolidated list of SMME operators in Windhoek and Oshana districts provided by the Small Business Information Centre and the Ministry of Trade and Industry. One of the most difficult problems in small business research is accessing small businesses. According to Curran and Blackburn (2001:59), there are three main reasons for these difficulties. First, there are rarely up-to-date lists available of relevant small businesses to recruit a convincingly representative sample. Second, small business owners are busy people, often under considerable pressure and may not be sympathetic to requests from researchers for some of their time. Third, some business owners are sceptical about the relevance of research, especially academic research.
The data from the Ministry of Trade and Industry was drawn from the databases of new SMMEs registering with the ministry to start new operations. The list is, therefore, made up of existing and new SMMEs. It however, does not reflect those that are no longer in business. The other data from the Small Business Information Centre was based on SMMEs registered with the centre and who regularly visit to seek for information and other business advisory services. To overcome some of the challenges cited above, the researcher had to compile a final list from lists provided by the above mentioned service providers. The final list was made up of 1 540 SMMEs.

Random sampling, the most basic form of probability sampling was used to select small firms from the SMME sample frame. Probability samples provide assurance against misleading results through their ability to specify the likelihood that sample findings do not differ by more than a certain amount from the true population values. They also provide a guarantee that enough cases are selected from each relevant population stratum to provide an estimate for that stratum of the population (Hoyle, Harris & Judd 2002). The target sample size was 308 operators, based on the following formula (allowing reporting of results with 95% confidence and allowing 5% maximum error):

\[
n = \frac{N}{1 + \left[ \frac{N(L/100)^2}{1.96^2 p(1 - p)} \right]};
\]

Where

- \( N \) = total number of SME operators (in this case 1540)
- \( L \) = maximum allowed error (in this case, 5%)
- \( p \) = expected proportion of SMMEs that seek business information (in this case, 0.5, since there are no other previous studies done on this issue leading to the assumption that there is a 50-50 chance that SMMEs seek information)
- \( n \) = sample size

Therefore,
Random sampling was also used to select service providers from the 2005 JCC (Joint Consultative Council) membership list. The membership list provided had a total of 60 current members. The last Small and Medium Service Providers Directory was issued in 2003 and had a total listing of 99 service providers. However, in 2006 at the time of the survey, only 60 organisations were fully subscribed members to the Joint Consultative Council. This shows that the mortality rate among service providers is also high like in the SMME sector. The majority of service providers are donor-driven and any reduction in funding or change of focus of donors will result in their immediate closure.

3.4 RELIABILITY AND VALIDITY IN SURVEY RESEARCH

There are two standard measurement criteria for assessing the appropriateness of any measurement instrument: reliability and validity.

Reliability refers to the extent to which a scale produces consistent results if repeated measurements are made on the characteristics (Black 1999). As such, reliability has to do with the extent to which measures obtained by using a particular instrument are free from error. This means that a highly reliable test or set of observations conducted today will produce the same data tomorrow (assuming nothing has changed), or two observers using the same observation schedule will report the same data. There are a number of coefficients of reliability that can provide the researcher with a check on the quality of an instrument. An instrument that is reliable but not valid is of no use to the researcher as it would only measure reliably something other than what was intended.

According to Black (1999), the validity of a scale is the extent to which the scale captures all aspects of the construct to be measured. It focuses on whether a scale truly measures the construct of interest and not something else. Validity is a survey research design that...
can be tested through: content validation, construct validation, criterion validation and face validation. Much of the evaluation of content validity will, by necessity, be a matter of evaluation of consistency and discussion among subject experts of what constitutes reasonable knowledge and skills for a subject and how adequately the questions sample this. Pilot testing of research instruments is normally used to test content validity and in this study instruments were pilot tested before the final survey was undertaken and any comments from the pilot tests were incorporated into the final research instruments.

Construct validity is the degree to which a measure relates to other variables as expected within a system of theoretical relationships (Babbie 2004:144). Construct validity was ensured through the use of concepts in Wilson’s Information Behaviour model in the design of the questionnaire. Criterion validity is the degree to which a measure relates to some external criterion. In this study the design of the research instruments was based on concepts in the International Trade Centre's “review of business information services” tools and the instrument used by Duncombe and Heeks (1999) in their survey of ICTs, Information and SMEs in Botswana. The International Trade Centre’s business information review tools are widely used in developing countries in the design and improvement of trade information centres.

Reliability and validity of the data collected was also assured through the use of qualitative and quantitative techniques in data collection and that was the use of structured questionnaires and the in-depth assessment of business information services. The in-depth assessment helped to confirm some of the data collected through the structured questionnaires as the researcher had the opportunity to visit fifteen service providers and evaluate their business information services using a standard tool for all of them.

3.5 DATA COLLECTION INSTRUMENTS

Three data collection instruments were used in this study: two questionnaires and a qualitative assessment guide. The first questionnaire was for collecting data from SMME
operators, while the second one was for SMME service providers. A third instrument, a guide for the qualitative assessment of business information supply services was also used for the evaluation of services within the business support organisations’ facilities. The development of questionnaires for both SMME operators and service providers was guided by concepts in the International Trade Centre’s tools for conducting business information reviews in developing countries. The development of the questionnaire was also guided by concepts found in Wilson’s Information Behaviour Model (1996).

3.5.1 Questionnaires

A questionnaire has been described by Babbie (2004) as a document containing questions and other types of items designed to solicit information appropriate for analysis. Questionnaires are used primarily in a survey research but also in experiments, field research and other modes of observation. According to Black (1999: 215), questionnaires for quantitative research in the social sciences are usually designed with the intention of being operational definitions of concepts, instruments that reflect strength of attitudes, perceptions, views and opinions. Investigating what attitudes, beliefs and opinions groups of subjects with common traits hold, is of value simply because it is assumed that these attitudes will influence behaviour. What research into attitudes, opinions and beliefs can help us understand are tendencies: how do these tend to influence decisions and actions in groups of people who have some characteristics in common? There will always be exceptions, but one aim is to see if there are any traits or characteristics of specific identifiable groups. Surveys use either open ended and structured interview schedules or questionnaires for data collection (Fawcett 1992: 16).

3.5.1.1 Design of questionnaires

A major challenge with surveys is to get the subjects to return the questionnaire. To overcome these challenges questionnaires must be carefully worded, not too long and the appearance must be professional to enhance face validity. Two questionnaires were
designed to collect data on: information needs and seeking patterns of SMMEs and business information services for the SMME sector. The design of questionnaires used in the survey was based on concepts in the International Trade Centre instruments on “How to conduct business information reviews” in developing countries, the study by Duncombe and Heeks (1999) on ICTs, information and small enterprises in Botswana and concepts from Wilson’s 1996 Information Behaviour Model.

According to Case (2002: 190), survey research can make use of a variety of question types and techniques, such as asking the respondents to relate a “critical incident” that illustrates an important type of event or change in the life of the respondent or an organisation. They are characterised as closed questions and open ended questions. In this study both open-ended and closed questions were used. Closed questions are easy to use and code and they give the respondents the chance of choosing from two or more fixed alternatives. Their main disadvantage is that they create artificially forced choices and rule out the possibility of unexpected responses by the participants. Most closed questions use scaling to ensure uniformity in response and one of the most widely used are the Likert scales.

A Likert scale measures the extent to which a person agrees or disagrees with the question. The most common scale is 1 to 5. Often the scale will be 1=strongly disagree, 2=disagree, 3=not sure, 4=agree, and 5=strongly agree. The Likert scaling approach was widely used in the design of questionnaires. The scale allows, for example, for respondents to be asked to respond to the following: strongly agree, agree, disagree or strongly disagree or very often, often, not often and not at all (Bryman & Cramer 1994). The Likert scales are a widely used attitude scaling and in this study a four point scale was widely used in questionnaires for both enterprises and the business support organisations.

Open–ended question items provide a frame for the respondent to answer without any restrictions. In other words they allow the respondents to write and explain their responses without being limited by preset categories of responses. Their inclusion in any
questionnaire is very critical because they cater for any lack of exhaustiveness and bias that might be in closed questions. The questionnaire for enterprises had one open ended question while for service providers there were six open-ended questions.

3.5.1.1.1 Questionnaire for SMME operators

The questionnaire for SMME operators addressed the research question on business information needs, the information seeking patterns and the utilisation of ICTs and the state of e-readiness in the SMME sector. The questionnaire consisted of seven sections, A to G with a total of 33 statements and one open ended question. The aim of section A was to collect the demographic data of the SMME operators such as age, gender, levels of education of the SMME operators. Section B collected data on the nature of the business operation such as the sector that the business is operating in, the number of years in operation, turnover, and number of employees and the nature of ownership of the business. It was believed that these factors are influential in studying information needs and seeking patterns.

Sections C was designed to collect data on business information needs of SMMEs. In order to establish the context of information needs the section collected data on the perceived constraints to business growth. It also collected data on the types of information needs of SMMEs, the importance of the different types of business information and the preferred sources and satisfaction with business information received.

Section D was designed to collect data on the information seeking habits of the SMME operators. In order to achieve this, the section focused on collecting data on sources used, the degree of difficulty and satisfaction in obtaining business information. It also collected data on languages used and preferred means to access business information and the strength and weaknesses of the business information services in Namibia.
Section E was designed to collect data on how SMMEs store and exchange business information i.e. how they keep data internally, how and what means they use to promote their products to customers and how they communicate within their business networks. Section F collected data on ownership and usage of ICTs as well as awareness of and use of e-business by SMMEs. The last section was G and was designed to collect data on SMMEs’ present and future business climate. This was designed to provide concluding data on the role of information in the growth of the businesses as well as what the SMMEs see as the best approaches to business information delivery (See Appendix 3).

3.5.1.1.2 Questionnaire for business support organisations

The second questionnaire was designed for business support organisations. The questionnaire consisted of twenty-seven closed statements and six open-ended questions. This questionnaire was designed to address the research question on business information services that exist, the channels used and the use of ICTs to deliver business information to SMMEs. The questionnaire was made up of four sections. Sections A and B collected data on the nature of service providers in the SMME sector and the nature of business information services provided. The section also collected data on how the service providers communicate business information to SMMEs, including languages used, fees charged and the constraints faced in business information dissemination.

Section C of the questionnaire was designed to collect data on the level of ICT ownership and usage by the service providers. It also collected data on how the business support organisations use ICTs to provide business information services to SMMEs. Section D was designed to collect data on the nature of business information management services within the organisations. The data collected includes staff dedicated to business information services, level of business information coverage, staff training in handling business information storage, retrieval and dissemination to SMMEs, as well as the total budgets allocated to the running of business information services. It also collected data on the type of business information networking existing among service providers. And lastly
the instrument had an open-ended section with five questions designed to collect data on how the service providers envisage improving business information services to SMMEs (See Appendix 4).

3.5.2 Qualitative assessment of business information supply services’ guide

The third instrument that was used in this study was a guide for the qualitative assessment of business information supply services within SMME service provider organisations (Appendix 5). The qualitative assessment complemented the data collected with the second questionnaire in that the researcher was able to carry out in-depth assessments of business information services and facilities. The qualitative assessment guide consisted of eight areas of assessment, namely:

- Information coverage and detail;
- Frequency of information updating;
- The value of information stored;
- The accessibility of the facilities to SMMEs;
- Usage of ICTs;
- Staff capacity and dedication;
- Information service management; and
- The dynamism of the organisations in managing and disseminating business information to SMMEs.

The use of the qualitative guide to carry out in-depth analysis of business information service provision was a deliberate measure to ensure the quality of the final product. Researchers in small businesses employ a mixed quantitative-qualitative approach to gain some of the advantages of both (Curran & Blackburn2001:72).
3.6 THE PILOT STUDY

In order to test the reliability of the research instruments, a pilot study was carried out before the final survey commenced. The testing of the research instruments was an important step in the study in order to establish the content validity of the questionnaires as well as the qualitative assessment instrument, and to improve questions, format and the scales (Creswell 2003:158).

The sample for the pilot study was drawn from the consolidated list of SMMEs provided by the Ministry of Industry and Trade, the Small Business Information Centre and the Joint Consultative Council. The sample size for the pilot study was twenty SMMEs and five service providers. The final comments received from the pilot study were used to finalise the structure of the final research instruments.

3.7 DATA COLLECTION PROCESS

The data collection process for the study followed the two steps described below. Two survey questionnaires were distributed to SMMEs and business support organisations while an in-depth assessment of business information within business support organisations was also carried out.

3.7.1 Administering the questionnaires

Due to time constraints and the slow postal system in Namibia as well as the size of the country it was decided to distribute questionnaires physically rather than use the conventional postal system. The researcher was assisted by four research assistants to distribute questionnaires to SMMEs and business support organisations in Oshana and Windhoek districts between 26th June and 12th August 2006. The first two weeks in each district were used for distributing the questionnaires while the second two weeks were used for collecting the completed questionnaires.
Two covering letters were included with the questionnaires: the first was from the researcher describing the research project and motivating the respondents to participate in the survey, the second was a support letter from the Windhoek-based Small Business Information Centre (SBIC) supporting the research project and encouraging both enterprises and business support organisations to participate in the project. A consent form to be signed by the participants was also distributed with the questionnaires.

### 3.7.2 The in-depth analysis of business information services

The researcher carried out an in-depth analysis of the information services facilities in fifteen organisations. This analysis involved the examination of information services in relation to the following criteria: business information coverage and detail, frequency of information updating, the value of information stored (in relation to its use by SMMEs), the accessibility of the facilities to SMMEs, the utilisation of ICTs in information management and dissemination to SMMEs and the dynamisms of the organisations in terms of growing information resources, personnel dedicated to information services and budgets for their maintenance. A total of fifteen organisations were visited during the in-depth analysis and this exercise was carried out over a four week period.

### 3.8 DATA PROCESSING AND ANALYSIS

The processing of the quantitative data collected from SMMEs and service providers was analysed with the statistical software, the Statistical Package for the Social Sciences (SPSS). Qualitative data from the in-depth analysis of business information services was analysed using content analysis.

#### 3.8.1 Analysis of quantitative data

To ensure that data collected was of high quality, a process of data evaluation was carried out. This involved, going through all the questionnaires and questions and checking for
errors to responses and correcting them where possible. All the closed question responses in the SMMEs’ and business support organisations’ questionnaires were assigned code numbers. The open-ended responses were not coded and were analysed using content analysis as described below (section 3.9.2). All questionnaires were assigned a code number to allow the cross checking of the initial data entry in Excel as well as making corrections once that data were run through the SPSS programme.

In analysing the quantitative data, the researcher used a number of variables. According to Aldridge and Levine (2001: 5), the items of information gathered from the respondents are variables and these can be classified into three broad types, depending on the type of information they provide:

- **Attributes** – that is, characteristics such as age, sex, marital status, previous education;
- **Behaviour** – questions such as what? when? how often? and
- **Opinions, beliefs, preferences, attitudes** – questions on these four characteristics probe the respondent’s point of view.

Furthermore, one of the main aims of much quantitative research in the social sciences is the demonstration of causality – that one variable has an impact upon another. The terms independent variable and dependent variable are often employed in this context. The independent variable denotes a variable that has an impact upon the dependent variable. The dependent variable, in other words, is deemed to be an effect of the independent variable (Bryman and Cramer 1994:7). In non-experimental research, where there is no experimental manipulation, the independent variable is the variable that logically has some effect on a dependent variable (Kerlinger 1986). And when researchers are not able to actually control and manipulate an independent variable, it is technically referred to as a status variable (e.g. gender, ethnicity, education, etc.). Even though researchers do not actually control or manipulate status variables, researchers can, and often do, treat them as independent variables (Heppner, Kivlighan and Wampold 1999).
Among the SMME operators various types of independent variables were considered and included age, gender, levels of education, nature of business operation and perceived constraints to business growth. The dependent variables that were considered are: perceived information needs, seeking patterns, use of various information sources and opinions about current business information services and how they can be improved. For the service providers the researcher considered the following independent variables: type of service organization, types of services provided, types of business information disseminated and the perceived constraints to SMME business growth. The dependent variables were the types of information sought by SMMEs, means of communicating business information, and how ICTs are used in the dissemination of business information services to SMMEs.

The responses from the questionnaires were coded and converted into an Excel file/database structure. This data was then exported into an SPSS programme for further analysis. The data processing was carried out with the assistance of the Statistics Department at the University of Namibia.

3.8.2 Content analysis

According to Struwig & Stead (2001:11) content analysis is the gathering and analysis of textual content. The content refers to messages, e.g. words, meanings, symbols and themes. The text can refer to that which is written, spoken or visualised. The aim of content analysis is to transform and classify the many words of the text into considerably fewer content categories (Severin & Tankard 2001). In this study, open-ended responses in the two questionnaires for SMME operators and business service providers were content analysed. The emerging and recurring themes were constructed into meaningful statements.

The qualitative data from the in-depth analysis of business information services facilities were also analysed using content analysis. Content analysis was used in these two sections as it was the most suitable to analyse the open-ended responses in the
questionnaires. General thematic guidelines provided in the qualitative guide were used for the content analysis and these included:

- Information coverage and detail;
- Frequency of information updating;
- The value of information stored;
- The accessibility of the facilities to SMMEs;
- Usage of ICTs;
- Staff capacity and dedication;
- Information service management; and
- The dynamism of the organisations in managing and disseminating business information to SMMEs.

The responses recorded in these thematic areas were analysed and common trends were established and further constructed into narrative statements representing the responses.

3.9 ETHICAL CONSIDERATIONS

According to Creswell (2003:64), “as researchers anticipate data collection, they need to respect the participants and sites for research”. Some of the ethical issues that arise during the research stage include:

- Not subjecting participants to risk and respecting the right to voluntary participation so that individuals are not coerced into the research study;
- Getting permission from authorities to study participants at a given research site;
- Avoiding disturbing sites and leaving them undisturbed after the research study;
- Giving due consideration to harmful information being disclosed during data collection.

A letter of introduction, introducing the researcher and his research assistants was obtained from the SBIC (Small Business Information Centre) prior to the commencement of the study. The researcher’s own introduction letter also served to introduce the subject
of the study to the participants and together with a “consent form” the respondents were asked to indicate their willingness to participate in the survey. A final approval of the research project was obtained from the University of Pretoria’s Faculty Committee for Research Ethics and Integrity in June 2006, and thereafter the survey commenced.

In the analysis and interpretation of both qualitative and quantitative data, issues of good ethics are also considered and these include:

- Protecting the anonymity of individuals, roles and incidents in the study project;
- Discarding of data after a given period of time so that it does not fall into the wrong hands;
- Providing an accurate account of the data analysed.

3.10 CONCLUSION

This chapter has outlined the methods and techniques that were used in investigating the information needs and seeking patterns of SMMEs as well as the business information services for the SMME sector in Namibia. The chapter has discussed the research design and the reasons for selecting the survey methodology over other enquiry techniques. It has been shown that the survey methodology is a type of research in which a sample of individuals is asked to respond to questions. The survey research methodology was described in full and its advantages and disadvantages were outlined. The questionnaires and the in-depth analysis instrument were fully outlined with regards to their contents and use. The research population was also discussed and so were the statistical and content analysis procedures followed in the analysis and interpretation of the data. The next two chapters present the data from the survey as well as the analysis and interpretation of the data.
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 000⁴, 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.

⁴N$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

<table>
<thead>
<tr>
<th>Employment Levels</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 10 employees</td>
<td>80.6%</td>
</tr>
<tr>
<td>11 to 25 employees</td>
<td>13.1%</td>
</tr>
<tr>
<td>26 to 75 employees</td>
<td>6.3%</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

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 cited 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**

<table>
<thead>
<tr>
<th>Information Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>5.3</td>
</tr>
<tr>
<td>Market</td>
<td>7.6</td>
</tr>
<tr>
<td>Raw materials</td>
<td>11.4</td>
</tr>
<tr>
<td>Technical</td>
<td>12.3</td>
</tr>
<tr>
<td>Production</td>
<td>15.6</td>
</tr>
<tr>
<td>Training</td>
<td>8.9</td>
</tr>
<tr>
<td>Policy</td>
<td>18.3</td>
</tr>
<tr>
<td>Regulations</td>
<td>19.5</td>
</tr>
<tr>
<td>Others</td>
<td>50</td>
</tr>
</tbody>
</table>

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.
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**

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

**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)
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**

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

**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

<table>
<thead>
<tr>
<th>Communication Tool</th>
<th>None</th>
<th>1-5</th>
<th>Above 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephones</td>
<td>15.8%</td>
<td>76.8%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Fax</td>
<td>33.7%</td>
<td>62%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Cell-phones</td>
<td>6.3%</td>
<td>79.6%</td>
<td>14.1%</td>
</tr>
<tr>
<td>PCs (Computers)</td>
<td>40%</td>
<td>50%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Post Boxes</td>
<td>18%</td>
<td>78.2%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

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.
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

<table>
<thead>
<tr>
<th>Type of computer operations</th>
<th>Very often</th>
<th>Quite often</th>
<th>Not very often</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word processing</td>
<td>47.6%</td>
<td>10.6%</td>
<td>5.9%</td>
<td>35.9%</td>
</tr>
<tr>
<td>Spreadsheets</td>
<td>32.3%</td>
<td>19.2%</td>
<td>9%</td>
<td>39.5%</td>
</tr>
<tr>
<td>Desktop publishing</td>
<td>14.1%</td>
<td>11%</td>
<td>14.1%</td>
<td>60.7%</td>
</tr>
<tr>
<td>Bookkeeping packages</td>
<td>35.1%</td>
<td>13.7%</td>
<td>11.3%</td>
<td>39.9%</td>
</tr>
<tr>
<td>Other computer programmes</td>
<td>31.7%</td>
<td>8.7%</td>
<td>8.7%</td>
<td>50.8%</td>
</tr>
</tbody>
</table>
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**

![Chart showing impact of computer-based operations](chart.png)

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

<table>
<thead>
<tr>
<th>Nature of Internet use</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing the business’s products</td>
<td>21.8%</td>
<td>78.2%</td>
</tr>
<tr>
<td>Facilitating access to product catalogues and price lists</td>
<td>22.8%</td>
<td>77.2%</td>
</tr>
<tr>
<td>Purchasing products from suppliers</td>
<td>20.8%</td>
<td>79.2%</td>
</tr>
<tr>
<td>Providing after sales support</td>
<td>13.2%</td>
<td>86.8%</td>
</tr>
<tr>
<td>Other (specify)</td>
<td>5.6%</td>
<td>94.4%</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Type of Organisation</th>
<th>No of Org.</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Bank</td>
<td>5</td>
<td>15.6%</td>
</tr>
<tr>
<td>Government Department</td>
<td>5</td>
<td>15.6%</td>
</tr>
<tr>
<td>Chamber of Commerce</td>
<td>2</td>
<td>6.3%</td>
</tr>
<tr>
<td>NGO</td>
<td>6</td>
<td>18.3%</td>
</tr>
<tr>
<td>Small Business Information Centre</td>
<td>2</td>
<td>6.3%</td>
</tr>
<tr>
<td>Training organization</td>
<td>3</td>
<td>9.4%</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>28.1%</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>
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.
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

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

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

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

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

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

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

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

#### 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

<table>
<thead>
<tr>
<th>Number of personnel in business information services</th>
<th>Percentage of organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>67.9%</td>
</tr>
<tr>
<td>6-10</td>
<td>10.7%</td>
</tr>
<tr>
<td>11-15</td>
<td>3.6%</td>
</tr>
<tr>
<td>16-20</td>
<td>7.1%</td>
</tr>
<tr>
<td>+20</td>
<td>10.7%</td>
</tr>
</tbody>
</table>

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.
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 microlending 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.
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 (Niedzwiedzka 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 & Hernon 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; Bourgouin 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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• New product development</td>
<td>• Access to skills</td>
<td>• Marketing</td>
<td>• Credit facilities</td>
<td>• Finance</td>
</tr>
<tr>
<td>• Markets</td>
<td>• Access to markets</td>
<td>• Raw materials</td>
<td>• Skills training</td>
<td>• Marketing</td>
</tr>
<tr>
<td>• Standards</td>
<td>• Access to finance</td>
<td>• Seeking advice</td>
<td>• Storage and processing</td>
<td>• Production</td>
</tr>
<tr>
<td>• Investment opportunities</td>
<td></td>
<td>• Looking for contracts</td>
<td></td>
<td>• Training</td>
</tr>
<tr>
<td>• Research and development</td>
<td></td>
<td>• Advertising</td>
<td></td>
<td>• Policy/SMME development</td>
</tr>
<tr>
<td>• Technology</td>
<td></td>
<td>• Government information regarding policies and regulations</td>
<td></td>
<td>• Sources of raw materials</td>
</tr>
<tr>
<td>• Economy</td>
<td></td>
<td></td>
<td></td>
<td>• Government regulations</td>
</tr>
<tr>
<td>• Finance</td>
<td></td>
<td></td>
<td></td>
<td>• Technical information</td>
</tr>
<tr>
<td>• Foreign trade</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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 & Hernon (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 Bourgouin (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 worldwide 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.
CHAPTER 6 - PROPOSED STRATEGIC MODEL FOR THE DELIVERY OF BUSINESS INFORMATION SERVICES IN THE SMME SECTOR IN NAMIBIA

6.1 INTRODUCTION

The presentation and interpretation of the data in Chapter 4 and 5 has shown that there is need for improved business information services in the SMME sector in Namibia. More importantly, it has also been shown that an integrated approach in the provision of business information services in Namibia is the best approach to effective services in the sector. A new strategic model for the delivery of business information services in the SMME sector in Namibia is required if enterprises are to have better access to business information. There are currently several business information service suppliers in the market but their services are not known by the majority of the enterprises. Key players like the Ministry of Trade and Industry, the Namibia Chamber of Commerce and Industry, the Joint Consultative Council, private sector institutions and NGOs need to come together and work towards a common approach in the delivery of business information to the SMME sector.

The discussion in Chapter 5 has shown that there is a need to raise awareness about business information services, and to train enterprise owners or managers about the importance and use of business information. There is also the need to train business support organisations’ staff in business information collection, analysis and dissemination techniques. In other words, it has been demonstrated that both the SMME operators and business service providers require more training in disseminating and accessing business information services. A proposed model should address the barriers to the effective flow of business information as identified in the Information Behaviour Model (Wilson 1999) and in this study.
The overall goal of this chapter is, therefore, to address the final question of the study, which is:

“How can the results of the study be used to design better business information services that are relevant to the needs of the Namibian SMME sector?”

To come up with a strategic model for the delivery of business information services to the SMME sector in Namibia, the specific objectives of this chapter are therefore:

- To define business information services (BIS) for SMMEs in Namibia and outline their major components and support infrastructure;
- To provide an overview of some of the approaches in the design and development of business information services for the SMME sector; and
- To outline the guidelines for user assessment needs, design, implementation and monitoring and evaluation tools and methods in the deployment of business information services in SMME sector.

The proposed strategic model on business information services in Namibia will take into consideration the survey data as presented and discussed in Chapters 4 and 5, and the findings of the literature review in Chapter 2. Some of the concepts presented in Wilson’s Information Behaviour Model (see Chapter 2) will also inform the design of the business information services model developed here. The models by UNIDO (2003b) on building business information networked services, and Miehlbradt’s (1999) model on business on the development of small business information services in developing countries as reviewed in Chapter 2 are also critiqued in relation to the proposed model for Namibia. This chapter will therefore propose a strategic model for planning, designing and implementing a business information services in the SMME sector of Namibia. The model can be adapted to the needs of developing economies with similar conditions.
6.2 SMME BUSINESS INFORMATION SERVICES

It is important to explain SMME business information services and to outline their major features before proposing guidelines for the development and/or strengthening of existing services in Namibia. Based on the investigation in this study and the literature review in Chapter 2, business information services for SMMEs can be explained as:

- Business support services that provide SMMEs with information on business issues like, finance, markets, statistics, training, business opportunities, linkages, trade promotion, production, technology and business development and can be complemented by a range of other services like access to computers and the Internet.

Business information services are not only a key business service in their own right, but are also a tool to increase the transparency of the business development services’ overall market. Although information is more readily available, SMMEs in Namibia generally lack comprehensive and reliable information about business services in general and developments in the business environment in particular. Access to information in Namibian languages represents another constraint, and unreliability of information services is also frequently pointed out as a major constraint. Business information is recognised as an important economic resource in the SMME sector, and both governments and business service providers must play an active role in its provision.

The biggest challenge for designers of information services is to find a match between the services, the information delivered and the requirements of users. Wilson (1995:Online) states that “service delivery is a design problem and that services ought not to happen by chance, or be put together in a haphazard fashion, they must be planned and designed around the needs of the information user and his/her information seeking behaviour”.

More importantly, Wilson (1995) believes that if we fail to understand users’ needs and the process of satisfying those needs, information services are bound to fail and be ignored by the users.
In the SMME sector in Namibia a business information services should be made up of: service providers, end-users, information providers, business information sources, ICTs and other support infrastructure. These parts of business information services are outlined and discussed in Chapter 2 (section 2.11.2 and Figure 2 and Figure 3). They are derived from UNIDO’s (2003b) model of a networked business information service and from Miehlbradt’s (1999) model of integrated business information services for SMMEs. All the various components that make up the business information service are important in the delivery of sustainable services. The information chain from information providers to the end-users, which are the SMMEs, must be maintained and supported by the right infrastructure of ICTs and other related services and equipment.

6.3 DEVELOPMENT OF A STRATEGIC MODEL FOR BUSINESS INFORMATION SERVICES

Several trends in developing countries indicate support for the feasibility of establishing business information services. There is now growing interest of business operators for information and information services. There is awareness about the role of information in facilitating decision making and the acceptance that information is an essential input in the business process. More SMMEs are willing to pay for tailor-made information and there is an understanding that the main characteristic of information is its quality, and that there is now advanced telecommunications infrastructure in more developing countries (UNIDO 2003b). This study has shown that there is a need to expand the scope of the present business information services in Namibia to reach out to more SMMEs. It has been shown that most SMMEs are unaware of the existence of business information services and in some areas there are no services at all.

There are two models that have been reviewed in Chapter 2 as possibilities for the development of business information services in the SMME sector. The first is Miehlbradt’s (1999) integrated model of business information services and the second is the UNIDO (2003a) model of networked business information services. Based on the
field survey and the analysis and interpretation of the data, the most suitable approach to
the provision of business information services in Namibia is through a multi-stakeholder
approach where government (through the Ministry of Trade and Industry), the Namibia
Chamber of Commerce and Industry, the private sector, NGOs, and local authorities
work together to provide information services. The market in Namibia is too small for too
many players and uncoordinated services in the provision of business information
services to SMMEs. The data presentation and discussion in Chapters 4 and 5 have
clearly demonstrated the need for a coordinated approach in the delivery of business
information services in the SMME sector.

The proposed strategic model for the delivery of business information services in
Namibia through a multi-stakeholder approach is based on the following activities:

- The assessment of SMMEs’ information needs and ICTs requirements;
- The design of business information services that are suitable to the small business
  environment in Namibia;
- The implementation of business information services in Namibia; and
- The impact assessment of business information services in the SMME sector in
  Namibia.

These activities are based on the presentation and discussion of the survey data in
Chapters 4 and 5. The discussion in Chapter 5 has clearly shown that the information
needs of SMMEs must be clearly established before the provision of any information
services. It has also been shown that a needs assessment should inform the design process
of the business information service in Namibia. These activities should form the basis of
a sustainable model for business information services in the Namibian SMME sector.

In order to make the proposed model a reality, stakeholders should appoint an
implementing agency like the Ministry of Trade and Industry, the Joint Consultative
Council or the Namibia Chamber of Commerce and Industry, or form a completely new
body. The two key players in the SMME sector, the Ministry of Trade and Industry and
the Namibia Chamber of Commerce and Industry have networks of regional offices and
are in the process of expanding their offices into more towns of the 13 regions of the country. Business information services for SMMEs could be incorporated into these regional offices and reach out to more small and medium enterprises in Namibia.

Figure 4 below provides the graphical representation of the proposed model for the information needs assessment, designing, implementation and impact assessment of business information services in the SMME sector in Namibia.

**Figure 4: Proposed model for the development of business information services in the SMME sector in Namibia**

6.3.1 Information needs assessment

The presentation and discussion of data in Chapters 4 and 5 have shown that there are several business support organisations in the SMME sector in Namibia. The discussion has also shown the need for these organisations to first identify the information needs of the SMMEs before implementing business information services. The presentation and discussions of the data showed that SMMEs face several constraints in running their
businesses, and it was established that these constraints are closely related to information needs of the enterprises. The assessments must identify information needs of SMMEs in the context of the business constraints to their growth and development. The assessments should also identify bottlenecks or gaps in information supply and demand, and the types of services that are required to support the effective delivery of business information to the SMME sector in Namibia.

The theoretical framework in this study by Wilson (Information Behaviour Model) also starts with the “context of information need” for individuals seeking information as its starting point. The UNIDO (2003b) networked business information services model also proposes a SMMEs’ information needs assessment as the start in the development of business information services. Miehlbradt’s (1999) model on integrated business information services proposes a market survey to determine both the content focus and service features of SMMEs’ business information before implementing the services. Information needs assessments are therefore an important first step in the development of business information services in the SMME sector in Namibia and form the basis of the proposed strategic model for the SMME sector in Namibia.

6.3.1.1 Business information needs assessment

The assessment of business information needs of SMMEs should consider several issues. It must be a clear who are the targeted end-users of the small business information services in Namibia. The Ministry of Trade and Industry in its SMME development policy: Namibia: Policy Programme on Small Business Development in 1997 gave a definition of the SMME sector in Namibia (see Chapter 3) and this should be used for targeting end-users in the information needs assessment.

The categories of SMMEs’ information needs must be outlined. It entails the clear distinction of the various types of information that an enterprise requires in its every-day operations. In Chapter 4 the data presentation showed that business information needs inNamibia’s SMME sector can be categorised as:
• Financial information;
• Marketing information;
• Training information;
• Sources of raw materials;
• Production and technical services information;
• Policy issues on SMMEs;
• Legal information; and
• Regulatory framework and standards for the SMME sector.

These categories are then used to determine the needs of the enterprises and to show how important that information is to the enterprises’ operations, and how accessible that information is. However it is important to note that these categories can change with time.

6.3.1.2 Information seeking patterns assessment

The assessment of information seeking patterns involves the examination of information seeking behaviour of SMMEs in Namibia. The presentation and analysis of data in Chapters 4 and 5 have demonstrated that both formal and informal information sources are used by SMMEs in seeking business information. The assessment of the information seeking behaviour of enterprises should include questions on SMMEs’ preferences regarding access modes and sources of information. The data presentation has also shown that SMMEs encounter a number personal, environment and information source barriers when seeking business information. A discussion of the major barriers encountered when searching for business information will also encourage the SMMEs to express their needs and preferences. More specifically, the assessment should include an examination of the all types of sources and services of business information for SMMEs in Namibia.

Wilson’s (1999) Information Behaviour Model presents “intervening variables” in information seeking and these include psychological, demographic, role-related or interpersonal, environmental and source ones. They were presented as personal, environmental and information source barriers and in the new model these barriers must
be addressed so that solutions can be found to enable more SMMEs to access business information services in Namibia.

Another important area of investigation in the SMME sector in Namibia regarding information seeking patterns is the examination of the information management practices in the small enterprises. The information management practices in enterprises are important in the determination of user needs requirements. The data presentation and analysis showed that most SMMEs still use manual practices of information storage. The information management practices within enterprises must be fully investigated to determine how information is kept and managed. The results from this assessment will be important for considering the modes in which business information must be delivered.

Lastly, it will be important to explore the possibilities of providing fee-based information services to the SMME sector in Namibia. The data presentation and analysis showed that most SMMEs are willing to pay for information if it has been properly re-packaged and made easily accessible. The provision of fee-based information services should be an important consideration in the assessment of user requirements. Both acceptance and rejection of fee-based services can help the implementing agency in Namibia understand the type and nature of the market it is dealing with, as well as the type of services that should be provided in the SMME sector.

6.3.1.3 Assessment of ICT in business information services

The third and last part of the SMMEs’ needs assessment in the strategic model for business information services for the SMME sector in Namibia involves the examination of the level of utilisation of ICTs by the SMMEs. The assessment must focus more specifically on how SMME use ICTs to access and use business information services. The literature review and data presentation and analysis have shown that ICTs are growing in importance not only in Namibia, but in all developing economies as tools that can be used to assist in poverty alleviation, job creation and the expansion of markets beyond national boundaries. The UNIDO (2003b) networked model for business
information services includes a component on the assessment of networking and ICT tools in support of the One-Stop-Shop. Miehlbradt’s (1999) model on integrated business information service does not clearly outline the role of ICTs in the establishments of the information services but suggests that the sourcing of business information by the implementing agency should be done through the Internet.

The data analysis in Chapter 5 has shown that the utilisation of ICTs by SMMEs is still very low, while among service providers it is relatively high. However, government and business service providers in Namibia see ICTs as an important gateway to improving business information delivery services to SMMEs. Hence, assessments of the ICT requirements of SMMEs in Namibia must also be made alongside the information behaviour evaluations. The assessment of ICTs should answer the following questions:

- What approaches should be taken in implementing ICTs in business information services in the SMME sector in Namibia?
- What ICTs can SMMEs use in Namibia?
- What ICTs are currently being used in the SMME sector in Namibia?
- What ICT support should be provided to enterprises in Namibia?, and
- What are the challenges for ICT provision in the SMME sector in Namibia?

The three assessments of SMMEs’ information needs, seeking patterns and ICT requirements in Namibia form the basis for the second part of the strategic model of business information service which is the design stage.

### 6.3.2 Designing business information services for SMMEs

The second stage of the strategic model in the translation of the analysis of data collected on information needs, seeking patterns and ICT requirements into a realistic design plan for the SMME sector in Namibia. The design stage is oriented towards how the implementing agency will develop the small business information services in Namibia.
More specifically, the design stage looks at the information resources requirements, modes of delivering the business information, the human resources requirements, and technology and equipment requirements for the information services. In the design stage, UNIDO (2003b) proposes the development of a business model and a business plan that will identify possible services and pricing to provide the basis for a commercial information network. Miehlbradt’s (1999) model on the other hand proposes that an existing business organisation incorporates small business information services into existing business services because of the low demand for business information by SMMEs. However, the presentation and analysis of data in Chapters 4 and 5 on SMME information needs in Namibia clearly showed that there is a need for dedicated business information services for the small business sector.

There are similar approaches in the proposed strategic model for Namibia and the UNIDO (2003b) approach for producing a business plan in the design stage. Figure 5 provides a general outline of the relationship between the implementing agency, the supporting stakeholders and business information providers.

**Figure 5: Proposed set up of business information services in Namibia**

![Diagram](image)

Figure 6 provides an outline of the relationship between the various specialised services within the business information service and the SMMEs or SMME associations. The linkages shown in Figure 5 are similar to Miehlbradt’s (1999) model except that the
model proposes that services should be expanded beyond small businesses to include big businesses because the demand for information from SMMEs is low.

**Figure 6: Delivery of information services to the SMMEs**

![Diagram showing delivery of financial information services to SMMEs and SMME Associations.]

6.3.2.1 Business information resources

The strategic business information model in Namibia should be seen as an aggregation of several different types of business information resources, services, tools and facilities to be provided to the SMME community. The development and collection of business information sources should therefore be based on agreed “collection development guidelines” that match the SMMEs’ needs as identified in the user assessment exercise. Figures 5 and 6 show how stakeholders like the Ministry of Trade and Industry, Namibia Chamber of Commerce and Industry, the Joint Consultative Council, the private sector and NGOs support the SMME business information services.

The data from the survey has provided the rankings of business information types that are most required by SMMEs in Namibia. The data has also provided the rankings of the levels of accessibility and importance of the identified types of information. The design of a business information delivery strategy to SMMEs should therefore take these rankings into consideration and include information on: finance, marketing, training, production and technical standards, sources of raw materials, SMME policy development and information on regulations and standards in various types of industries.

It is clear that there is a great need for information about suitable financial services for the SMME sector. Finance has indeed been identified globally as a major obstacle to the
growth of SMMEs and, hence, must be addressed accordingly. It has been demonstrated in the discussion that the Namibian SMME sector requires tailor-made financial services that can respond to the special needs of this sector. The challenge, therefore, for any strategy is for financial service providers to address issues of suitable financial packages and, at the same time, work with business support organisations so that they can disseminate the right and useful information to the SMME sector.

Access to markets is another important area that needs addressing in the SMME sector in Namibia. South African companies dominate the market, thereby squeezing out small players in almost all sectors like retail, wholesaling, construction, transport and ICTs. More recently, Chinese retailers have also flooded the Namibian market with cheap products, thereby threatening the survival of small enterprises. Providers of business information services should come up with new strategies on how to expand the market base for small enterprises. While there are possibilities of exports in limited industries the nature of many small enterprises surveyed requires that they start with a focus on local markets and expand into export after sometime. Market surveys on local, regional and international markets are important sources of information that should be made readily available to the SMME sector in Namibia. Other types of market information that need to be made readily available to SMMEs in Namibia include: market access conditions, business opportunities, business linkages, statistics, distribution, sales promotion, market intelligence and global information on foreign markets.

Information on training opportunities for the sector should form part of the overall business information services delivery strategy. The requirements for training in the SMME sector are varied and the survey established that small operators in Namibia require training in areas such as: business management, marketing, writing and presenting business plans, financial planning and management, accessing and using business information and use of ICTs and e-business practices. The challenge for the new model in Namibia is to address the real training needs of SMMEs, and at same time ensure that information on training opportunities is widely disseminated.
Information on production and technical practices has also been identified as important in the growth and development of SMMEs in Namibia. While the majority of the SMMEs are operating in the services sector, there is a growing number embarking on manufacturing in the leather and garments sectors. The Ministry of Trade and Industry has formulated an Industrial Development Policy that among other things seeks to promote the manufacturing sector through SMMEs participation. The data presentation showed that only 23.1% of the enterprises are in the manufacturing sector. The percentage of the Namibian SMMEs participating in manufacturing sector is low compared with other developing economies where SMMEs play a stronger role in manufacturing. There is a need therefore to provide more information on the types of manufacturing opportunities that SMMEs can engage in Namibia. There is also a need to provide more information on production practices and technical standards to the sector. This could also include information about technology transfer from the developed world and the emerging economies in East Asia as the Namibian government had envisioned in its 1997 policy framework on SMMEs.

Reliable and cheap sources of raw materials are important in the growth and development of SMMEs in Namibia especially in containing production costs. SMMEs expressed the desire to have access to quick and reliable information about raw materials and goods for their business operations. It is important therefore that the new strategic model include information services that provide information about easy access to raw materials and industrial equipment. Namibia has a small industrial base and depends largely on imports of raw materials for most of its infant industries. The new model should consider the establishment of a database of sources of supply for raw materials together with a component of an evaluation of the most competitive sources in the region and the world.

SMMEs in Namibia have shown the importance of keeping up-to-date with government policies and regulations in their growth and development. It is important for operators to keep pace with the latest policy and programmes coming from the Ministry of Trade and Industry. They should also keep pace with developments from other ministries promoting entrepreneurship like Gender Equality and Social Services, Finance and Development
and other quasi government departments like the Small Business Credit Guarantee Scheme, National Development Corporation and National Planning Commission. After all, most initiatives in the sector come from government. A business information service should, therefore always be alert to policy changes in the SMME sector.

6.3.2.2 Business information delivery channels

The design of accessible information delivery channels is critical if a strategy is to work. These channels must recognise all the barriers that SMMEs in Namibia face in accessing business information. The data analysis and presentation have shown that there are several social, economic, environmental and source barriers that hinder the smooth flow of business information to the SMMEs in Namibia. Wilson’s Information Behaviour Model includes various intervening variables, which have a significant influence on information behaviour and mechanisms which activate it. Wilson’s model lists these as psychological, demographic, role related, environmental and source characteristics. Wilson’s intervening variables like psychological and demographic have been separated but these can be put into one category. Furthermore, the variables in Wilson’s model could be made more detailed by having sub-categories of personal variables like physiological, affective, cognitive, demographic and so forth. However, this investigation limited barriers to information access to three categories namely: personal, environmental and information source characteristics. The new strategic model in business information services should then address the personal, environmental and source barriers to information access by SMMEs in Namibia.

The print media and especially newsletters are important information dissemination tools that both business service providers and SMMEs in Namibia see as successful dissemination channels. Tailor-made monthly, quarterly or half-yearly newsletters can be integrated into the business information dissemination system of the new strategic model in the SMME sector in Namibia. In addition to the in-house newsletters, daily and weekly newspapers can be used to disseminate information to SMMEs. There is a wide range of newspapers in Namibia in all three major languages (English, Afrikaans, and German)
that the new strategy can use as a platform for disseminating information to SMMEs. The level of literacy among SMMEs in Namibia as indicated in the data presentation is high among the age groups (20-30 and 31-40 years) that are mostly involved in small business enterprises. Hence, the development of print based business information packages is indeed a viable option. The operators in the northern region of the country indicated the desire for most business information services to be disseminated in local languages like Oshiwambo. The new model must provide translation services to ensure that all major language groups in Namibia are catered for in business information services.

One of the most important communication tools today in developing countries is the radio and, to some extent, the television. The radio has the ability to reach many people even those who cannot read and write. The data presentation and analysis indicated that more business information should be disseminated through the radio and TV. Namibia has actively promoted the use of the radio as a communication tool and today the national broadcaster (Namibia Broadcasting Corporation) reaches many listeners even in remote parts of the country. About 44% of the Namibian population is rural-based and many small rural towns are growing and becoming small business centres. The challenge is therefore for the new strategic model to build and strengthen existing relations with the Namibia Broadcasting Corporation. There is also need to build and strengthen relations with many other private radio stations in Windhoek and other commercial centres and use them as platforms to disseminate business information to SMMEs.

The presentation and discussion of the data has shown that another important platform for disseminating information to SMMEs is through training workshops and seminars. Many small business service providers, including the Ministry of Trade and Industry, the Joint Consultative Council, the Namibia Chamber of Commerce and Industry, small business development consultancy firms, and NGOs run regular workshops for SMMEs throughout the 13 regions of the country. The new strategic model for business information services should find ways of building synergies with these training providers so that they become regular disseminators of various types of business information to
SMMEs in Namibia. A training workshop or seminar should be an occasion for disseminating information from as many services providers as possible.

It has been shown in the data presentation and analysis that most SMMEs rely on informal methods such as asking friends and family for vital business information. The business information service design must come up with ways to facilitate the informal exchange of information between SMMEs. Mentorship and role-modelling are some of the important processes for developing entrepreneurship. Hence, a model should consider the organisation of informal meetings between SMME operators around specific business themes like access to financial services, markets, business linkages, production processes and technology.

6.3.2.3 Human resource requirements

The design stage identifies the human resource requirements for running the business information services. Business information service staff requirements include information management specialists, IT specialists, and marketing personnel as well as support staff. Their roles and functions are clearly defined at the design stage. It is clear from the data presentation and analysis that there is a need for more dedicated staff in the provision of business information services in most organisations, both in the public and private sectors in Namibia. The need for training current personnel in handling business information services was identified by both the SMMEs and business services providers themselves. It is necessary to build more capacity in areas like:

- How to obtain business information from both international and national information sources;
- How to re-package that business information in line with the requirements of SMMEs in Namibia;
- How to keep pace with developments in all the areas of business information provision;
• How to produce market reports on both internal and external markets that can be used by SMMEs in Namibia; and
• How to assist SMMEs in Namibia to use ICTs for e-business activities and other computer-based operations in a small business environment.

6.3.2.4 Information and Communications Technology requirements

The design of business information services should incorporate ICTs that are easily accessible or can be used by SMMEs in Namibia. SMMEs in Namibia still face many challenges regarding access to ICTs and have limited use of e-business practices. Some of the challenges facing SMMEs in Namibia today can also be addressed through the right selection of ICT solutions. Namibia has a well-developed telecommunications infrastructure and many SMMEs reported having access to telephone lines, mobile phones, and fax lines. Internet provision has spread to many business areas including some rural areas. However, in the SMME sector the high costs of procuring hardware and software are still a hindrance to the use IT and Internet-based business solutions.

The new strategic business information service model for SMMEs in Namibia should include the provision ICTs on the basis of cyber cafes incorporated into the information services. Cyber cafes provide a range of ICT services like access to computers, Internet, e-mail, fax, fixed telephones, photocopying services, typing and other applications normally found in a business office. The concept of the cyber cafes will play a central role in providing access to ICTs for many SMMEs in Namibia.

The design should also allow easy access to in-house databases holding various types of business information. The in-house databases can hold anything from information on markets, pricing, training technology, to standards and regulations. Many service providers participating in the survey have well-developed ICT infrastructure but this is not complemented by the requisite business information databases. It is important that electronic in-house databases on various business activities be maintained and these
should be made accessible either through the Internet, on site or through the implementing agency. The UNIDO (2003b) model of networked business information services is proposed along the lines of an agency bringing together various linkages to information services providers and SMMEs with access to electronic means to access to these linkages. This will work well in countries with bigger markets and populations than Namibia which only has a population of just over two million people.

It is also necessary to develop ICT applications for SMMEs in Namibia based on mobile-phone platforms because acquiring a mobile-phone is relatively easy and cheap for most SMMEs (at least in comparison with a computer) and it is already the most accessible communication tool in Namibia. The data analysis and presentation have shown that mobile-phones are easily accessible to the majority of SMMEs in Namibia. Well-designed mobile-phone or SMS-based business applications may have a positive impact on the SMMEs. Mobile-phones have overtaken fixed phones and computers as tools in supporting the running of SMMEs, given their prevalence and accessibility. Hence, the business information model should consider it as one of the easiest means of communicating with SMMEs in Namibia. The mobile-phone sector is expanding. A second operator was licensed in the 2006 and this should result in more competition and the reduction of service costs, which will benefit the SMME operators.

**6.3.3 Implementation of business information services**

The purpose of the proposed guidelines is to assist the implementing agency in Namibia to conceptualise, plan and manage the development and deployment of business information services in the SMME sector. These guidelines will assist the agency to manage the development of business information services, set realistic and achievable goals for the development of the business information services, and identify the resources, facilities, tools and services to be provided through business information services. The guidelines will also assist in understanding desirable features of business
information services, the various costs involved in the business information services, and
the technologies required for the deployment of business information services.

The specific implementation activities for the proposed model include four steps that
should be conducted to ensure the successful introduction of business information
services in Namibia. The activities include the following steps:

- Step 1: Setting up the business Information Services project team;
- Step 2: Setting goals and objectives of the information service;
- Step 3: Establishing the business information service support infrastructure;
- Step 4: Financing business information service implementation activities.

6.3.3.1. Setting up the business information services project team

The setting up of the business information services within the implementing agency
requires a project team to lead the development of the information services. The project
team must be made up of other stakeholders participating in the SMME business
information project. The main reason for bringing together various stakeholders to the
business information service project team is to ensure that their interests are represented
at the highest level. The various stakeholders on the project team bring expertise and
experience in information management and the SMME sector. The main functions the
project team are to guide the information services with policy development and the
formulation of management guidelines.

6.3.3.2 Defining business information service goals and objectives

It is important that the overall goals and objectives of the business information service are
defined at the implementing stage. The objectives of business information services should
include:
• To collect various types of business information from external sources (national and international sources) and re-package them for SMMEs;

• To provide a range of business information sources in both print and electronic forms;

• To create various print and electronic databases for use by SMMEs and business support organisations;

• To provide an inquiry and answer services for SMMEs in various areas of small business operations;

• To provide facilities for accessing the Internet to enable SMMEs to access various electronic business databases, e-mail, and other web-based services and

• To promote the sharing of business information among SMMEs and other business service providers.

The proper articulation of business information service goals and objectives will provide guidance in the operation and deployment of services to the SMME sector in Namibia. The above stated objectives are also used to measure the success of the business information services when the impact assessment of services is being carried out.

6.3.3.3 Establishing business information service support infrastructure

The implementation of a business information service requires various types of resources and facilities. For each of the resource and facility requirements, the planning exercise should consist of:

• Taking stock of existing resources – what is available;

• Evaluating which additional resources are required – what is required and

• Checking how and where additional inputs can be obtained.

The following kinds of support should be in place to support the business information service:
• Staff - this should involve hiring or streamlining staff with information management skills necessary for the successful implementation of the business information service in an organisation.

• Information sources - provision must be made for the acquisition of enough business information sources, or building reliable linkages to business information in the private and public sectors both nationally and internationally.

• Office space - provision must be made for adequate office space with shelving, seating space, inquiry services desks, photocopying and printing areas, computer access areas and discussion rooms.

• Equipment - a business information service requires various types of equipment (desks, chairs, shelves, and so forth) for the smooth running of the services.

• ICT facilities and infrastructure - these include telephone lines, faxes, photocopying, and computer hardware and software and Internet connectivity.

6.3.3.4 Financing implementation activities

The successful implementation of a business information service for the SMME sector by business support organisations will largely depend on the availability of financial resources. Both SMMEs and service providers have suggested several sources of funding and these include the government, chambers of commerce, the private sector and the donor community. Financial resources for implementing the business information service should include costs for: personnel, travel and outreach, equipment and office furniture, telecommunications/networking and connectivity costs, ICT equipment, information resources, training, advertising and promotion costs.
To ensure sustainability of the business information service several sources of funding must be secured from the outset. While the donor community and government could play a critical role in the initial stages of the establishment of the business information service more secure sources should be established. The business information service’s future funding should be based on the following:

- The service’s own budget;
- Resources generated through the sale of services; and
- External financing especially through private sector partnership programmes

In many cases it has been the failure of information services to secure adequate funding that has lead to their collapse in developing countries. Financial resource mobilisation is therefore an important area that must be adequately addressed if the service is to achieve its desired goals.

6.3.4 Impact assessment of business information services

The last activity in the development of business information services in the SMME sector in Namibia is impact assessment of the information services. Impact assessment of the small business information will either be measured periodically at stated intervals after the successful roll out of the services, or it becomes an ongoing exercise. Impact assessment will provide stakeholders with a way of learning from past experience, improving service delivery, planning and allocating resources, and demonstrating results as part of accountability to key stakeholders. Several multi-and bi-lateral development agencies (e.g. World Bank, DFID, UN, USAID, SIDA and IDRC) have established methodologies for the assessment of development projects. Some of the methodologies that are commonly used in the assessment of projects include: performance indicators; the logical framework; formal surveys; rapid appraisal methods; participatory methods; public expenditure tracking systems; cost-benefit and cost-effectiveness analysis and impact evaluation. The new model should use surveys in the impact of business information services in the SMME sector in Namibia. Surveys using questionnaires,
interviews, and focus group discussions will be the most suitable approach to use in the SMME sector in Namibia. This approach has been used in previous surveys to assess the impact of SMMEs on the economy in Namibia.

In Namibia, impact assessment of business information services should focus on both the SMMEs and the implementing agency and other business support organisations that are providing services. In a multi-stakeholder case like the one proposed here for Namibia it is important that such impact assessments be carried out by external consultants to ensure a balanced review of the services. However, the implementing agency can also carry out its own impact evaluation if the use of outside consultants is not agreed upon by the stakeholders. The impact assessment of business information services in the SMME sector in Namibia should focus on specific issues which are:

- Whether the services are meeting the information needs of the SMMEs as outlined in the initial assessment before the establishment of the services;
- Examine the information seeking patterns of the SMMEs and determine if there are any barriers; and
- Examine the level of ICTs used in the delivery of business information services to the SMMEs.

The models proposed by UNIDO (2003b) and Miehlbradt (1999) lack this final impact assessment stage. However, it is important that the impact of business information in the SMME sector in Namibia be reviewed periodically. This will help to improve the services and to create a databank of information for future research on the subject.

6.4 CONCLUSION

This chapter has proposed a model that can be used to strengthen existing business information services in the SMME sector in Namibia. The presentation of the model is based on the four stages of information needs assessment, design, implementation and impact assessment. This model goes beyond the stages of information needs, seeking
processing and use as outlined in Wilson’s model. It encompasses stages of design after the determination of information needs and seeking behaviour. It also involves the implementation of a design based on the information needs and seeking assessment as well as carrying out an impact assessment of the new or improved information services. This model incorporates Wilson’s information seeking model in a larger framework for investigating the design, implementation and impact assessment of business information services in the SMME sectors of developing economies.

In developing this strategic model, other models on small business information services by UNIDO (2003b) and Miehlbradt (1999) were critiqued, and the similarities and differences in approaches were identified. The new model developed for the Namibian SMME sector could be adapted in other developing countries with similar conditions, and used as a basis for studying the information behaviour of small enterprises and the performance of business information services. The literature on the design of information services in developing countries is very limited, and even more limited for the SMME sector. Theoretical models that prospective designers of information services can use are biased towards experiences in the developed world. They do, however offer a framework that can be modified to suit the conditions prevailing in developing economies, and the realities of the SMME sector in a given information environment.

The next chapter provides the overall conclusions and recommendations on future areas of investigation in business information and the SMME sector in developing countries, and in Namibia.
CHAPTER 7 - FINDINGS AND RECOMMENDATIONS

7.1 INTRODUCTION

This chapter contains a summary of the findings of the study into how an understanding of information needs, and seeking patterns and information services can lead to the design of sustainable business information services in the SMME sector in Namibia. The summary of the findings are based on Chapters 4 and 5 which presented and interpreted the research data, and on Chapter 6 that proposed a strategy for business information delivery services for SMMEs in Namibia.

7.2 SUMMARY OF THE FINDINGS

Based on the investigation of information needs and seeking patterns of SMMEs and information services offered by business support organisations and on the review of similar studies undertaken in developing countries, it can be concluded that access to reliable business information is a significant constraint to the growth and development of SMMEs in Namibia.

While information is an essential ingredient of doing business, effective demand by SMMEs for information services alone is low and needs to be enhanced by awareness campaigns, direct contacts or packaging with other services. In theory there are a significant number of business organisations in the country providing a broad range of information and services to the sector but the quality and depth of information provided is low. There is little or no specialisation on the part of business information providers, resulting in a significant duplication of effort and poor utilisation of scarce resources. Coordination amongst business support organisations in the provision of information is weak and this lack of coordination was highlighted by both SMMES and business support organisations themselves.
Awareness of and access to information are major issues that were identified by both SMMEs support organisations surveyed. Various reasons were given by SMMEs for this, such as bureaucratic procedures in some organisations related to information access, poor communication, poor promotion and dissemination of information, poor linkages between SMMEs and business support organisations and a general lack of skills in both providing and utilising business information. In addition, there were limitations of staff, budgets and systems in place in most business support organisations for the collection and management of information resulting in ad-hoc approach to the delivery of information.

Dissemination of information to SMMEs is clearly inadequate. While many organisations have at least some useful information in many cases it never reaches the majority of SMMEs. The overall approach of business organisations would appear to be one of passive availability of information from within the business support organisations as opposed to a proactive programme of information dissemination to SMMEs. It should be noted, however, that this might be due to a lack of resources rather than any lack of willingness on the part of business support organisations.

Apart from dissemination, promotion of existing business information services in the sector is also inadequate. As a consequence, SMMEs are not aware of the information that is available, or of the range of information services provided. Indeed, it is also true that business support organisations themselves are often not fully aware of the services provided by other related organisations in the field.

The level of resources within business support organisations surveyed varies, with the commercial ones having more resources and the non-profit ones having limited resources. Most business support organisations surveyed require more staff, equipment, training, transport, etc. Further, the development of information systems would appear to be a priority area. Information management and development skills of business support organisations would appear to be inadequate. Training in the use of information was, in
Most business organisations clearly recognised their limitations and many had plans in place to further develop their information services. Several organisations surveyed are also planning to expand their information resources, develop their computer facilities and provide additional staff training. As with the establishment of more business information centres, the extent to which these plans will be realised will depend critically on the availability of financial support from the government, the Chamber of Commerce and donor organisations as business support organisations own resources would appear to be limited in most cases.

7.3 FINDINGS ABOUT RESEARCH ISSUES

SMMEs generally face a number of constraints in their growth and development and these constraints can also be viewed as the context in which they require a range of business information services. Information needs however are also a result of positive developments. Despite the existence of a range of services, SMMEs tend to prefer informal information seeking strategies. The overall utilisation of ICTs in the SMME sector is limited, while among business support organisations, it is relatively developed. More detailed findings on the individual research issues explored in the study are presented below.

7.3.1 Findings on SMMEs’ information needs

Access to financial service information emerged as the main information need of the enterprises. The other types of information that enterprises ranked as important are: marketing, production, training, and government policies on SMMEs, access to raw materials, government regulations and technical information. The information needs of
the enterprises are closely related to what both the SMMEs and business support organisations identified as constraints to the growth and development of the enterprises. Information needs of the enterprises are, therefore, closely related with solving problems that enterprises face. In the theories of information behaviour (Wilson 1981; Dervin 1986; Ellis 1989; Kuthlau 1993), including Wilson’s Information Behaviour Model (1996), it has been clearly demonstrated that an information need is a result of a consequence of a need perceived by an information user (Wilson 1999).

Various small business financial assistance schemes like the Small Business Guarantee Scheme (SBCGT), the Namibia Development Bank and many commercial bank packages have been initiated by government and the private sector to assist small enterprises with easy access to finance. However, despite all these initiatives access to finance still remains a major problem in the sector. This leads us then to the conclusion that it is not only finance that is a problem, but there are many other issues that need to be addressed alongside the provision of financial services. Financial assistance programmes must, be provided alongside management, marketing, production and many other skills required to run a small business.

The market in Namibia is too small for the SMME sector and it faces many challenges from established South African operators as well as the emerging Chinese traders with cheap goods. Information on marketing is, therefore, an important requirement for the sector. Business providers should address this challenge with more innovative means of marketing (through ICTs). They should also address the question of whether or not to lower production costs and improve the standards of the goods so that they can compete on the global marketplace.

The enterprises showed that they require information on training opportunities in many business areas. While many organisations indicated that they run several types of training workshops, it seems that many enterprises do not have access to this type of information. There is a need, on the part of service providers, to widely disseminate information on business training opportunities to SMMEs.
Namibia is an emerging economy and so are its SMMEs. Much needs to be done in the area of the provision of production and technical information as well as the sourcing of raw materials. While international organisations like UNIDO support developing countries with industrial and marketing information, local service providers should form partnerships with international organisations to access such information for the benefit of the SMME sector.

7.3.2 Findings on SMMEs’ information seeking behaviour

SMMEs largely depend on informal information sources despite the existence of many services providing more formal channels of accessing business information. Enterprises’ staff knowledge, customers’ responses and advice, friends and family members are the main sources of information for the enterprises. There is limited use of the trade partners and the media as information sources.

The use of informal information sources has long been recognised in many spheres as trusted information sources. However, as enterprises grow there is need to move towards the use of more formal information sources as they are more reliable. There are just certain types of information that cannot be obtained through informal sources, hence the need to encourage SMMEs to seek the formal sources. The findings point to the small nature of the majority of SMMEs in Namibia. The smaller the enterprise the less likely it relies on formal information sources. The findings, however, also show the importance of social networks that exist among SMMEs and how they are used as important information sources.

SMMEs make little use of publicly available business information sources and services such as the Chamber of Commerce and Industry, government department dealing with SMMEs, the Small Business Information Centre, and a well developed public library network in Namibia.
While the Internet is growing as a source of business information, the SMMEs in Namibia have not yet fully embraced e-business and e-commerce. There are several advantages that SMMEs can derive from using the Internet and moving to e-business applications. However it was established that the costs of obtaining ICTs is still high and hence SMMEs shun them. SMMEs tend to use mobile phones more widely than computer and Internet technology. The proposed business information delivery strategy in Chapter six has outlined how service providers can expand services to SMMEs through mobile phones. The mobile phones have become the cheapest and most accessible type of communication tool among small enterprises. Hence, business information services should be disseminated through them.

The enterprises also prefer to receive information through face-to-face meetings, through the radio and television, newspapers and tailor-made newsletters. There is more to be gained in information disseminated through face-face meetings as recipients have the advantage of interacting with the service provider and seeking clarity. The radio and television have made an impact in that it can reach out to more people, especially in a sparsely populated country like Namibia and, hence, they must be widely used as business information dissemination tools.

7.3.3 Findings on barriers to information accessing by SMMEs

Despite the high level of literacy recorded among SMME members, the main reason for SMMEs’ failure to access business information in the Namibian market was identified as the lack of awareness of the information services available. This lack of awareness is in part blamed on the service providers who do not run adequate or effective information awareness campaigns. The other reasons cited are the bureaucratic difficulties in accessing information from established service providers like government ministries, the Chamber of Commerce and NGOs. The qualitative assessment of the business information services showed that there are many shortcomings in the internal information
management practices of many organisations. Visits to the Ministry of Trade and Industry showed that the ministry’s trade information centre was no longer functional. The AIM facility at the Namibia Chamber of Commerce and Industry is also no longer functional, thereby posing many barriers to information access not only for SMMEs but also for the whole business community.

An increasing number of SMMEs, especially those in the northern regions of the country, prefer information to be disseminated in local languages like Oshiwambo. Currently most services are in English and Afrikaans. Service providers should make provision for translation services of information brochures, newsletters, newspaper articles and radio and TV programmes.

7.3.4 Findings on business information services for the SMME sector

There are several small business service providers in Namibia providing business services ranging from financial services, marketing, business information services, training and consultancy services to research and advisory services. The service providers are both in the private and public sector. In order to promote and coordinate business information services in Namibia, the Joint Consultative Council was established in 1996. The membership of this organisation has, however, has been declining due to a number of reasons, chief among them being a lack of funding to continue running programmes. This has, to a large extent, contributed to the lack of coordination among service providers in the provision of business information services to the SMME sector. The area of networking and coordination has, therefore, been identified as one area that needs urgent attention in addressing the effectiveness of business information services to the sector.

The effective coordination and deployment of services depend also, to a large extent, on the state of ICTs in the country and among the service providers. As the findings on ICTs show (in section 7.3.6), the level of ICT utilisation among business service providers in Namibia is very high. Organisations have well developed in-house systems, which could
be used as a platform for improving networking and coordination in business information services.

The Small Business Information Centre another private and public sector initiative has not managed to reach out to many SMMEs as it is only based in the capital city and has no outreach programmes to rural areas.

**7.3.5 Findings on business information channels to SMMEs**

Business support organisations use both formal and informal channels to disseminate business information services to the SMMEs. Face-face meetings, the radio, training programmes were all part of the channels that service providers are currently using. However, service providers are limited to a large extent in their dissemination activities due to the ICT gap between them and the SMMEs. While ICTs are well developed and used among service providers the story is different among SMMEs that have not yet fully embraced computer technologies.

It has been shown that SMMEs have fully embraced the mobile telephone technology because it is cheap and easily accessible. Hence, business information service providers should also use it as a channel for business information services. Many service providers, for example commercial banks and local authorities are beginning to offer services through mobile phones. There is a need also to have SMME tailor-made packages for dissemination through this technology.

**7.3.6 Findings on the utilisation of ICTs in SMMEs**

The ownership of the basic communication tools like a fixed telephone, a fax, a mobile phone and a post box is relatively high among SMMEs. The mobile phone is the most widely used communication tool, followed by fixed telephones and the fax. Most enterprises own at least one post box. The telecommunications infrastructure in Namibia
is relatively well developed and, as a result, it does not pose any serious threats to SMME operations. However, the ownership of computers is not that high compared to the other three tools.

The utilisation of computer-based applications among SMMEs is relatively low, focusing mainly on word-processing, spreadsheets and desktop publishing. The use of these packages had a high impact on the performance of enterprises. There is no use of other packages in areas like production and technical management processes, management information systems (MIS) or design processes. There are ranges of computer-based applications that are specifically designed for small enterprises ranging from accounting packages, production management, and MIS to design packages in the market place. These are areas that SMMEs should actively pursue if they are to improve the quality of their products and the management of their in-house information management practices and to put them on the competitive edge.

There is limited use of the Internet for business and for accessing business information services and this has delayed the take off of e-commerce in the SMME sector. There are other obstacles that have slowed down the take off of e-commerce in the SMME sector, and these include low Internet speed, uncertainty about contracts and delivery guarantees over the Internet and the unreliable payment methods. The take off of e-commerce has also been hampered by high telecommunication costs, the monopoly of one service provider and the lack of e-commerce and e-banking legislation to guide the initiatives. Government should address these issues urgently if the quality of business information services to SMMEs is to improve and service providers are to offer Internet-based services.

**7.3.7 Findings on the utilisation of ICTs in business support organisations**

The level of ICT utilisation among business support organisations is fairly high with various applications in use and this should be used as the basis for future networking and
the provision of better services to SMMEs. The number of business support organisations providing technology-related services to SMMEs is limited.

ICT facilities and support infrastructure among business support organisations is well developed with most organisations having networked PCs and some even subscribing to online business information databases. There is a great desire among business support organisations to provide business information services through the Internet and e-mail, but the low level of ICT utilisation among the SMMEs hampers this.

7.3.8 Findings on the improvement of business information services

There are several approaches to the improvement of service delivery in the business information services sector. The improvement of business information services in Namibia should be based on a sound private and public sector partnership programme.

According to the SMME members in order to improve business, government and the Chamber of Commerce and Industry should lead the development and strengthening of business information services. In other words, there should be a strong private/public partnership in the development and deployment of business information services.

Training is of particular importance in the improvement of business information services in the SMME sector. Enterprises require training in the processes of identifying and using business information. Business advisory service workshops and seminars were seen as the main avenues that can be used for training enterprises in business information use.

There are several areas that require further improvement in business support organisations in order to improve the delivery of business information services to the SMMEs. These areas include more staff to handle business information, further training of business information staff, more networking among service providers, funding, more equipment and information resources and more outreach programmes. Business support
organisations require more capacity building in the areas of information collection, analysis and dissemination. Many have adequate staff providing other business services but not enough in the area of business information services.

7.4 FINDINGS ABOUT THE MAIN RESEARCH PROBLEM

The aim of this investigation was to answer the question: “How can a better understanding of the information needs and seeking patterns of SMMEs contribute to a strategy for successful delivery of sustainable business information services to the SMME sector in Namibia?”

In total 197 enterprises and 32 business support organisations participated in the survey. The response rates achieved for both the SMMEs and business support organisations were 65% and 53%, respectively. In survey research these return rates are considered good. The two participating districts were chosen because Windhoek is the capital of Namibia and home to most industrial and commercial activities, and also home to many small, medium and micro enterprises. The second region, with the small towns of Oshakati, Ondangwa and Ongediva was chosen because it being represents the emerging previously disadvantaged communities in the northern regions of Namibia. Since independence, government has started many development projects in this region, and this has resulted in the establishment of many small businesses. In the final analysis, the data collected from these two regions were assumed to be representative of the whole Namibian SMME sector. More areas could have been covered, but financial limitations prevented coverage of the whole country.

The data collected, presented and analysed in Chapters 4 and 5, the review of the literature presented in Chapter 2 and the strategy in Chapter 6, have all provided the study with a basis for making wide-ranging recommendations that business support organisations can implement to improve business information delivery services in Namibia. What is of particular importance is the fact that the study has provided answers
to questions relating to what kinds of information is required by SMMEs in their daily business operations. The results have also provided information on how SMMEs seek information and how the present business information services in Namibia operate. This information is important for the end product of this study, which was presented in Chapter 6 as a strategic model.

7.5 RECOMMENDATIONS

The aim of the study was to gain an understanding of how an examination of information needs, seeking patterns and information services can lead to the design of sustainable business information services in the SMME sector in Namibia. Based on the findings, the study makes a series of recommendations that attempt to address the current weaknesses in the existing supply and utilisation of business information services in Namibia. The following sections provide overall recommendations on the research objectives of the study.

7.5.1 Recommendations on SMMEs’ information needs

This study has shown that SMMEs have a range of information requirements that these needs keep evolve over time and are influenced by prevailing social, political and economic environments. The study has also shown that SMMEs face a number of constraints in their business operations, and that information needs are directly linked to these constraints.

It is recommended that in order to keep pace with the dynamic nature of the business environment and changing information needs of enterprises, services providers need to regularly examine and identify the business information needs of enterprises, so that those needs are captured and incorporated into the existing services. Enterprises should then be made fully aware of the changes in the information sources and services. When a website is used, all new changes must be reflected on the site, or the electronic databases hosting the business information must reflect the changes. It is recommended that this
process of re-examining the business information needs of SMMEs become part of the impact assessment of business information services, as outlined in Chapter six (section 6.4.4). Impact assessment, helps the business support organisation to evaluate the services by involving all key stakeholders, including the examination of SMMEs business information needs.

7.5.1.1 What is the level of business information accessibility?

The study has shown that despite the existence of a range of business information services, many enterprises are not fully aware of where to obtain business information services. It has also been shown that there are many barriers that hinder the smooth flow of business information from business support organisations to SMMEs.

In light of the challenges that SMMEs face in accessing business information and other services, it is recommended that business support organisations devise strategies to adequately address issues of information awareness, its use and importance to enterprises. There are various platforms and media channels that can be used in the promotion of business information services to the small enterprise sector in Namibia. These include the use of newsletters, newspapers, radio and television. Furthermore, it is recommended that barriers in accessing business information be adequately addressed. This means paying attention to the removal of barriers that currently exist between the SMMEs and business service providers two. It also requires the design of services that are suitable for the Namibian market.

7.5.2 Recommendations on SMMEs’ information seeking patterns

The study showed that the majority of enterprises depend on informal information sources obtained from staff, customers, friends and family members. The dependence on informal information sources is global and it has its advantages and disadvantages.
However, informal sources need to be supported by a good network of established information sources to ensure reliability and usability of information.

It is recommended that service providers should promote the use of formal information sources while keeping in mind the role that informal sources play. As enterprises grow, they should be encouraged to use more formal sources as these provide more reliable information for growth and development. There is scope for the development of various Namibian business databases that service providers should consider and these include: company and products databases, marketing report databases, external or trade opportunity databases, sources of raw materials, labour statistics, transport and many other services for the SMME sector. To date, there is no comprehensive database in Namibia listing SMMEs (indicating their areas of business) and this could be the starting point for the compilation of company databases that can be used in linkage programmes, and by the general public looking for services from the SMME sector.

7.5.2.1 What are the personal barriers to information seeking?

The study has shown that despite the high level of education among enterprises, there is a great lack of awareness regarding where, how and when to access business information. It has also showed that while information is widely disseminated in English many enterprises would also prefer the information in vernacular languages.

It is recommended that specific business information service awareness programmes be put in place for the small enterprise sector (section 7.5.3.6). There are various ways that business support organisations can use to overcome personal barriers that SMME members face in accessing business information. These include proper information repackaging programmes as well as the provision of translation services.
7.5.2.2 What are information source barriers to information seeking?

The study has shown that business support organisations are in themselves problems for enterprises to access business information. Members of different enterprises mentioned that there is too much bureaucracy to access business information, and at times it takes too long to access the right information. Furthermore, the study has shown that many service providers lack adequately trained staff to handle business information services, or they are overburdened with extra duties that do not involve information activities. The study has also shown that there are shortages of extension officers in business support organisations, as well as a lack of adequate resources like directories, product catalogues, price lists and marketing information for enterprises.

In light of the above challenges, it is recommended that service providers make provision for more staff dedicated to business information services. It is also recommended that more financial resources should be made available for the procurement of information resources. Experiences from other developing countries have shown that business service providers can build linkages with Chamber of Commerce, industry associations, foreign trade missions and international trade centres for the exchange of business information at very minimal costs in order to enhance the capacity of enterprises to access foreign market information. It is therefore recommended that business support organisations in Namibia should also build such linkages with international information suppliers so as to improve the range of business information they offer to the local SMME sector.

The idea of initiating an “SMME Trade Point” that facilitates trade with foreign companies should be pursued in Namibia. Trade Points are an initiative of the United Nations and are a platform for the exchange of export and import trade information and other business opportunities. Developing countries that have embraced the idea have benefited as their SMME sectors have had access to global markets and services.

It is also recommended that business support organisations should be sharply focused and specialise in their areas of information dissemination. This will eliminate some of the current problems facing enterprises in accessing information. More resources should be
made available for training of organisations’ information services staff to improve the handling of information dissemination activities, as well as the training of enterprise owners to access and use business information services.

7.5.3 Recommendations on practices on information exchange and storage among SMMEs

The study has shown that SMMEs use the telephone, cell-phone and fax to communicate with clients such as suppliers and customers. It has also been shown that the enterprises do not use much of e-mail and Internet in their exchange of business information. The majority of SMMEs use manual means to store business information. There is very little use of computers as storage media among the enterprises.

It is recommended that the business communication tools among enterprises be expanded to include the use of more e-mail and Internet-based technologies. The benefits to be derived from e-business for the SMME sector are enormous. What is important is that service providers and private sector players should form partnerships and come up with solutions for cheaper ICT packages for SMMEs. It is also recommended that SMMEs be encouraged to move towards computerised information management systems to ensure speedy and efficient recovery of information on their business activities.

7.5.4 Recommendations about business information services

The study has shown that there is a range of business information services in Namibia. However what is also clear from the findings is that the usage of the services is very low. The majority of the enterprises do not make use of typical business support services. A small number of enterprises make use of market-related business services. This is
coupled with lack of specialization on the part of business support organisations resulting in limited coverage of business information kept.

There is a range of activities that can be employed to improve business information access and awareness in the SMME sector. The following sections provide more specific recommendations regarding the strengthening of existing business information services

7.5.4.1 Information management in business support organisations

The area of business information management within business support organisations is important for the effective dissemination of business information services. If business information is to be accessible, it needs to be being shared internally. This is important for both information dissemination and accountability. The study has revealed that the current information management practices in organisations with business information collections are poor. It is therefore recommended that proper information management practices and guidelines in managing business information collections should be put in place in business support organisations. Business information collections must be catalogued and classified according to international standards. The International Trade Centre provides trade information management tools that can be adapted to suit any business collection in Namibia.

It is also recommended that in order to achieve consistency in building information collections, support organisations must develop in-house collection development guidelines. Collection development guidelines will provide the scope of collection as well as the depth of information coverage, and this helps organisations to focus on specific areas rather than collect any type of business information that comes their way. It is also recommended that there be principles to govern the management of information in business support organisations and these should include:

- The integrity of information that is stored should be protected and appropriate record keeping procedures should be adopted to ensure this;
• Information that is neither private, commercially sensitive nor subject to national security should be accessible;
• Information should be retained for valid reasons, and there should be clear policies on what is retained and what is disposed of; and
• Information should be collected and stored in a format that allows it to be shared.

The management of business information in support organisations requires the adoption of good information management systems. This includes putting in place procedures for the handling of documents, use of common business index thesaurus, designing easily accessible databases and indexing information consistent with terms commonly used by SMME operators.

7.5.4.2 Information access and dissemination

The study has shown the need to improve information access and dissemination to SMMEs. In order to improve information access by SMMEs it is recommended that business support organisations consider a number of activities. Information has to be presented in a way that it can be found by SMMEs and should be seen as credible by SMMEs. Business information services should be located in places frequented by SMMEs or that are easily accessible from them. Business support organisations should review procedures for accessing information within business organisations and amend them where necessary. There should be translation services in place for existing and new publications to translate these documents to other languages (e.g. Oshiwambo and Afrikaans). There is a need to develop (and enhance) existing newsletters and other publications that provide various types of business information relevant to SMMEs.

Support organisations should also improve existing programmes for disseminating information through radio and television. It is generally recognised that exposure to media such as radio, newspapers and TV, creates opportunities for access to new ideas and business information. Government and service providers should consider programmes aimed at improving the information self-sufficiency of SMMEs. This might
include training in the use of the Internet, or use of online business databases. It is also recommended that service providers consider programmes that build linkages and networks among SMMEs.

7.5.4.3 Networking and coordination

The study has shown that networking among sources of information, information services and sources of expertise is highly desirable but very difficult to implement and sustain. There is a need therefore to improve the current level of networking and coordination amongst business organisations providing services to SMMEs.

It is recommended that existing business support organisations, through the Joint Consultative Council, the Namibia Chamber of Commerce and Industry or the Ministry of Trade and Industry, coordinate the establishment of working groups among service providers on the delivery of business information services. This should include the holding of strategic planning workshops to determine suitable approaches and the development of business information directories as well as the organisation of study tours to familiarise business information staff with what is available. It should also include conducting studies on the potential of ICTs to enhance the management and exchange of information, both within and amongst business information services. These activities should result in the creation of an Internet-based portal with information on various support services available for SMMEs and any other type of relevant information. Furthermore, the existing Small Business Services Directory requires revision so that it can contain information on the usefulness and quality of support services.

7.5.4.4 Enhancement of the quality of information provided

The quality of the present information sources in the Namibian market has also been questioned. There is no coordination among service providers as to the standard of information to be disseminated to the SMME sector. A coordinated approach would help improve the quality of information disseminated.
In light of the shortcomings in the quality of business information being supplied, it is recommended that business information service providers undertake further studies to determine the feasibility of establishing an effective network for capturing and disseminating market prices and buyer information on key products to SMMEs. There is a need to expand information collection in key areas and to reduce activity in less essential ones as well as to identify individuals and organisations to repackage various types of business information for dissemination to SMMEs.

7.5.4.5 Linkages

Linkages between SMMEs and buyers, suppliers and business support organisations have been identified as an essential ingredient in the success of SMMEs. The study identified that only a few big businesses have linkages with SMMEs. In addition, those linkages are of a very simple nature and have limited benefits. The Namibian private sector needs to be mobilised to promote business linkages with small enterprises. Larger local firms and international firms should be encouraged to develop more linkages with SMMEs.

It is recommended that a proper national business opportunity database at one of the prominent service providers like the Chamber of Commerce, the Small Business Information Centre or the Ministry of Commerce and Industry be established. This national database would provide linkage opportunities between the government tender board, private sector companies and the SMMEs. The linkage programme could also include pre-selling meetings with buyers and buyer/seller/supplier meetings.

It is recommended that an SMME Business Directory that contains information on enterprises products, services and location be published through the Ministry of Trade and Industry, and the Namibia Chamber of Commerce and Industry. This will address the major problems of competition and lack of customers in the SMME sector.
7.5.4.6 Promotion

The study has shown that promotion of business support services is clearly lacking in the SMME sector despite the existence of many service providers.

It is recommended that business support organisations consider some of the following activities that can be undertaken to improve the promotion of business information services among enterprises:

- Design realistic and cost effective promotional programmes for all major business support organisations;
- Organise study tours for SMMEs to visit business information services in their respective areas;
- Develop simple but informative brochures for business organisations; and
- Disseminate information brochures widely and advertise services through newspapers, radio and TV; and
- Increase awareness through an SMS service with contact information and advice.

Information services need to be well branded and marketed if they are to be used. Many businesses have only an infrequent need of information from service providers, and good branding is essential if the SMME are to think of using information services when the need arises. Business support organisations should also consider hiring the services of professional promotion agencies to design promotional programmes so that such services will increase the visibility of service providers.

7.5.4.7 Resources

It has been shown in the study that business support organisations generally lack adequate resources and trained manpower to deliver effectively business information services to SMMEs.
It is recommended that business support organisations mobilise more resources to improve the delivery of business information services to the SMME sector. A number of international organisations were suggested during the survey as possible partners in building business information services in Namibia. They include the EU, USAID, and the Commonwealth. There are also organisations like UNIDO and the International Trade Centre that have specific business information improvement programmes aimed at developing countries and SMMEs in particular. The stakeholders in the SMME sector should find means and ways of partnering with these international organisations for skills transfers in the area of setting up business information services.

It is also recommended that a strong private/public sector partnership be formed locally to improve the delivery of business information services in Namibia in general. There are many big companies in the mining, fishing and agricultural sector as well as players in the banking sector, NGOs, regional and local councils that can be approached to partner with government in the improvement of business information services in the SMME sector.

7.5.3.8 Training

Training was identified as one of the key areas that need to be addressed in the delivery of business information services. Both SMMEs and business support organisations expressed the need for more training in business information.

In light of this key requirement, it is recommended that business information service staff be trained in the following areas:

- Business;
- The effective use of information;
- Handling enquiries;
- Use of the Internet as a business information resource;
• Development and management of a business information service and
• Operation and maintenance of information management systems.

It is also recommended that the training of SMME operators/managers should include procedures on how to access business information from various print and electronic sources. The training of SMMEs in business information services should be done on a continuous basis as the nature of business information sources is ever-changing. If services include the provision of cyber cafés then training must include the use of the Internet, e-mail, e-business, and the use of many other computer-based packages that are specifically designed for small enterprises.

7.5.5 Recommendations on the utilisation of ICTs in the use and delivery of business information services

The study has shown that the utilisation of ICTs among SMMEs is very low, while it is relatively high among service providers. The study has also shown that SMMEs are still lagging in the use of the Internet and e-business and that, the industry in Namibia is not yet ready for e-business takeoff due to the high costs of procuring IT, legislative limitations and other logistical and operational constraints.

It is recommended that in order to address the current challenges that SMMEs face in accessing ICTs, government and other key stakeholders in the industry must address the issue of costs. We often hear that the costs of technology are going down, but the reality on the ground in many developing countries is that IT equipment is not easily accessible to many entrepreneurs. The only tool that has made an impact is the mobile phone and, as discussed in the information delivery strategy in Chapter six, service providers should build services around this technology, at least for the time being.

In order to close the technological gap between SMMEs and business service providers, special ICT products/services must be designed for SMMEs to enable them to have
access to new technologies. SMMEs must be encouraged to venture into e-business so that they can expand their reach to global markets. But they can only do this if they have access to affordable technologies.

The study has shown that business support organisations have well developed ICT infrastructure with most organisations operating in-house networks. However, this development has not benefited SMMEs, as they do not have complimentary technologies to link up with the service providers. It is, therefore, recommended that business support organisations begin to address the issue of ICT access in the SMME sector through addressing the constraints that SMMEs face like costs, by lobbying government for the right legislative frameworks in e-banking and e-commerce to enable SMMEs to be part of the global market place.

7.6 IMPLICATIONS FOR THEORY

As outlined in the statement of the problem in section 1.2.1 of Chapter 1, the purpose of the study was to examine information needs, seeking patterns and information services in the SMME sector in Namibia.

The approach to the investigation could be replicated in other developing economies and researchers would probably obtain similar results. It is hoped that the model that has been proposed can be adapted and tested in other developing economies with similar circumstances to Namibia. In this way theoretical development in the field will be advanced.

The research on SMMEs in Namibia has been limited to investigating the general problems that enterprises face. It is evident that no research on information behaviour in the SMME sector included a basis for designing better services. The findings of this study may go a long way in influencing policy and practice. The recommendations of the present study can be taken into consideration to design or improve business information
services in the SMME sector in Namibia, and other developing economies. The study could give government, chambers of commerce and industry, SMME associations, and NGOs the direction they require to improve the current business development services in Namibia.

7.7 FURTHER RESEARCH

The examination of business information needs, seeking patterns and review of business information services in the SMME sector in Namibia is the first such study in the country. Several issues have emerged that require further investigation regarding business information services in the SMME sector.

Future studies on SMME business information services in Namibia should focus on the following:

- Specific industry sectors so that information delivery strategies can be more targeted and effective;

- The use of business information and its impact on SMMEs’ competitiveness is another area that warrants further study in the SMME sector. After a pioneering study like this has established the information needs and seeking-patterns of SMMEs, the next stage would be to study the impact of information on the enterprises.

- The role of ICTs in the SMME sector also emerged as another area requiring further investigation. Although a number of studies have been carried out, they have to extend into areas like SMMEs and e-business, and e-commerce.
7.8 CONCLUSION

The study achieved its aim of examining the information needs, seeking patterns and information services in the SMME sector in Namibia. It has also shown that it is important to have a fuller understanding of SMMEs’ information needs and seeking patterns if proper information delivery systems are to be implemented. It has also been demonstrated that it is important to review existing services to identify gaps, as well as the use of ICTs in the delivery of business information services. Several recommendations on how to improve the present state of business information delivery to SMMEs have been made. Recommendations have also been made on areas that require further research.

The provision of business information services to the SMME sectors is one of the important areas that service providers in developing countries should consider for building capacity in economic development for poverty reduction and for employment creation. There has been too much emphasis on addressing constraints such as access to finance, markets, transport, training and technology and too little emphasis on access to business information. Access to business information is important in that it opens up many other avenues for enterprises. In many developing countries, information service projects are associated with failure due to a number of factors. Access to business information should, however, not be addressed in isolation from other services. Business information provision solutions should be set alongside other business development services like training, marketing, business advisory services, and a host of other services traditionally offered by Business Development Services.

In summary, the study’s conclusion is that while information is an important ingredient of business, the demand by SMMEs for information services alone is not enough. This needs to be accompanied by awareness raising, direct contacts with SMME operators and the packaging of business information with other business development services. There is
a very limited chance of establishing and operating stand alone information services for SMMEs on a commercial basis. However, there is room for service providers in Namibia to coordinate and work together for the effective dissemination of business information services to the SMME sector. This sector has potential for growth, for contributing to national GDP, for alleviating poverty through employment creation and for empowering previously disadvantaged members of the Namibian community. This requires the right mix of business supports services.
8. REFERENCES


Akpan, P. I. 2003. Basic-needs to globalisation: are ICTs the missing link. Information Technology for Development 10: 261-274.


Ikoja-Odongo, R. 2001. A study of the information needs and uses of the informal sector in Uganda: preliminary findings. *Library and Information Science Research*


McVay, Mary. 2001. SME Marketing Programs: Trends, Lessons Learned, and Challenges Identified from an Analysis Using the BDS Performance Measurement Framework, Microenterprise Best Practices,


Montealegre, R. 1999. A case for more case study research in the implementation of Information Technology in less-developed countries. *Information Technology for Development* 8: 199-207.


9. APPENDICES

APPENDIX 1 - COVER LETTER

Department of Information and Communication Studies
University of Namibia
P/Bag 13301
Windhoek

To Whom It May Concern:

RE: Survey on: Business Information Needs, Seeking Patterns and Information Services for SMEs in Namibia

I am a Doctor of Philosophy candidate at the University of Pretoria and I am conducting research on Business information needs, seeking patterns and information services for SME in Namibia.

I am requesting you to participate in my study by answering the attached questionnaires. I am distributing the questionnaires with the help of research assistants (4th year students from University of Namibia).

Please respond to all the questions and provide any other remarks concerning the research to the research assistants.

Thank you for your assistance.

------------------------------------------------------

Elisha R.T. Chiware
APPENDIX 2 - SUPPORT LETTER FROM THE SMALL BUSINESS INFORMATION CENTRE

To whom it may concern

Survey: Business Information needs, seeking patterns and Information services for SMME in Namibia

The Information Centre (SBIC) seeks your cooperation in assisting one of its development associates in the SME sector, Mr. Elisha R.T. Chiware – a researcher and lecturer with the University of Namibia (UNAM), with his research process.

This means;
- Allocating time to familiarize yourself with the research tool or questionnaire
- Availing time to complete the questionnaire (clarifications can be sought from the enumerator/person that contacts your business on this subject)
- Providing any additional information relevant to the enumerator/person that is conducting the survey.

We at the SBIC acknowledge the ongoing and regular related surveys, but would also like to inform you that it is to the benefit of your business and the sector at large especially where the Researcher demonstrates positive identification and legitimacy.

Kindly feel free to contact the SBIC should you have any doubts on the legality of the survey. We are there for you.

Kind regards

Mr. Eneas Emvula, SME Information Specialist
SBIC Manager
P.O. Box 95517,
Soweto Market
Windhoek
Namibia
e-mail: sbic@jcc.cm.na
website host: www.jcc.com.na
APPENDIX 3 - QUESTIONNAIRE FOR SMMES

SURVEY TO INVESTIGATE THE BUSINESS INFORMATION NEEDS AND SEEKING PATTERNS OF SMALL AND MEDIUM ENTERPRISES (SMMEs) IN NAMIBIA

SECTION A: DEMOGRAPHIC INFORMATION
Position: .................................................. 
Company Name: .................................................................. 
Address: ..............................................................................

Q1 Please indicate whether you are

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Male</td>
</tr>
<tr>
<td>2)</td>
<td>Female</td>
</tr>
</tbody>
</table>

Q2 Please indicate your age range:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Under 20</td>
</tr>
<tr>
<td>2)</td>
<td>20-30</td>
</tr>
<tr>
<td>3)</td>
<td>31-40</td>
</tr>
<tr>
<td>4)</td>
<td>41-50</td>
</tr>
<tr>
<td>5)</td>
<td>51-60</td>
</tr>
<tr>
<td>6)</td>
<td>Over 60</td>
</tr>
</tbody>
</table>

Q3 What is your highest level of education:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Primary</td>
</tr>
<tr>
<td>2)</td>
<td>Secondary</td>
</tr>
<tr>
<td>3)</td>
<td>Vocational</td>
</tr>
<tr>
<td>4)</td>
<td>Graduate</td>
</tr>
<tr>
<td>5)</td>
<td>Post Graduate</td>
</tr>
</tbody>
</table>
SECTION B: COMPANY INFORMATION

Q4 Please indicate the type of business you operate:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>2)</td>
<td>Construction</td>
</tr>
<tr>
<td>3)</td>
<td>Transport</td>
</tr>
<tr>
<td>4)</td>
<td>Trading</td>
</tr>
<tr>
<td>5)</td>
<td>Hospitality, Tourism &amp; Crafts</td>
</tr>
<tr>
<td>6)</td>
<td>Body care, Health and Crèches</td>
</tr>
<tr>
<td>7)</td>
<td>ICT &amp; Electronics</td>
</tr>
<tr>
<td>8)</td>
<td>Food: manufacturing, selling &amp; catering</td>
</tr>
<tr>
<td>9)</td>
<td>Other (specify)</td>
</tr>
</tbody>
</table>

Q5 For how long has been your business in operation?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 2 years</td>
<td></td>
</tr>
<tr>
<td>Above 2 years</td>
<td></td>
</tr>
</tbody>
</table>

Q6 What is your annual turnover?  
(Namibian dollars (N$))

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Less than $100 000</td>
</tr>
<tr>
<td>2)</td>
<td>$100 000 to $500 000</td>
</tr>
<tr>
<td>3)</td>
<td>$500 000 to $1 million</td>
</tr>
<tr>
<td>4)</td>
<td>Above $1 million</td>
</tr>
</tbody>
</table>

Q7 Is your business family owned?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Yes</td>
</tr>
<tr>
<td>2)</td>
<td>No</td>
</tr>
</tbody>
</table>

Q8 How many people do you employ in your business

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>0-10</td>
</tr>
<tr>
<td>2)</td>
<td>11-25</td>
</tr>
<tr>
<td>3)</td>
<td>26-75</td>
</tr>
</tbody>
</table>
SECTION C: BUSINESS INFORMATION NEEDS OF SMES

Q9 What is the major constraints to the growth of your business?

<table>
<thead>
<tr>
<th>Constraint</th>
<th>Major constraint</th>
<th>Medium constraint</th>
<th>Low constraint</th>
<th>Not a constraint</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Finance (capital)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Training</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Access to Business Info</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Transport</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Market information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Lack of Skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Raw materials supply</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Product quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Government regulations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>j) Other constraints (Specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q10 Please indicate the type of information needs in your business operations

<table>
<thead>
<tr>
<th>Type of business information</th>
<th>Highly required</th>
<th>Moderately required</th>
<th>Lowly required</th>
<th>Not required</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Financial information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Marketing information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Sources of raw materials/goods</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Technical (about products, production)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Production (equipment, techniques or planning)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Training Information (lists of training available or guides/hints for business people)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Policy/SME development Information (government support, best practices, NGO programmes)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Regulations/Standards (Quality, health standards, packaging, labelling)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Other Information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q11 What is the importance to the listed categories of information, according to the interest of your business?

<table>
<thead>
<tr>
<th>Type of information</th>
<th>Very important</th>
<th>Important</th>
<th>Some what important</th>
<th>Unimportant</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Financial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Market information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Sources of raw materials/goods</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Technical information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Production information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Training information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Policy/SME development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Regulations/Standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q12 How easy is it to get the following information for your business?

<table>
<thead>
<tr>
<th>Type of information</th>
<th>High level of accessibility</th>
<th>Medium level of accessibility</th>
<th>Low level of accessibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Financial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Market information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Sources of raw materials/goods</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Technical information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Production information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Training information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Policy/SME development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Regulations/Standards</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Others</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION D: INFORMATION SOURCES OF BUSINESS INFORMATION USED BY SMMEs

Q13 Are you aware of where to obtain information for your business?

1) Yes
2) No
Q14 How often do you utilise the following information sources to run your business operations?

<table>
<thead>
<tr>
<th>Information source</th>
<th>Very often</th>
<th>Quite often</th>
<th>Not very often</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Informal information available in your business (e.g. staff knowledge, internal documentation services)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Your personal friends and your family members</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Trade partners/Suppliers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Media (e.g. Newspapers, Radio, TV)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Internet/ electronic databases</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Small Business Information centre</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Local Chamber of Commerce</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Ministry of Trade and Industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>j) National Library/Community Library Centre</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>k) Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q15 How do you receive business information from these information providers?

(Please tick one box for each category of delivery means)

<table>
<thead>
<tr>
<th>Delivery Means</th>
<th>Most Frequently</th>
<th>Frequently</th>
<th>Moderately</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Newsletters</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) E-mail</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) TV or Radio</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Newspapers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Workshops</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Other means</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q16 How satisfied are you with information obtained from the sources listed below?

<table>
<thead>
<tr>
<th>Information source</th>
<th>Highly satisfied</th>
<th>Satisfied</th>
<th>Lowly satisfied</th>
<th>Not satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Informal information available in your business (e.g. staff knowledge, internal documentation services)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Your personal friends and your family members</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q17 What is the difficulties that you face in obtaining information from SMME service providers?

<table>
<thead>
<tr>
<th>Main difficulties faced in obtaining information</th>
<th>Major difficulty</th>
<th>Occasional difficulty</th>
<th>Not difficult</th>
<th>Do not face this difficulty</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) It takes too long to obtain information from external sources</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Do not know where to obtain information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) The procedure necessary to obtain information from national sources are too complicated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Do not know if required information exists</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Information is too expensive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Information is of poor quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q18 In what language(s) do you receive business information from information providers?

<table>
<thead>
<tr>
<th>Language</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a) English</td>
<td></td>
</tr>
<tr>
<td>b) Afrikaans</td>
<td></td>
</tr>
<tr>
<td>c) Other(s)</td>
<td></td>
</tr>
</tbody>
</table>
Q19 Please indicate the preferred language for receiving business information

a) English
b) Afrikaans
c) Other(s)

SECTION E: INFORMATION EXCHANGE AND STORAGE

Q20 Which methods of communication do you find most effective to promote your products/services?

(Please tick one box for each category)

<table>
<thead>
<tr>
<th>Method</th>
<th>Very effective</th>
<th>Quite effective</th>
<th>Not very effective</th>
<th>Not used</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Meeting with customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Through telephone sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Advertising/newspapers or magazines</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) TV/radio advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Internet advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Displaying</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Other (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q21 Which of these methods is most used for communication and exchange of business information between your business and your suppliers and other service providers?

(Please tick one box for each category)

<table>
<thead>
<tr>
<th>Method</th>
<th>Very often</th>
<th>Quite often</th>
<th>Not very often</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Face to face meetings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Communication by letter</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Fax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Telephone</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) E-mail</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Exhibitions/Trade shows/Fairs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Others (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q22 In your business where do you store the following types of information:
(Tick one box for each category)

<table>
<thead>
<tr>
<th>Information about the following:</th>
<th>In Files/Cabinets</th>
<th>On Computer</th>
<th>Not recorded</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Inventories/stock control</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Sales and invoicing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Production records</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Accounts/bookkeeping</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Staff records</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Suppliers/ Customer records</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Marketing and distribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Banking records and statements</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION F: USE OF INFORMATION AND COMMUNICATION TECHNOLOGIES (ICTS)

Q23 Please indicate the number of the following business communication tools available in your business

<table>
<thead>
<tr>
<th>Communication Tool</th>
<th>None</th>
<th>1-5</th>
<th>Above 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Telephones</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Fax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Cell-phones</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) PCs (Computers)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Post Boxes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q24 What ICTs are you using most to conduct business and improve linkages with other businesses?

<table>
<thead>
<tr>
<th>Communication Tool</th>
<th>None</th>
<th>1-5</th>
<th>Above 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Telephones</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Fax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Cell-phones</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) E-mail</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Internet</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Other (specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q25 Which of the following computer-based operations do you use in your business?

(Please tick one box for each category)

<table>
<thead>
<tr>
<th>Type of computer operations</th>
<th>Very often</th>
<th>Quite often</th>
<th>Not very often</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Word processing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Spreadsheets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Desktop publishing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Accounting/Financial Management packages</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Other computer programmes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q26 Does the usage of computer-based applications have a visible impact on your business performance?

<table>
<thead>
<tr>
<th>Type of Computer operation</th>
<th>High impact</th>
<th>Some impact</th>
<th>No impact</th>
<th>Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Word processing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Spreadsheets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Desktop publishing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Accounting/Financial Management packages</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Other computer programmes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

E-BUSINESS/COMMERCE

Q27 Do you use the Internet for business purposes

1) Yes
2) No
Q28 For what purpose does your business use the Internet
Tick Y (yes) or N (no)

a) Marketing the business’s products
b) Facilitating access to product catalogues and price lists
c) Purchase products from suppliers
d) Providing after sales support
e) Other (specify)

Q29 What difficulties do you face in conducting business over the Internet

<table>
<thead>
<tr>
<th>Type of Difficulty</th>
<th>Major difficulty</th>
<th>Occasional difficulty</th>
<th>Not a difficulty</th>
<th>Do not face this difficulty</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Low Internet speed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Unreliable payment methods</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Unreliable suppliers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Uncertainty over contract terms of delivery and guarantees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Unskilled personnel in E-business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Logistical problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Other (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q30 How do you rate the current performance of your business (2006)

1) Very good
2) Good
3) Fair
4) Bad
5) Very bad
Q31 How do you expect your business to perform in 2007

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Very good</td>
</tr>
<tr>
<td>2)</td>
<td>Good</td>
</tr>
<tr>
<td>3)</td>
<td>Fair</td>
</tr>
<tr>
<td>4)</td>
<td>Bad</td>
</tr>
<tr>
<td>5)</td>
<td>Very bad</td>
</tr>
</tbody>
</table>

Q32 How many more people do you plan to employ in 2007

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Much more</td>
</tr>
<tr>
<td>2)</td>
<td>More</td>
</tr>
<tr>
<td>3)</td>
<td>Same</td>
</tr>
<tr>
<td>4)</td>
<td>Less</td>
</tr>
<tr>
<td>5)</td>
<td>Much less</td>
</tr>
</tbody>
</table>

Q33 What do you plan to invest in 2007 (in money terms)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Much more</td>
</tr>
<tr>
<td>2)</td>
<td>More</td>
</tr>
<tr>
<td>3)</td>
<td>Same</td>
</tr>
<tr>
<td>4)</td>
<td>Less</td>
</tr>
<tr>
<td>5)</td>
<td>Much less</td>
</tr>
</tbody>
</table>

Q34 What are your overall comments/opinions on an ideal business information delivery service for small businesses in Namibia.

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
APPENDIX 4 - QUESTIONNAIRE FOR BUSINESS SUPPORT ORGANISATIONS

SURVEY TO INVESTIGATE THE BUSINESS INFORMATION SERVICES FOR SMALL, MICRO AND MEDIUM ENTERPRISES (SMMES) IN NAMIBIA

SECTION A: ORGANISATION BACKGROUND INFORMATION

Organisation Name (Optional): ...........................................................................................................
Address: ...........................................................................................................................................

Q1 Please indicate the type of your organization

1. Commercial Bank
2. Government Department
3. Micro-lending institution
4. Chamber of Commerce
5. NGO
6. Small Business Information Centre
7. Training organization
8. Other

Q2 Please indicate the type of your services you provide to SMEs.  
(Please tick all services provided)

a) Financial services
b) Training
c) Market Information
d) Business Information Services
e) Business Development
f) Research and Advisory Services
g) Other (specify)
SECTION B: BUSINESS INFORMATION SERVICES

Q3 Please indicate what you view as the major constraints to the growth of SMMEs.

<table>
<thead>
<tr>
<th>Growth constraints</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Not a constraint</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)  Finance (capital)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b)  Training/ skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c)  Business Information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d)  Business Linkages</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e)  Transport Logistics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f)  Raw Material Supply</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g)  Technological limitations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h)  Poor Product Quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i)  Business Opportunities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>j)  Policy &amp; Business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>k)  Other (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q4 Please indicate which types of business information you provide to SMMEs (Please tick all available services)

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Available</th>
<th>In planning Stage Only</th>
<th>Not available at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Market information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Business development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Financial information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Technical information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Production information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Training information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Policy/SME development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Regulations/Standards</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Other (Specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q5 Please indicate the form in which business information services/sources are available to SMMEs in your organization

<table>
<thead>
<tr>
<th>Type of business information source</th>
<th>Printed form</th>
<th>On PC/Hard drives</th>
<th>Online-Through the Internet</th>
<th>Not available at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Market information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Financial information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Business development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Technical information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Production information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Training information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Policy/SME development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Regulations/Standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Other(s) specify</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q6 Please indicate in order of importance what you view as the major information needs of SMMEs. Rank 1 up to 9

<table>
<thead>
<tr>
<th>Business information needs</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Market information</td>
<td></td>
</tr>
<tr>
<td>b) Financial information</td>
<td></td>
</tr>
<tr>
<td>c) Business development</td>
<td></td>
</tr>
<tr>
<td>d) Technical information</td>
<td></td>
</tr>
<tr>
<td>e) Production information</td>
<td></td>
</tr>
<tr>
<td>f) Training information</td>
<td></td>
</tr>
<tr>
<td>g) Policy/SME development</td>
<td></td>
</tr>
<tr>
<td>h) Regulations/Standards</td>
<td></td>
</tr>
<tr>
<td>i) Other (Specify)</td>
<td></td>
</tr>
</tbody>
</table>

Q7 Please indicate the methods you use for communicating business information to SMEs

<table>
<thead>
<tr>
<th>Methods of communicating business</th>
<th>Most favoured</th>
<th>Favoured</th>
<th>Least favoured</th>
<th>Not favoured</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q8 Please indicate the language(s) in which you disseminate business information to SMMEs

a) English
b) Afrikaans
c) Local Languages (please indicate)

Q9 Do you charge for your information services?

1) Yes
2) No

Q10 If yes please indicate the services that you charge for

<table>
<thead>
<tr>
<th>Type of service</th>
<th>Y/N</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Information searches</td>
<td></td>
</tr>
<tr>
<td>b) Use of the Internet</td>
<td></td>
</tr>
<tr>
<td>c) Packaging of special information</td>
<td></td>
</tr>
<tr>
<td>d) Market research reports</td>
<td></td>
</tr>
<tr>
<td>e) Other (specify)</td>
<td></td>
</tr>
</tbody>
</table>
Q11 Please specify the constraints you encounter in disseminating business information to SMMEs (please tick all difficulties)

<table>
<thead>
<tr>
<th>Constraint</th>
<th>Major constraints</th>
<th>Medium constraint</th>
<th>Low constraint</th>
<th>Not a constraint</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) SMEs are hard to reach</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) SMEs are not interested in our business information services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) SMEs do not understand the language in which we disseminate our business information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Our services are too expensive for SMEs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Other reasons (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION C: USE OF INFORMATION AND COMMUNICATION TECHNOLOGIES (ICTs)

Q12 Please indicate the number of the following business communication tools in your organization

<table>
<thead>
<tr>
<th>Communication Tool</th>
<th>None</th>
<th>1-5</th>
<th>5-10</th>
<th>Above 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Telephones</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Faxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) PCs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) PCs that are available for information research by SMEs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) PCs with Internet access</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q13 Please indicate whether the PC are networked
Q14 Please indicate whether your organization is a subscriber to external online business information databases

1) Yes
2) No
3) Plans to subscribe

Q15 Does your organisation provide information services through a website?

1) Yes
2) No.

Q16 Does your organization provides information services through e-mail to SMME?

1) Yes
2) No.

Q17 Does your organization receive business information requests from SMMEs through a website?

1) Yes
2) No.

Q18 Does your organization receive business information requests from SMMEs through e-mail?

1) Yes
2) No.

Q19 Which ICTs is your organization using most to keep linkages with SMMEs?

<table>
<thead>
<tr>
<th>Type of communication tool</th>
<th>Mostly used</th>
<th>Moderately used</th>
<th>Lowly used</th>
<th>Not used at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Fax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Telephone</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q20 What do you view as the potential obstacles to the use of e-commerce by SMMEs (Please tick)

<table>
<thead>
<tr>
<th>Obstacles to E-business</th>
<th>High obstacle</th>
<th>Medium obstacle</th>
<th>Low obstacle</th>
<th>Not an obstacle</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Products/services of SMEs are not suitable for sales through Internet</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Customers and other businesses are not yet ready to use E-commerce</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) There are security concerns over payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) There is uncertainty concerning contracts, terms of delivery and guarantees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Logistical problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION D: INFORMATION SERVICES MANAGEMENT

Q21 How many staff members work in your organization?

a) In total?
   1) 1-5
   2) 6-10
   3) 11-15
   4) 16-20
   5) +20

b) In business information service?
   6) 1-5
   7) 6-10
   8) 11-15
   9) 16-20
   10) +20

c) Who are professionals?
   11) 1-5
Q22 Do you have enough staff to support business information services to SMMEs in your organization?

1) Yes
2) No

Q23 What is the staff/client ratio?

1) 1 to 2
2) 1 to 4
3) 1 to 8
4) 1 to 10
5) 1 to 12
6) 1 to 12+

Q24 Please indicate the level of coverage of business information sources in your organisation

<table>
<thead>
<tr>
<th>Type of business information sources</th>
<th>High Coverage</th>
<th>Medium coverage</th>
<th>Low coverage</th>
<th>No coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Market information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Financial information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Business development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Technical information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Production information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Training information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Policy/SME development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Regulations/Standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Other(s) specify</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q25 Please indicate how frequently you update your business information sources for SMMEs.

<table>
<thead>
<tr>
<th>Type of business information source</th>
<th>Monthly</th>
<th>Quarterly</th>
<th>Half yearly</th>
<th>Annually</th>
<th>No updates are made</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Market information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Financial information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Business development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q26 What is your annual budget for information services?

<table>
<thead>
<tr>
<th>Below $100 000</th>
<th>Above $100 000</th>
</tr>
</thead>
</table>

Q27 Is the budget for information services growing?

1) Yes
2) No

Q28 Please indicate the priority areas of training needed by staff of your business information services

1…………………………………………………………………………………………
2…………………………………………………………………………………………
3…………………………………………………………………………………………
4…………………………………………………………………………………………
5…………………………………………………………………………………………

Q29 What does your organization need in order to improve its business information services?

1…………………………………………………………………………………………
2…………………………………………………………………………………………
3…………………………………………………………………………………………
4…………………………………………………………………………………………
5…………………………………………………………………………………………
6…………………………………………………………………………………………

Q30 What kind of networking is there between you and other organizations in the provision of business information to SMMEs

1…………………………………………………………………………………………
2…………………………………………………………………………………………
3…………………………………………………………………………………………
Q31 What external assistance would be desirable for the development of your information services?

Q32 Which organization or company would be most likely to provide the required assistance?

Q33 What is your overall comment on the improvement of business information services to SMMEs in Namibia?

Thank you for your time
### APPENDIX 5 - GUIDE FOR THE QUALITATIVE ASSESSMENT OF BUSINESS INFORMATION SUPPLY SERVICES

Name of Organization: .................................................................
Type of Business Support Services offered: ....................................
Contact Person: ...........................................................................

<table>
<thead>
<tr>
<th>Theme</th>
<th>Indicators</th>
<th>Observation/remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Information coverage and detail</td>
<td>Is information in the organization concerning the needs of SMMEs sufficiently covered?</td>
<td></td>
</tr>
<tr>
<td>2. Information updating</td>
<td>Is the information updated frequently?</td>
<td></td>
</tr>
<tr>
<td>3. Information value</td>
<td>What are the sources used and is the information charged for?</td>
<td></td>
</tr>
<tr>
<td>4. Information access</td>
<td>Are your facilities conveniently located for SMMEs?</td>
<td></td>
</tr>
<tr>
<td>5. Use of ICTs</td>
<td>What IT facilities are in place?</td>
<td></td>
</tr>
<tr>
<td>6. Staff capacity and dedication</td>
<td>Is there enough staff to support information services and are they capable of delivering the service?</td>
<td></td>
</tr>
<tr>
<td>7. Information service Management</td>
<td>Is the service well organized and provide timely answers?</td>
<td></td>
</tr>
<tr>
<td>8. Dynamism</td>
<td>IS the budget for information services increasing?</td>
<td></td>
</tr>
</tbody>
</table>