There has been increased research investigating e-commerce adoption and diffusion in Small to Medium-Sized Enterprises (SMEs) in different parts of the world. What could be synthesized from this research is that in comparison with large enterprises, SMEs would always be positioned in a lagging position in terms of adopting or using e-commerce strategically in business. The reasons which have led to this conclusion were attributed to different contextual causes relating to the SME’s weak structure and resources, to technology, to individuals in SMEs (e.g., the CEO) and to their susceptibility to different environmental forces.

With the recent emergence of e-commerce technologies in the early 1990s and their role in encouraging global interconnectedness, there have been increased concerns amongst researchers and professionals that SMEs would always be locked in a position where they could not progress any further with e-commerce or fail to spot the strategic importance of e-commerce to their survival in the long term. Of course, the situation is further aggravated in developing or least-developed countries and isolated economies.

Such implications motivated the editors to look at the role of governments in different parts of the world in order to investigate their role in assisting their SMEs to embrace and benefit from e-commerce. Since the 1970s, most of the countries in the world have deregulated most of the business approaches and policies in order to encourage efficiency, free and cross-trade, and competition in the business environment. An era witnessed the growing economical importance of SMEs in these countries.

This edited book attempts to highlight the e-commerce initiatives of different governments in the world with respect to e-commerce adoption and usage in SMEs. By reviewing the e-commerce policy of different countries in the world, as one focus here, this edited book emphasizes the importance of bridging the divide between e-commerce and SMEs and the importance of devising
means and measures where e-commerce could be progressed more strategically in SMEs. It is worth noting here that e-commerce may not be the magical solution for many SMEs in the world. However, what is important in this edited book is to emphasize the importance of introducing the varied and multi-faceted perspectives of e-commerce to the different SME communities in the world and to give them the opportunity to judge the effectiveness of e-commerce in their businesses. This objective could be of great interest to other parties interested in SMEs, such as policymakers, professionals and researchers.

This edited book has policy implications for e-commerce adoption and diffusion in SMEs in different parts of the world and this focus should appeal to different stakeholders, policymakers, researchers and professionals interested in SMEs. The SME sector is of significant economical and social importance to countries all over the world and this focus should resemble a contribution to the literature targeting SMEs and e-commerce. It also raises the attention of governments in different parts of the world about the importance of focusing their strategies on this weak, yet very formidable, sector.

CONTRIBUTIONS IN THIS EDITED BOOK

Despite the apparent enthusiasm among the different governments in the world about e-commerce and their interest in developing policies and initiatives aiming at encouraging e-commerce uptake and use of their business communities, what could be understood from the different contributions in this edited book highlights the following main issues:

1) Most of the governments in the world and in developed countries specifically acknowledge the importance of e-commerce to their countries and to the survival of their businesses in the long term. Most of these governments have actively engaged in setting out initiatives and policies to investigate the status of e-commerce in the business environment and to put in place plans where e-commerce could be introduced and diffused amongst the overall business community in their countries.

2) The e-commerce policies of the different governments were set broadly and, hence, were not concentrating on SMEs as such.

3) The lack of awareness among the SMEs about e-commerce in general and about their government’s e-commerce initiatives and policies would further widen the e-commerce divide mentioned above. The lack of detailed knowledge amongst the SMEs about e-commerce and its different business models would further aggravate the gulf between e-commerce and SMEs. Most probably SMEs would adopt e-commerce based on factors that do not necessarily relate to government initiatives or policies.

4) The SMEs should play more proactive role in exploring the multi-faceted perspectives of e-commerce and in devising means where they could
benefit from the different opportunities provided by e-commerce. This is essential for any governmental e-commerce initiative to succeed.

5) The importance of establishing networked SMEs for the purpose of driving efficiencies in operations and reduced costs, increasing the effectiveness of the decision-making process or gaining competitive advantage. This objective becomes very important to SMEs in order to face their limited resources and/or to withstand global competition.

6) Developing countries are still facing different infrastructure issues pertaining to technological and telecommunication infrastructure. Their e-commerce policy/initiatives seemed to be incomplete.

7) The importance of reviewing the government e-commerce initiatives and monitoring progress.

The contributions in this edited book are divided into three main parts. The contributions in the first part attempt to investigate broad and different e-commerce policies in different countries in the world (developed and developing). The aim of these chapters is to investigate these policies in relation to e-commerce uptake and use in SMEs. Authors belonging to the first part provide rich insights about: the e-commerce policy and initiatives in their countries, the status of e-commerce in SMEs and the possible solutions and recommendations which could assist policymakers in bridging the existing gulf between e-commerce and SMEs in their countries.

The contributions in the second part look at a specific focus of the e-commerce policy. Such a focus is highly emphasized here as it attempts to overcome the different inherent contextual weaknesses in SMEs by encouraging them to join forces. Policies aiming at encouraging networking amongst the SMEs are of great importance to SMEs’ existence in the long term.

The last part looks at an interesting policy focus represented here by the challenges facing governments in providing effective information strategies supported by online resources (portals) and program that aims at accelerating the adoption of e-commerce through the provision of seed funding to online projects proposed by industry-based consortia. Providing effective information-based portals to support export development amongst SMEs represents a climax here for two reasons. Firstly, it encourages the SMEs belonging to a certain sector or industry (exporting here) to network and create a community which could be further utilized to the benefit of the different SMEs belonging to this cluster. Secondly, this focus embarks on important features of e-commerce, the global nature of e-commerce. Features such as the global interconnectedness, convenience, marginal costs, 24X7, etc., could introduce unique and different opportunities to SMEs. Networked SMEs would be in a much better position to face such global competition. Easily said, it is clear that the road to the full realization of e-commerce opportunities is indeed a long one and not any easy
one. The amount of variables introduces by the recent emergence of this innovative technology (e-commerce) is indeed beyond the scope of this book.

E-commerce impacts organizations immensely and holistically in an unprecedented manner and challenges many researchers and standing theories — theories that withstood scrutiny for many years. For example, researchers were struggling or spent a long time investigating whether SMEs were witnessing any real or tangible benefits out of their e-commerce initiatives in the light of their adopted e-commerce technologies (Internet, email and Web sites). Recent research reported limited usage and benefit realization by SMEs. Addressing issues pertaining to the SMEs themselves, represented here by their CEOs and internal processes/structure, are vital to the large-scale success of e-commerce in SMEs. Indeed, looking on how SMEs run their daily business activities could shed essential light into their practices and how they behave when they are confronted with e-commerce technology. Attempting to review processes and attempting to eliminate waste and obstacles, optimize processes and then attempting to streamline certain processes represent a great gain here for SMEs and indeed, represents a vital step for SMEs to take in the e-commerce direction.

Some of the concepts, models and frameworks such as the information-based portals discussed in this edited book are not new. Indeed, different researchers investigated these issues from different perspectives and contexts. What is unique in this edited book is that it attempts to focus on the main issues that are of importance to SMEs. The aggregate of the contributions in this edited book serves two objectives. Firstly, it highlights the research direction and status of e-commerce in SMEs. This could represent a good starting point for countries (researchers, professionals) interested in moving their SMEs in the e-commerce direction at various levels of sophistication. Secondly, these contributions allow researchers and professionals interested in this area to observe and monitor the progress of e-commerce policy in different countries in the world and this could assist such researchers in judging whether they are in the right track in addressing the main issues that are of importance to their SMEs. This edited book raises the awareness of different governments about the importance of e-commerce to their SMEs and this book could assist such governments fine-tune their policies with respect to e-commerce SMEs.

Finally, what is observed from the different contributions in this edited book is the continued concentrating on the B2B business model, more than B2C. It seems that most of the SMEs and, hence, researchers are more focused on this type of business interrelationship. Thus, addressing this perspective first could resemble a good starting point for researchers and professionals in targeting this important sector (SMEs) in their countries. On the other hand, it is worth investigating why B2C attracted such limited attention.
SECTION I
Electronic Commerce Initiatives and Policy Implications in Different Countries in the World

Chapter I attempts to link findings of recent e-commerce research in SMEs in New Zealand with the Government’s e-commerce strategy. The research stresses the need for the Government to bridge the existing gap between small business and e-commerce strategy. The strategy emphasizes the Government’s role in providing leadership, in building the capability of New Zealanders, and in providing an enabling regulatory environment. Recent progress on this strategy is reviewed and its significance to small business in New Zealand is discussed. However, this chapter points to the importance of prioritizing the implementation of certain strategies and of addressing impending e-commerce issues relevant to the small business sector in New Zealand. The chapter provides different suggestions and ways to bridge such divide between SMEs and e-commerce.

Chapter II introduces government support model for e-commerce readiness in SMEs. The authors contend that a knowledge and innovation-based economy is the desired outcome of such a model. They effectively build six important components in the model and conceptualize dependencies in the model at a high level and provide visibility in Canada’s work in building each component. Common to these six components are the profound effects that government policies and actions can have on each component in terms of creation and subsequently diffusion. The model could be useful to describe government’s role in preparing SMEs to adopt e-commerce.

Chapter III discusses the role of the Dutch Government in engaging their SMEs in the digital economy. This chapter provides detailed information about the policies of the Dutch government for the development of the information society and, in particular, for the diffusion of electronic commerce in SMEs. The chapter also presents the current situation of the Dutch SMEs with respect to the adoption of e-commerce and their opinion about the governmental policies. One of the main targets of this chapter is to help branch originations and their members to get a grasp on the use of electronic marketplaces and application service providing. In achieving such targets, the chapter finally highlights some of the objectives, approaches and outcomes of different projects in the Nederland such as the in iASPect and iMPact.

In line with the above theme, Chapter IV provides a comprehensive coverage about SMEs and e-commerce initiatives in Singapore and investigates the status of e-commerce developments in SMEs. Singapore has put in place an advanced digital telecommunications network as well as the necessary regulatory and policy frameworks for the support of e-commerce. The chapter introduces different impediments toward e-commerce adoption by SMEs. The authors note that, while SMEs have still quite a way to go in terms of emulating
e-commerce practices, market developments will force many of them to adopt e-commerce practices in due course. State intervention strategies are also especially imperative in getting promising enterprises as well as others in growth sectors to come on board the e-commerce bandwagon. However, this chapter emphasizes the importance of the private sector efforts in driving the e-commerce growth in SMEs in Singapore.

**Chapter V** presents a framework that explores the factors and problems that account for the apparent lack of benefit derived from e-commerce activity in SMEs. This framework is based upon a detailed qualitative data analysis of 34 Australian SMEs utilizing e-commerce. The combined results provide interesting insights pertaining to the reality of e-commerce for most SMEs. The chapter highlights policy implications including issues of costs, critical mass, and standards of technology service as critical elements that need to be addressed to create the best environment to support continued SME e-commerce utilization.

**Chapter VI** describes the key factors that are hindering SMEs’ participation in e-commerce in the Asian Pacific region. It covers SMEs in countries such as Thailand, Singapore, Philippines, Malaysia, Cambodia, China and Vietnam and provides qualitative analysis pertaining to their adoption experience of e-commerce. The chapter highlights different obstacles to e-commerce adoption facing Asian Pacific SMEs and suggests different measures and changes to policy to overcome such barriers. The chapter concludes by depicting a strategic grid of e-commerce potential for SMEs made of four broad dimensions. This grid could prove useful to SMEs and policymakers in portraying a path where they could make real progress with their e-commerce initiatives and policies.

Due to the significant importance of the SMEs in the Asian Pacific Economic Co-operation (APEC) regions, this chapter (**Chapter VII**) examines the use of IT in SMEs and the role that the APEC has played in encouraging increased trade by SMEs. In particular, a study of six successful micro and small businesses in APEC economies that was commissioned by APEC examines their attitudes toward trade and e-commerce. Conclusions are drawn as to the role that IT and e-commerce has to play in small business trade. The chapter concludes with the recommendations made to APEC by the study and a summary of the SME policy initiatives announced by APEC as a result of the study and other APEC activities.

**Chapter VIII** discusses the European Union (EU) innovation policy initiatives for SMEs and the UK innovation policy. The chapter examines the strategic implications of the adoption and implementation of e-commerce by two successful start-up SMEs in the UK in the light of the EU policy initiatives. Findings reveal that SMEs, and start-ups particularly, find themselves having to operate without role models and tested business plans within an increasingly complex and competitive environment. Pure-player start-ups are driven by the “market focus” as a main driver to adopt e-commerce and they are not aware
of projects or policy initiatives in this regard. The chapter provides guidelines for policymakers in the UK based on its findings from the two case studies.

SECTION II
Policy Implication for Networked SMEs in Supply Chain

Chapter IX investigates the key infrastructure factors affecting the success of small companies in developing economies that are establishing B2B e-commerce ventures. The factors were identified through an extensive literature review and a pilot study carried out in two organizations. The results of the pilot study and literature review reveal five factors that contribute to the success of B2B E-Commerce. These factors were later assessed for importance using a survey. The chapter provides interesting comparisons with some developed countries such as the US.

Chapter X provides comprehensive literature about the nature and role of formal networks in SMEs. The chapter examines the nature and role of formal networks on e-commerce adoption by SMEs in Sweden. The chapter presents data gathered from 350 regional SMEs in Sweden. This chapter presents a set of comparisons between formally networked and non-networked SMEs that have both adopted or not adopted EC technology. These comparisons focus on the criteria for adoption, perceived benefits of EC and perceived disadvantages of EC adoption for those SMEs that have adopted the technology; and the perceived barriers for those that have decided against EC adoption. The chapter introduces interesting comparisons between networked and non-networked SMEs, highlighting policy implications for SMEs in Sweden.

Chapter XI contends that SMEs have always been under pressures from large firms to implement B2B e-commerce information systems. However, these SMEs have faced various challenges to do so in the supply chain. This chapter explains the role of Taiwanese government in supporting SMEs in implementing e-commerce by analyzing the interactions of government teams with current projects, and challenges of Taiwanese SMEs. Discussions and analyses focus on the government help in setting up infrastructure, B2B e-commerce implementation, and interfirm interactions among SMEs and larger firms. The Taiwanese government has been promoting its global logistics strategy for economic development which stresses supply chain integration by bridging information flows among overseas enterprises, domestic large firms, and local SMEs. Government projects related to this strategy are intended to anchor SMEs’ growing needs in linking B2B e-commerce with large firms. The chapter explains how government can further bridge the gaps between the intrinsic barriers of SMEs and the interactions with larger firms in B2B e-commerce implementation.
SECTION III

Policy Push and Monitoring

In line with the above policy implications from the SME’s perspective, this chapter (Chapter XII) looks at ways where government policies could assist the SMEs in adopting and using e-commerce effectively. Specifically this chapter: (a) outlines the challenges that governments face in providing effective information strategies supported by online resources, (b) discusses research relating to the information strategy of one Australian government agency to support export development among small business, (c) sets out a framework for government online information provision in a diverse industry context. The authors contend that the development of well-designed strategies can improve the usability of online information and the efficiency of government information services.

In a similar sense, Chapter XIII provides an overview to date of 81 projects funded by the Australian Government initiative: Information Technology OnLine (ITOL) program — a program that aims to accelerate the adoption of e-commerce through the provision of seed funding to online projects proposed by industry-based consortia. The chapter highlights the reasons behind the success and the failure of some of these projects. The chapter then proposes some interesting critical success factors for such governmental initiatives to succeed in Australia.