Conclusion

INTRODUCTION

This chapter presents a summarized review of the book. The general context of information systems in small business is described in Chapters One, Two, and Three. This includes material on small business, entrepreneurs, and information systems. Chapters Four, Five, Six, Seven, and Eight provide further detail. Each chapter includes a review of related theories along with an applied discussion of information systems aspects including adoption, use, strategy, and competitive advantage by small business. The culmination of this book is presented in Chapters Nine, Ten, Eleven, and Twelve. The three dimensions of the Balanced Maturity Framework are described in separate chapters. These dimensions include Management Processes, E-commerce, and E-business. The final chapter in this book presents a description of the Balanced Maturity Framework. The important aspect of the framework is the balanced approach to maturity.

REVIEW OF EACH CHAPTER

Chapter One: Small Business

This chapter presented a detailed description of various aspects of small business. There are many definitions for the term small business. Usually, the definition is based upon the number of employees. But, even this definition varies across government jurisdictions and by business sector within nations. A small business is not a little big business. Small business decisions are affected by limited resources. Further, these limited resources necessitate a focus on a small number of customers. While this focus will support quality personalized service, it may create issues related to external market fluctuations. Small business, of necessity, tends to rely upon family members for various resources, mainly skills. Eventually, however, issues surrounding succession will arise. This major transition requires long term planning in consideration for unique family dynamics. Competitive advantage for a small business is gained through providing quality service at a market oriented price.
This advantage will be maintained internally by a positive culture and externally by a generally recognized reputation throughout the community. Many small businesses fail, mainly due to poor management. To begin, a small business must make a profit. Then success may be demonstrated through growth. Eventually, however, growth may lessen. The market may limit further growth. The small business owner may want to maintain control or may want a revised work/life balance. Thus, another perspective on success is longevity.

**Chapter Two: Entrepreneurs**

This chapter introduced the term entrepreneur and described the various types. Entrepreneurs willingly accept risk in their business ventures. Some aggressively pursue growth and expansion. Others take a more conservative approach to their business ventures. The entrepreneurial process involves creativity and innovation. Entrepreneurs tend to be found in small businesses. The attitude and approach may also be discovered in some large companies.

**Chapter Three: Information Systems**

This chapter described the components of generic information systems and how data is transformed into information to support decision making by the management of a small business. The transformation process starts by recording transactions related to conducting business. These transactions may relate to invoices, receipts, or time sheets for employees. If there is a low volume of transactions then a manual information system may suffice. However, as the volume increases an automated system becomes appropriate. This chapter focused on automated information systems. Different types of information systems support the various levels of management decision making. Lower level management functions require information systems that support daily operations and making short term decisions. More senior level management functions, while relying upon internal historical data, must also consider external market data to make more long term decisions which will affect the future direction of the small business.

In summary, the stage is set in this section for a more detailed discussion, in subsequent sections, about the use of information systems by small business. This section represents the start of the description of the components of the Balanced Maturity Framework presented later in the book.
Chapter Four: Theories

This chapter presented general theories, in the form of models and frameworks, employed to conduct research into information systems in small business. There is an absence of a unifying theory but many perspectives have been employed to investigate this topic. Many projects adopt a stages approach to investigate small business use of information systems over time. Also, a life cycle approach has been employed. The following theories have been used:

- Absorptive Capacity Theory
- Resource-based View Theory
- Theory of Constraints
- Punctuated Equilibrium Theory
- Technology-Organization-Environment Framework
- Relative Advantage and Innovativeness Framework
- Technology Acceptance Model
- Focus-Dominance Model

Chapter Five: Adoption

This chapter presented a discussion of issues related to adopting information systems in small business. Pressure to adopt information systems will come from external stakeholders and internally due to the perceived benefits. Adopting information systems will lead to significant changes in the management of a small business. More information will be available and the ability to make decisions will be improved.

Chapter Six: Use

This chapter described how information systems are employed within small business. Lower level management roles use information systems to facilitate short term structured decisions. This relates to payment of invoices, payroll, and other accounting processes. Higher level management roles employ information systems from a strategic perspective to help make long term unstructured decisions. The processes involved in these types of decisions may relate to budgeting, planning, and deciding on the future direction of the small business within the competitive market place.

Chapter Seven: Strategy

This chapter explored how information systems may be used to support the strategic initiatives in small business. Information systems may be employed to monitor
external events. The external business environment may be continuously scanned to identify opportunities or competitive threats. Internally, information systems may be used to assess and improve employee skills as well as promote more sophisticated management processes.

Chapter Eight: Competitive Advantage

This chapter described how information systems in small business may be employed to address issues in the competitive environment in order to attempt to gain an advantage. An internal focus on processes and on external concentration on the market will contribute to competitive advantage. Thus, information systems in small business could be employed to lower expenses and to increase sales volumes.

In summary, this section provided more detail about the functions of information systems in small business. This discussion further supports the main thesis of the book which is presented in the following section.

Chapter Nine: Management Processes

This chapter discussed how management of small business evolves over time as the business matures. In general, these processes become more formal and robust. As a small business matures more sophisticated management processes are required. The Framework continuum of sophistication relates to the stages of a small business – Genesis, Grounding, Growth, and Generations.

Chapter Ten: E-Commerce

This chapter also presented a maturity continuum for the use by the small business for Internet-based technology. This is a specific form of information system based upon current technology. E-commerce involves the sale of products and services via the Internet. The unique properties of the Internet facilitate a variety of E-commerce models. The focus of this chapter is Business to Consumer (B2C). As a small business matures it will tend to incorporate more sophisticated aspects of E-commerce and pass through four stages – Presence, Portals, Transactions Integration, and Enterprises Integration.

Chapter Eleven: E-Business

This chapter described the third evolution component in the use of information systems by small business. This component relates to the more traditional use of information systems to support management processes and it also incorporates
current technology. E-business is a way of conducting business in an electronic form which employs the facilities of the Internet. Recall from Chapter Eleven – E-commerce that electronic commerce involves the sale of products and services on the Internet via the website of a business. E-business includes E-commerce. But, it goes beyond and extends E-commerce to both pre-sales and post-sales services. E-business puts the business in closer contact with its customers, through Customer Relationship Management systems, which improves customer service and loyalty as a consequence.

**Chapter Twelve: Balanced Maturity Framework**

This chapter brought all of the previously presented material together by relating management processes, E-commerce, and E-business. The main thesis of the book is presented here in that as the three major components evolve they must do so in a relatively balanced manner.

The presentation of the Balanced Maturity Framework represents the culmination of this book. The framework consists of three dimensions. Management Processes include functions such as planning, organizing, staffing, directing, and controlling. All management levels include these functions. Each level will consist of a different mix of these functions. As a small business matures the Management Processes become more structured and more outward looking. Information for decision making will be more formalized. In support of the more structured Management Processes will be more sophisticated technology. E-commerce will support interaction with customers. More advanced E-business will allow communication with suppliers and support for internal processes.

**CONCLUSION**

This chapter has presented a review of the book. It has been suggested that as a small business matures the management processes will become more formal and the supporting technology must, in concert with this formalization, become more sophisticated.