Chapter X

Traits of Successfully E-Enabled Irish SMEs

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Abstract

This chapter investigates the factors that have contributed to successful e-enablement within Irish SMEs. These factors are categorized as organizational, management, and implementation factors. The organizational factors that contribute to such success include previous organizational IT expertise, previous experience with logistics, and the suitability of the product for sale on the Web. The management factors that have a positive influence on success include the existence of a champion, having an e-commerce strategy, and integrating the Web presence into the existing business. The implementation issues that contribute to success include planning the Web presence, usability of the website, the existence of security features on the website, outsourcing elements of the e-commerce project, and website marketing. The authors purposefully chose to study recognized successful e-enabled SMEs so as to identify the salient factors and explore how these factors contributed to the success of the SMEs e-commerce initiative.
Introduction

The advent of the World Wide Web has provided an easily accessible means through which firms can conduct commerce electronically and has been successfully exploited by Irish SMEs since the mid 1990s (Golden, 1996). It has been hailed as a revolution in commerce (Hof, 1999) that will enable “friction free capitalism” (Palmer & Griffith, 1998, p. 46). The predictions are particularly relevant to SMEs, as it has been argued that e-commerce presents a unique opportunity for such firms due to the absence of barriers to entry for the new medium (O’Connor & O’Keefe, 1997; Poon & SWATMAN, 1998). In addition it provides SMEs with a global market (Quelch & Klein, 1996; O’Keefe & McEachern, 1998), which negates geographic boundaries (Cairncross, 1997). Web-based e-commerce enables SMEs to compete effectively against large companies (Watson, Akselsen, & Leylan, 1998).

Background

To date, existing empirical research focusing on the success factors of websites is mainly anecdotal and exploratory in nature (Liu & Arnett, 2000). Thus, while there should be a considerable number and variety of factors associated with the success of websites, little knowledge exists about the combination of these factors (Liu & Arnett, 2000). The primary motive for this research is to provide an empirical analysis of successful Irish SMEs engaging in e-commerce and to find out the most successful combination of factors that attribute to success on the Web.

The focus of this chapter is on small to medium-sized enterprises (SMEs) operating in Ireland. An SME is defined in this research in accordance with the EU definition as firms with less than 250 full-time employees. The growth of SMEs plays a significant role in the economic vitality of a nation (Haynes, Becherer, & Helms, 1998). The SME sector is vital to the economic success of the Irish nation, given the contribution of small business to economic growth and job creation. Businesses with fewer than 50 employees account for 98% of the country’s businesses, and more than 90% of Irish businesses employ fewer than 10 people. Today’s small businesses face an increasingly unstable marketplace rife with change. Perhaps no single aspect of these changes has reverberated as clearly as the growth of the Internet. This growth raises issues which concern not only how the Internet is currently being used, but also which areas of Internet use may offer additional resources for SMEs (Guthrie & Austin, 1996).

The primary objective of this research is to determine what factors contribute to a successful e-commerce project within an SME. Various studies have investigated website success from different perspectives. Liu and Arnett (2000) investigate website success on the basis of outcome variables such as attractive, dependable, reliable, trustworthy, meeting demand, and pleasing customers. O’Keefe and McEachern (1998) investigated success on the basis of number of hits, visits, and orders. This study investigates specific success factors within the categories of organizational characteristics, management issues, and implementation issues.

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