E–Commerce Training for SMEs

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INTRODUCTION

E-commerce offers companies tremendous opportunities to improve their business performance in new and innovative ways. However, its potential benefit would only be realised by capable managers who can deal with these emerging technologies and implement them wisely. A skills shortage has been categorised as one of the challenges facing global e-commerce by Bingi and Khamalah (2000). The demand for highly knowledgeable and skilled managers and workloads places enormous pressure upon companies to improve or update their current knowledge and skills. This is particularly important in small and medium enterprises (SMEs), as compared with their larger counterparts, they are often described as “lacking the expertise needed to set up the technologies necessary, despite having a great deal to gain from doing so” (Anonymous, 1998, p. 52). Training is often seen as the most effective way to help SMEs to cope with the increasing demand on improving their skills, while not increasing staffing.

BACKGROUND

E-Commerce Challenges for SMEs

E-commerce and e-business affect the whole business process and cover a wide range of business activities. As a result, its success poses a significant challenge to SMEs. The issues related to the e-commerce challenges within these areas can be examined from different perspectives. From the strategic perspective, Laudon and Laudon (1999) summarised them as:

- The strategic business challenge
- The globalisation challenge
- The information architecture challenge
- The information systems investment challenge
- The responsibility and control challenge

From the operational perspective, Bingi and Khamalah (2000) categorised e-commerce challenges along four major dimensions:

1. Economic: cost justification, Internet access, telecom infrastructure, skill shortage.
3. Social: privacy/security, cultural diversity, trust, absence of “touch/feel”.
4. Legal: intellectual property right, legal validity of transactions, taxation issues, policing/regulation.

Despite the widespread use of numerous electronic tools, SMEs are described as the slowest sector to embrace e-commerce (Poon & Swatman, 1999). For many small businesses, e-commerce seems like a confusing nightmare. They are not able to react to the rapid changes brought about by this emerging technology, but on the other hand they are scared to be left behind and therefore eager to embrace the technology (Hobson, 2000). The fear of being left behind was also recognised by focus group discussions conducted by Mullins et al. (2000).

Cragg and King (1993) discover that the strongest inhibiting factors for small firms’ implementation of information technologies are lack of IS knowledge, lack of managerial time, poor support and limited financial resources. Corbitt (2000) argues that if management is not made aware of new and enabling technology, then it is not surprising that they are unwilling to adopt e-commerce. Timmers (2000) also concludes that a lack of awareness and understanding is one of the reasons for hesitation among many companies about committing any major effort to e-commerce. Lack of skills is perceived to be the most significant barrier to uptake of information and communication technologies (ICTs) (Auger & Gallaugher, 1997; Duan & Kinman, 2000).

Skills Shortage and Importance of Training

Research by Corbitt (2000) found that there was an obvious concern that electronic commerce was not fully understood and the “I do not know” response was the prevailing view on e-commerce understanding in companies studied. Considering the barriers for e-commerce adoption in SMEs, a number of studies (e.g., Drew, 2003; Jones et al., 2003; Lawson et al., 2003; Matlay & Addis, 2003; Quayle, 2003; Ramsey et al., 2003) have been conducted to address this issue and identified that lack of