Chapter XIII

E-Transformation of Austrian SMEs: A Concept that Fits the Reality

Christoph Auer, evolaris eBusiness Competence Center and University of Graz, Austria

Reinhard Franz, evolaris eBusiness Competence Center and University of Graz, Austria

Abstract

This chapter highlights the differences that exist between the e-commerce (EC) perspective of SMEs and the EC perspective from the researchers’ point of view. First the main aspects of SME EC found in a literature review are pointed out and then the results of a SME survey are presented. The findings of this survey, conducted with Austrian SMEs in the automotive industry sector, show for example that EC adoption is slower than expected. Consequently, we introduce a concept that was developed to minimize the identified gap between the two EC perspectives, by connecting university research and regional SME networks more efficiently. This action research-based approach enables SMEs to evaluate the impact of EC on their business model.
Introduction

Researchers and academic professionals often attempt to give helpful suggestions and useful guidance regarding the advantages of e-commerce (EC) for small to medium-sized enterprises (SMEs) with their research. This e-transformation of SMEs in Austria is also the main aim of the publicly founded evolaris eBusiness Competence Center, a research institution involving various university departments from different disciplines. Through one-and-a-half years of SME research at evolaris, it was found that one of the main factors inhibiting the essential transformation of SMEs towards e-SMEs is a dissimilarity in the understanding of e-commerce (EC) by researchers and the SMEs themselves.

This chapter highlights the differences between the EC perspective of SMEs and the EC perspective from the researchers’ point of view. Therefore, first these two perspectives—the perspective about SME EC that exists in the literature and the EC perspective that exists in Austrian SMEs—are presented. The main aspects of SME EC found in a literature review are pointed out, as well as the findings of a survey that was conducted with Austrian SMEs in the automotive industry sector, which represent the viewpoint of Austrian SMEs on EC. Consequently, we introduce a concept that we identified as suitable to minimize the identified gap between the two EC perspectives, by connecting university research and regional SME networks more efficiently. The concept is based on a hybrid method approach combining grounded action research (Baskerville, 1999) and other research techniques, such as statistical analysis, semi-structured interviews, and document analysis. Its main characteristic is the direct involvement of the researcher and the SMEs in order to produce a result that is satisfying for both parties.

Background

This part of the chapter presents all necessary definitions, and background information about Austrian SMEs is provided in order to enable the reader to understand the background of our study completely.

The Importance of SMEs in the EU and in Austria

There is no obligatory SME definition for countries in the European Union, but in April 1996 a European Commission guideline suggested the definitions of enterprises by size as shown in Table 1. Within the European Union in 1997, 99.8% of all enterprises (18,765,000) were either very small, small, or medium-sized enterprises employing 66% of all employees in the EU (Sanchez, 2000).

However, the Austrian SME definition differs slightly from the European definition in the way that medium-sized companies employ up to 300 people. As Table 2 shows, in 2001, 99.83% of all Austrian companies were small or medium-sized enterprises, accountable for 69.1% of employment (Beschäftigte in Österreich, 2002). Although SMEs obviously