



APPLICATION OF IT IN ASIAN SMALL ENTERPRISES

APO 406 pp. May 2003 ISBN 92-833-2338-6

Information technology (IT) has been making a huge impact on the development of IT-related industries, on the rationalization and efficiency of established industries, and on consumer behavior as they can now shop online. No enterprise can escape the tentacles of the IT movement. This includes small and medium enterprises (SMEs). As IT is now also closely associated with the economic development of a country, its use by SMEs should be given primary consideration as they constitute a very important economic sector. Moreover, IT is leveling their playing field vis-à-vis larger firms by enhancing their competitiveness through the ability to respond quickly to customer needs and to improve operational efficiency, especially in production and marketing. Despite this, research has revealed that SMEs still lack an understanding of the importance of IT to them.

To enable SMEs to formulate a policy framework and strategic measures for harnessing the potential and benefits of IT, the APO conducted a fact-finding survey in 2001–2002 on “The application of IT in SMEs” in 12 of its member countries. This publication provides an integrated report of the survey results and the national reports of the participating countries: Fiji, India, Indonesia, Islamic Republic of Iran, Republic of Korea, Mongolia, Nepal, Pakistan, the Philippines, Singapore, Thailand, and Vietnam. It documents the ways and extent to which SMEs have applied IT in their business activities and suggests a set of policy measures and recommendations for them to improve their IT capabilities.

In general, the survey revealed that although Asian SMEs are actively using IT in their daily operations, most are still at the beginning stage of IT application. There are exceptions, of course, like those in the Republic of Korea, Japan, and Singapore where IT is used intensively and extensively. According to the chief expert of the survey, Prof. Cheol Ho Oh of Soongsil University, this lack of IT application is the result of insufficient IT infrastructure, financial constraints, and weak management leadership. He went on to report that while most SMEs in the surveyed countries are satisfied with the benefits they have gained from using IT, they are not sufficiently proactive in making IT investments. They seem to consider it an expense rather than a worthwhile long-term investment.

This publication should prove most useful to small business entrepreneurs keen to improve their business operations through the application of IT and to those who are endeavoring to create an IT-friendly environment for them.

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