

## **Effective utilisation of ICT is the key to Business success: Case Study of SMEs in Zimbabwe**

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**Abstract:** *The focus of this paper is to analyse the utilisation of information communication technology (ICT) among small and medium enterprises (SMEs) in Zimbabwe, as one of the major factors contributing to their limited growth. The data was collected using interviews, questionnaires and observations. The findings revealed that most SMEs have and are still increasingly acquiring state of the art information communication technologies but are not fully utilising the technology which has a negative impact on profit margins, market share and overall business effectiveness. The research paper recommends intensive training programs and workshops for SME owners on effective utilisation of ICT for them to experience business growth and success. The findings avail valuable information to both the Zimbabwean SME community and the entire business community in the country in terms of development of economy and creation of employment opportunities.*

**Keywords:** *acquisition, information communication technology, small and medium enterprises, utilization*

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### **I. INTRODUCTION**

The small and medium enterprises have become an important source of employment and a large contributor to the gross domestic product (GDP) [1] in most developing countries. These SMEs are defined in various ways but in this paper, SMEs are defined as having employees in the range of 1-250 [2]. The advent of the digital era has drastically changed the SME business environment [3] through technological developments which have become a catalyst on business processes [4]. The term information communication technology encompasses a diverse set of technological tools and resources used to communicate, create, disseminate, store and manage information such as computers, internet, mobile phones, hardware and software. However, connectivity technologies have been the greatest achievement in ICT and have unleashed new functionalities for the business community [5]. A strong relationship created between business and information technology [6] requires SME owners to be flexible and adaptive to the ICT so as to sustain their continual survival and growth into large companies.

Business nowadays revolves around information communication technology (ICT) to help organisations gain competitive advantage or meet other strategic enterprise objectives [7]. Information communication technologies are increasingly being adopted in SMEs in different countries such as Malaysia [8], Albania [3], Nigeria [9], New Zealand [10] and world over to achieve more or less the same benefits of increased profit margins, increase in market share, competitive advantage, better image, improved customer relations, reduction in wage bill, reduction in operational costs, flexibility and adaptability of organizational activities, improved employee productivity, increase in return on investment, improvement in product quality and quality of service [4, 5, 11, 12]. Indeed ICT has simplified the once complex business operations and has provided an equal platform for SMEs to compete with established companies through the use of internet [8]. Information as the key asset for business success has been availed at a lower cost to the business community for decision making and strategy formulation through networking technologies.

Numerous researches on ICT adoption among SMEs have been conducted in both developed and developing countries such as New Zealand [10], Nigeria [9], Kenya [13], Botswana [12] and Malaysia [14]. The technology has managed to permeate diverse sectors such as manufacturing [13], construction [15] and hospitality with most of the research focusing on internet adoption. The findings from these studies reveal that there is overall improvement on business efficiency and performance [9]. Internet technology brings about flexibility to business activities [16] and contributes immensely to formulation of sound business strategies [17]. Due to the numerous benefits and opportunities brought about by ICT, many SME in developing countries are increasingly adopting ICT and have recorded a positive change in their business operations [3]. Further researches on barriers [11], motivators [12] and uses [18, 19] of ICT have been conducted and various models of adoption have been developed. Indeed almost every business has incorporated some component of ICT in their business and the adoption levels are increasing in Zimbabwe. But the challenge still remains, few SME in developing countries are seen to be graduating into large companies.

To the best of our knowledge, research on the impact of ICT on SMEs in Zimbabwe has not been reported. This paper therefore focuses on investigating the extent to which the utilisation of ICT among small and medium enterprises in Zimbabwe contributes to their growth.