

## Chapter 4.9

# “eSME Slovenia:” Initiative and Action Plan for the Accelerated Introduction of E-Business in SMEs

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### ABSTRACT

This chapter introduces e-strategies, initiatives and action planes in the European Union intended for the successful implementation of the Lisbon Strategy, according to which Europe should become the most competitive and dynamic society based on knowledge by 2010. These strategies are the baseline for the national policies, strategies and initiatives in every European Union country. The chapter presents policies, legislation environ-

ment and initiatives being adopted in Slovenia. Moreover, data about e-business development in Slovenia is also presented. As in other EU countries, it is evident that SMEs are generally lagging behind large organizations as far as the adoption and usage of e-commerce is concerned. The situation was a background for the preparation of the eSMEs Slovenia initiative and action plan to accelerate e-business introduction and adoption in SMEs. The initiative and action plan consist of 12 actions, which are elaborated in this chapter. The initiative was supported by the ministers of

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the Ministry of Higher Education and Technology, the Ministry of Public Administration, the Ministry of Economy, the Ministry of Finance, the Ministry of Economic Growth and Development and other involved institutions. Thus, the initiative presents an important framework for the further uptake of e-business adoption by SMEs. The chapter is concluded by a summary of the chapter's main contributions.

## INTRODUCTION

Presently, companies are faced with a rapidly changing business environment with raised customer expectations in expanded markets with increased competition. This increases the pressure on companies to change their existing business practices and procedures to achieve lower total costs of operation in the entire supply chain (Umble et al., 2003; Jafari et al., 2006) and efficiently coordinate business operations in global markets.

Successful adoption and implementation of information and communication technologies (ICT) enables companies to actively and efficiently participate in local, regional and global markets. E-commerce, defined as the buying and selling of information, products, and services via computer networks, including servicing customers, collaboration with business partners and conducting of electronic transactions (Turban et al., 2008; Kartiwi and MacGregor, 2007; Kalakota and Whinston, 1997) is radically changing the dynamics of the business environment and the way in which people and organizations are conducting business with one another. For SMEs, e-commerce has the potential to become a source of competitive advantage. E-commerce is a cost effective way of accessing customers globally and competing equally with large businesses (Kartiwi and MacGregor, 2007).

Although SMEs are generally considered to be flexible, adaptive and innovative (Rao, et al., 2003) and thus have more ability to respond to

the new opportunities and innovations than larger enterprises (Lomerson et al., 2004), various studies have reported that SMEs are generally lagging behind large organizations as far as the adoption and usage of e-commerce is concerned (Eleftheriadou, 2008; Kartiwi and MacGregor, 2007; Levy et al., 2005; Levenburg, 2005; Chitura, 2008; Riquelme, 2002). This is becoming a serious issue since SMEs make up the backbone of the European economy. Across the EU, there are around 23 million SMEs; i.e. 99% of all enterprises (Eleftheriadou, 2008; European Commission, 2008; European Commission, 2002). SMEs account for about 75 million jobs. Moreover, in some key industries, such as textiles, construction and furniture-making, they account for as much as 80% of all jobs. They are, therefore, the generators of dynamic and economic growth (Eleftheriadou, 2008; European Commission, 2008).

SMEs are not simply scaled-down large businesses. They have special characteristics that distinguish them from large businesses. Although size is a major distinguishing factor, SMEs also differ from large companies in important ways affecting their ICT adoption (Bouanno et al., 2005, Ramdani and Kawalek, 2009). Many SMEs report practical difficulties in adoption of e-business. SMEs often lack of inadequate levels of technical expertise, a lack of managerial resources, a lack of financial resources for ICT investments and a lack of awareness about possible benefits of ICT usage (Pucihar et al., 2009, Kartiwi and MacGregor, 2007, MacGregor and Vrazalic, 2005, Cragg and King, 1993). Many SMEs also consider a lack of trust and confidence as barriers to their engagement in B2B e-business (European Commission, DG Enterprise and Industry, 2008a). In contrast, the perceived benefits, organisational readiness, and external pressure seem to be major drivers for ICT adoption (Mehrtens et al., 2001). Past experience has indicated that currently obstacles or incentives for a broader use of e-business are especially dependent on the standard commercial

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