



**Chapter XIII**

# **Management's Contribution to Internet Commerce Benefit–Experiences of Online Small Businesses**

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## **INTRODUCTION**

The importance of management and Information Technology (IT) success had been repeatedly identified in small business IT studies (for example, DeLone, 1988). When measuring information satisfaction among small firms, top management involvement was found to be one of the most important factors (Montazemi, 1988). The quest for the role of management involvement in Information Systems (IS) success in small firms continued into the 1990s. For example, Yap, Soh, and Raman (1992) studied a group of Singaporean small firms using earlier findings and discovered that CEO involvement was positively related to IS success. CEO involvement such as attending project meetings, involvement in information requirement needs analysis, reviewing consultants' recommendations and project monitoring are important to IS success. Thong, Yap and Raman (1996) pointed out that although management support was important, in cases where internal IS expertise was lacking, specialist knowledge (for example, engaging IT consultants in projects) was important to success. An in-depth study on motivators and inhibitors

for small firms to adopt computing identified managerial enthusiasm as a key motivator (Cragg, 1998). The overseeing role of management during system implementation was found to be important to success. Management support was also found to be an important factor for IT success in the case of personal computing acceptance (Igbaria, Zinatelli, Craig, & Cavaye, 1997). All of these studies suggested that management involvement was critical to IS success regardless of cultural background.

Although these studies focused on small businesses, their definition of “small firms”<sup>1</sup> varied greatly in terms of size and turnover. I highlight this because the IT infrastructure and investment of a “large” small business (that is, with 100 or more employees) is very different from one that only has 10 or less employees. This difference might have accounted for the varying view of how important the role of management is compared to, say, external consultants. In a very small firm, the role of management is crucial, because the CEO (or owner) is the key, if not the only, decision maker. Without the very active push/participation of the CEO, no IS project can even get started. However, in a firm of 100 employees, there is likely to be someone (for example, the IT manager) who is responsible for IT development, and senior management only needs to endorse projects. Either way, the backing of management must be available for success.

In this day and age, IT applications are no longer just about in-house business software applications or local area networks. Today’s IT issues are invariably linked to the Internet and Internet commerce applications. *Is there any difference between traditional IT applications and e-commerce? Can we apply what we have learned from earlier small business IT experiences to e-commerce? Does the largely external nature of e-commerce systems mean that management needs to play a different role than in the past?* These and many other questions need to be properly addressed. The aim of this study was to explore the answers to some of these questions and bridge the knowledge gap between traditional small business IT systems (such as Accounting, Inventory Management, and so forth) and Internet commerce systems. The results may help management to rethink how they can secure Internet commerce benefit and avoid activities that are noneffective.

## **INTERNET COMMERCE AMONG SMALL BUSINESSES**

The Internet has fundamentally changed how business can and will be conducted. Statistics are pointing to increased adoption of Internet commerce by large and small companies ([www.yellowpages.com.au](http://www.yellowpages.com.au)). Given the amount of

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