

2. EXECUTIVE SUMMARY

This report complements and develops our two research reports published in 2002

- *The Managerial Implications of e-Commerce* : a quantitative study of e-commerce usage across a small sample of businesses in Wales.
- *Creating Future Good Management Practice*: a summary of the conclusions from symposium discussions about the skills managers will need to face the challenges of the future.

Our aim in this research is to obtain more qualitative information from practising managers about the impact of all aspects of e-business on their role, their organisations and their personal development.

e-Business usage across Wales is now well-established with connectivity (= use of website and/or email, and/or EDI) at 79% compared with a UK average of 86%, but the level of "e-adoption" is low, with a concentration of e-mail and website usage, and comparatively little on-line trading.

Managers in smaller businesses appear largely unaware of the potential impact of higher levels of "e-adoption" on themselves, their organisations and their customers.

Few managers in our sample had far-reaching business objectives. Most were taking e-business step-by-step, rather than looking for strategic advantages. A few were questioning whether e-business had any place in their industry or in their relations with their customers or suppliers.

The benefits of e-mail and websites in relation to faster communications and generation of orders are well-established, but some organisations found a mismatch between the speed of order receipt and order fulfilment.

We expected to find evidence of problems with e-mail volumes, constant accessibility for managers, volume and speed of information flow, and implementation. But it was heartening to find that in our small sample these hardly figured at all, a great encouragement for those who might be discouraged by stories of problems rather than benefits.

Our interviewees frequently said that they were not exploiting the full potential of e-business technology, and needed greater in-house or external support to enable them to do this.

Most companies had some plans to develop their e-business capability to a higher level, but faced issues of cost, time, staff and support.

The key recommendations for other SMEs were to have a clear strategy for what the company is trying to achieve, with a strong business case for e-business development, careful planning, understanding of customer needs, and a sharing of information with all involved.

Success comes from understanding that e-business is not just about selling to customers, but about harnessing the technology to interact more effectively up and down the supply chain, and internally, adapting to business processes to take full advantage of the opportunities this presents.