

THE CONTRIBUTION OF E-MANAGEMENT IN INDIAN SME'S TO REACH GLOBAL MARKET: A STUDY

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ABSTRACT:

The role of SMEs in the Indian economy is indisputable. These industries provide clearly continue development of the industry sector. The development of this sector is growing rapidly in growing country like India and also has brought a problem regarding the internationalization of their activities. This process is very important for improving their competitiveness, recent development in Indian Industrialization policies and integration with other country's business for import and export has brought both advantages and disadvantages for local entrepreneurs. The current paper presents the results of a comprehensive study regarding several SMEs from India are opened to the new economy " e-economy". An e-enterprise is the goal and the result of a successful e-management. To implement e-management successfully, we should take e-technology as precondition and e-source as foundation, in an operation mode of e-service, with the guarantee of e-speed, to achieve a goal of organization. In this paper, the connotations of related e-concepts are described in detail; the operation process model of e-enterprise and conceptual model of e-management are also built.

Keywords: *E-Management, e-Technology, Communications, Digital Information, E-Business.*

INTRODUCTION

In this era of Information technology, Information is regarded as a strategic critical resource for generating value added products and services; business and industry have faced several changes from agricultural society to information society. The complete change in business model is due to Information technology. The SME's are undergoing IT enabled change and adopting e-business model for their business. The shift of societies towards the information society has had deep effects on numerous aspects of human life such as economical, social and cultural aspects [1]. The prime forces of change include globalization, higher degree of complexity, new

technology, increasing competition, changing client demands and changing economical and political structures [2]. The application of information technology can provide a competitive edge, increase customer service and create a flexible production environment. The business model changed from traditional brick and mortar to click and brick model. The impact of information technology on human societies is not less than that of industrial revolution, therefore the information technology developments and its application is regarded as the fourth industrial revolution [4]. In fact, World Wide Web is bringing a tsunami wave of change that affects all aspects of society. Markets of products and services have been radically changed by our Internet-connected world.

NEED FOR STUDY

My present paper focus on opportunities E-commerce offers to small-scale entrepreneurs in developing countries and the challenges they face in exploiting E-commerce's potential benefit of globalisation is the free movement of technology, across borders. In principle, it can have a leveling effect, giving poor countries and poor people access to market, information, and other resources that would otherwise have been accessible.

OBJECTIVES

1. To understand the transformation of traditional business to E-Business..
2. To analyse Contribution of E-Management in SME's to reach Global market.
3. To evaluate people opinion on using E-Management in Business at Bangalore

RESEARCH METHODOLOGY

Research design: Exploratory research design

Primary data: - primary data where be collected trough simple random method for the basic information about the using E-Management in Business at Bangalore.

Sample size: 50

Secondary data: - The secondary data where be collecting from the RBI reports, World Bank annual reports, Centrum Direct Ltd annual reports, websites related journals and books.

Traditional businesses versus e-business in Indian SMEs

The revolution in information technology has exploded into the new knowledge economy and new information technologies are changing the ground rules for information flow in societies. The importance of using new technologies to provide information access is of great significance in the global economy [5]. In other words, information technology is the focal point of electronics, data processing and telecommunication.

It is widely accepted today that new technologies, in particular to the Internet, modify communication between the different parties in the professional world, Relationships between the company and its clients, The internal functioning of the company, including company employee relationships, The relationship of the company with its different partners and suppliers. The term " e-Business " refers to the integration, within the company, of tools based on ICT to improve their functioning for the company, its clients, and its partners. E-Business no longer only applies to those companies all of whose activities are based on the internet, but also to traditional companies. The term e-Commerce, which is frequently mixed up with the term e-Business, although, only covers one aspect of e-Business, i.e. the use of an online support for the relationship building between a company and clients.

The necessity of transformation of Traditional business to E-Business

There are three main reasons why developing countries like India should use or invest in “e-Technology”.

First, information and communication technologies has radically changed the communication way and can improve the ways they produce, market, buy and sell their goods and services. For instance, SMEs can use online auctions and exchange mechanisms on the web to buy and sell everything from automotive parts to groceries and from shoes to flowers. Ex: Flipkart, BigBasket.com.

Second, because of ICTs the universe has become small, competitiveness has become global, playing field between developing and industrialized economies. For example, because the Internet is a global system, companies' exact locations are becoming, in many respects, increasingly irrelevant. Sellers can open new markets in previously unthought-of places and exchange valuable data across borders and time zones with small investments in standard Internet technologies. SME's can have Business with global players. Amazon.us, in etc.

Third, electronic business — retail and business-to business — is growing substantially despite the dotcom companies staggering a few years ago. And it's not just business — governments are getting in on the act. A solid investment strategy in “e” can help SMEs enter new markets and overcome or sidestep many traditional obstacles they face while competing internationally.

The public sector has a role to play here, working with business; the strategy of any country to use “e-Technology” for trade development should start ‘from the bottom up’.

Once strategy-makers identify the business sector’s needs and concerns, they can work towards creating an enabling environment, including a legal framework, e-government, financial access, Internet access and practical training. It also makes sense to focus in priority on areas and sectors where “e” tools can be most effective, i.e., export sectors with the most potential to transform quickly and become efficient users of ICTs in the conduct of their business.

E-management is an umbrella name for several e-business modules. It includes tools for transparent information exchange and on-line collaboration between different players in the supply chain. E-management encompasses the processes that will ensure that business and IT departments are aligned with each other and are able to deliver the level of service, availability, security and performance required for e-business success. E-management refers to the behind-the-scene information systems that support the management including data and information management, maintaining electronic records and using electronic tools to communicate and work together [1]. In many developing and emerging countries like India, small and medium-sized enterprises (SMEs) are increasingly concerned about being able to benefit from the electronic, or “e”, dimension of the information age. They are far more aware of the rich potential of “e” to sharpen their competitiveness in world markets. But with limited resources and a bewildering choice of information and communications technologies (ICTs), they need help in deciding how and where to invest.

The “e” dimension emerges as a powerful trade tool, widening market prospects, increasing market visibility, improving access to clients and reducing transaction and promotional costs. It throws open entirely new business opportunities, and also helps do ‘old’ business in new, more efficient ways, bringing new forms of support to customers, exporters. Acquiring technology is one thing; making it work to benefit SMEs and society at large is quite another.

Countries want to ensure that their SMEs and the communities that rely on them for their economic well being benefit tangibly from new digital opportunities.

The future is full of possibilities for SMEs and it is up for grabs by the virtue of opportunities afforded by the e-commerce boom in India. - Ashvin ellody Partner ITA-CIO Advisory, KPMG in India.

The growing internet base, with more than 343 million internet users has a direct correlation to the growth of commerce in the country. The Indian entrepreneurs have started setting up their shops online even before a physical set up. We are witnessing a new trend with many SMEs taking the e-commerce route to establish themselves in the Indian market and are using internet not only as a marketing tool but also as a tool to enable them to understand if a unique product has high demand in the market. Indian SMEs are looking at e-commerce as an innovative tool to build fresh business models. – Kunal Bahl, Snapdeal.

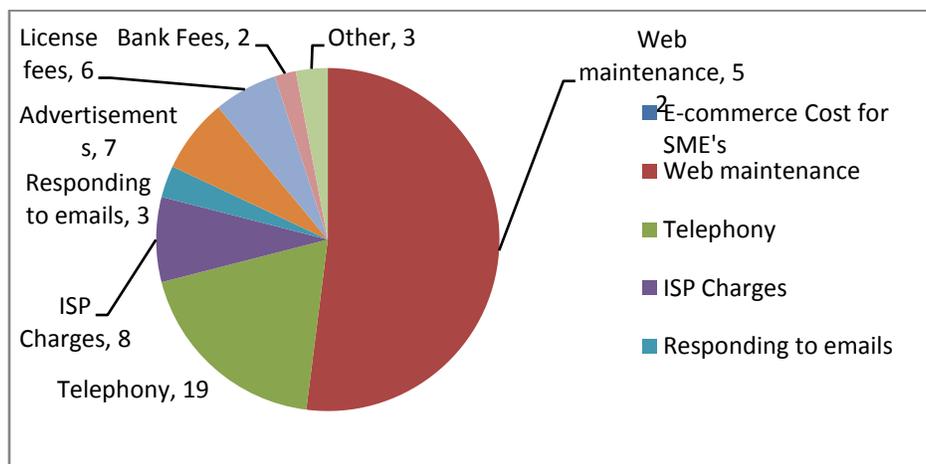
Issues in E-Business platform

SMEs generally lack the human technological resources needed for ICT and e-commerce, because they focus on day-to-day operations and lack the time to understand the benefits of new technologies. Even when they are aware of the potential benefits of adopting e-commerce, they require know-how or qualified personnel.

Cost of developing and maintaining e-business

Most SMEs will not adopt e-commerce if the benefits do not outweigh the costs of developing and maintaining the system. The issue is costs relative to benefits expected, not cost itself. Nevertheless, SMEs are generally concerned about the costs of establishing and maintaining e-commerce since they generally suffer from budget constraints and are less sure of the expected returns on the investment. E-commerce maintenance and upgrades can be very costly, especially when firms prefer a highly sophisticated virtual shop.

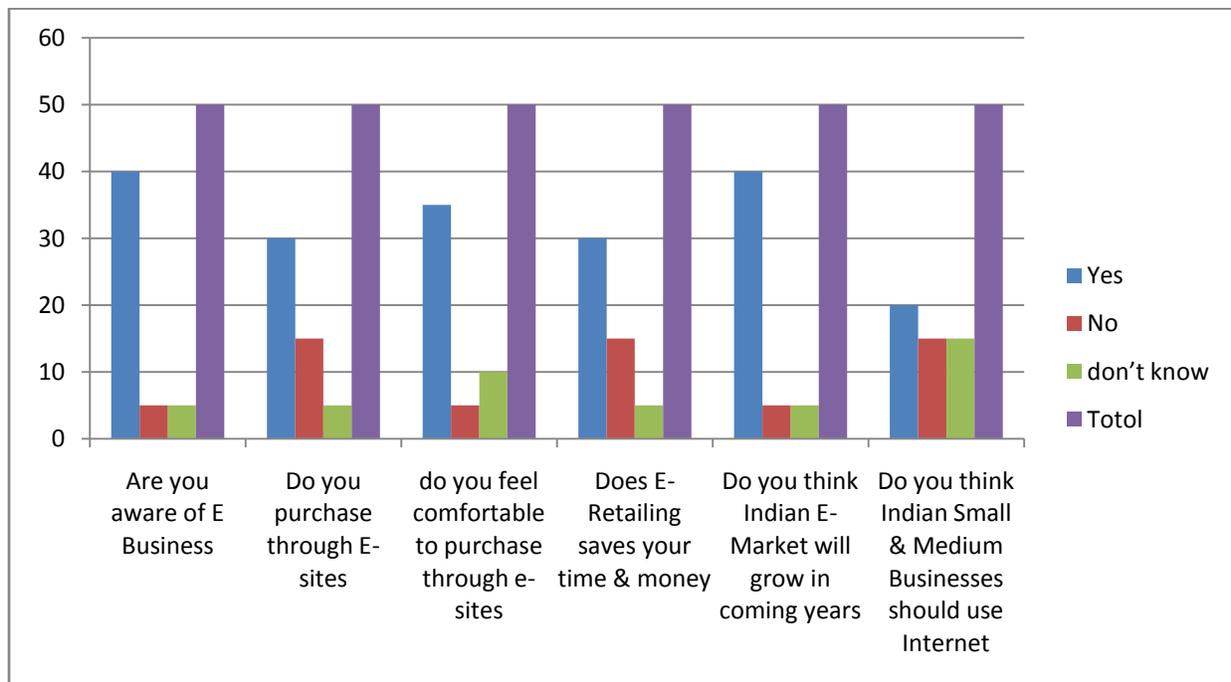
Cost of developing and maintaining E-commerce sites



People Opinion on Using E-Management in Business at Bangalore

SL. No	Category	Yes	No	don't know	Total
1	Are you aware of E Business	40	5	5	50
2	Do you purchase through E-sites	30	15	5	50
3	do you feel comfortable to purchase through e-sites	35	5	10	50
4	Does E-Retailing saves your time & money	30	15	5	50
5	Do you think Indian E-Market will grow in coming years	40	5	5	50
6	Do you think Indian Small & Medium Businesses should use Internet	20	15	15	50

In the above table show that, 90 percent of sample respondent are aware of e-business, they are thinking that Indian E-Market will grow in coming years. More than 70 percent of responds are feeling e-retailing saves money and time. The details are showing in the following figure.



Network Connectivity Issues:

Network infrastructure issues: access and interoperability The availability of a wide range of Internet connections and other communication services, preferably at competitive prices, is very important in that it allows small businesses to choose different and appropriate services according to their specific needs and (initial) expectations from on-line activities.

Building security and trust

Lesser known SMEs are at a clear disadvantage in terms of buyer confidence compared with large multinationals with highly recognizable brand names. On-line clients view recognition of a brand or company name as an indicator of a firm's credibility just as they do off line. Inability to verify the on-line seller's credentials ranks high among reasons for reluctance to buy on line

CONCLUSION

E-business offers some opportunities for small firms, such as: facilitates cooperation (e.g. through project management tools or online collaboration tools for design), new technologies, integrating: With the progress of time, the importance of e-commerce as the ultimate instrument of man's future business transactions is being realized. Large companies have recognized that they need to get their small business partners "on board" in order to reap the full benefits of e-business. All companies - big corporations, SMEs – face various challenges when contemplating E-business implementation.

These obstacles are grouped into few categories: Management and Strategy; Cost and Financing; Skills and Training; The Supply Chain; Technology Choices; Security & Reliability. Some of them are given in this paper. The decision to apply e-Business technologies to a traditional business involves a huge number of choices at all levels of the organization: Strategic, Tactical or Operational. In the current business environment one wrong choice could cause the company to close, but on the other hand the trend is generally towards the greater use of technology in business and one right choice could transform the company into an industry leader. SMEs provide clear opportunities for economic development both locally and nationally. Time, land and labor are becoming scarce, and e-commerce has provided a useful channel for the optimal use of these elements. Developing SME e-business expertise is essential to sustaining competitive advantage. SMEs appear to be aware of (even if they do not embrace) the basic elements of e-business and have to readiness to implement the e-business platform to reach customers irrespective of location across globe.

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