Abstract

The contribution of small and medium sector units (SMEs) to the industrial economy of any nation has been quantitatively emphasised world over time and again. For the existence and growth of the large industries healthy presence of these SMEs is imperative. However, these SMEs are established and operated mainly by the individuals or a small group of individuals; whose expertise in their own field or the peripheral fields are limited. Their business volumes are limited, so also the profits which can be ploughed back in the business, for expansion or efficiency improvement. Consequently, the tendency is to continue with the business with existing tools and processes, as far as possible.

The incidence of Information Technology since last two decades has become all pervasive, irrespective of the any sector in human experience. The applications of Information Technology were commenced with science and technology experiments but now have spawned business sectors to increase improving business processes and increase efficiency. The large sector units were quick enough to recognise importance of and adopt the Information Technology applications in their work places; but for SMEs, it was an impact of Information Technology and dilemma of adoption of Information Technology at their work places.

The researchers world over have been studying various aspects of Information Technology adoption / impact in their own countries. The international organisations like UNCTAD/ OECD had undertaken such studies for multiple countries and tried to understand globality of this phenomenon.

This thesis and research work seeks to verify these various aspects of Information Technology impact on SMEs in the Indian context. India’s industrial development, through progressive five year plans after independence has been remarkable. This development had been observed in almost all industrial
sectors and geographically diversified across India, to a certain extent; along with the proportional development of SMEs around the large sector units.

The researcher has concluded in this study that the implementation and usage of Information Technology in SMEs is not only poor but there is not enough awareness amongst the SMEs about the unique benefits Information technology can present for improvement of business processes and increasing the efficiency. Hence, the researcher has suggested Honeycomb model for adoption of Information technology in SMEs; which suggests an integrative approach of all the stake holders in the chain.