

# Ict and business development

Business



In line with the main priorities set by the URBACT Information Society Network, this theme focuses on business development and the role of ICT as a means of tackling economic restructuring and promoting employment and in doing so fostering social cohesion and economic inclusion. The purpose of this brief document is to act as a guide for colleagues when preparing material or presentations on this topic and to provoke discussion on the issues raised in it. Business Development and its relationship to ICT?

Business Development is the process of improvement that enables a business to become more efficient, profitable, and thereby creating or safeguarding jobs. Business development therefore does not only concern marketing and sales departments, but all parts of a business which constitute its value chain and requires effective communication and co-operation within a company. Over the last 20 years ICT has increasingly been identified as a major contributor to the process of business development and improvement and it has been identified that “ ICT .... is responsible for around half of productivity growth in modern economies.

It drives improved efficiency and better services and products across the entirety of the private and the public sectors. ” (Viviane Reding, Member of the European Commission responsible for Information Society). What has been the impact of ICT on Business? The use of ICT and technology has affected every aspect of business, transforming not only the way that business is conducted but also creating new business sectors and jobs. The creation of companies like Google and e-Bay which did not exist 10 years ago, was only made possible by advances in technology and the changes that this has created in the way that people behave (currently Google is valued at ?

44billion – Source BBC 5th June 05). Some examples of the nature of this change include: Marketing: The use of websites has allowed companies to develop new and cheaper ways of reaching new markets, offering customers the opportunity of buying goods and services whenever they want and often at reduced cost, whilst also enhancing the level of customer service. This has been coupled with the expansion and use of e-mails which again has been used by business to market their goods and services directly to potential customers, as well as communicating with existing customers and suppliers.

Increasingly the marketing campaigns of businesses include the use of technologies such as Contact Management Systems that allows them to coordinate, monitor and report on various aspects of their marketing campaigns in new ways making these campaigns more targeted and effective. Finance: Practically all companies now use software programs e. g. Sage or Excel to manage their accounts. This has allowed them to look at financial information when required, monitor and respond to their customers purchasing patterns by e. g. offering discounts and overall improve the management of their finances.

The result of this has been for many companies a reduction in their accountancy fees. Out of office working: For many businesses the need for staff to be away from the office attending meetings etc. or to be based in another geographical location has grown alongside employee demands for more flexible working patterns. However effective communication and ability to access information etc. remains critical to the productivity of these staff members. Therefore through the use of technology many companies now use a range of technologies to enable this.

These include mobile phones, e-mail, broadband, laptops, etc. Thus ensuring that companies are able to be flexible and adaptive depending on their business needs. Networks: Virtually all businesses now have or have access to a computer. The existence of two or more computers in an office almost always leads to the creation of a network. The main advantage of doing so is that resources can be shared e. g. printers, internet access, files/information can be managed and shared amongst workstations and the security of information can be better managed through a network.

Increasingly networks are not just confined to the office but are being adopted so that they allow home/remote working that supports changing business needs. This transformation has really taken place over the last 20 years and continues to transform the way business is done. No business today can ignore the use of technology as its effective use helps businesses to remain competitive and profitable, thereby creating or safeguarding jobs.

The role of the Public Sector? What is the case for Public Sector intervention if this is already happening?

Talking specifically about SME's, the final report (Feb. 2004) of the European Go Digital Awareness campaign 2001-2003 shows that " to help SME's to " Go Digital" is still a policy challenge" as SME's remain skeptical about ICT and e-business. This is mainly the result of: Their experience of procuring technology has often left an impression that the wrong decision was made as the expected benefits from using new technology have not materialized. This then affects businesses willingness to further invest in technology and therefore threatens their further competitiveness. The creation of new

businesses especially in new industries requires that the right support and business environment are present.

For example the presence of Science Park's, Universities, and Research Centres etc. can help the spread of an innovative culture amongst businesses. In the absence of proper support and the right environment areas/regions risk losing the jobs and prosperity brought by the creation of new businesses. Procuring technology in itself is not a route to successful business development but requires that staff have the right skills to implement and use it effectively. Many of the new technologies and emerging or existing businesses are increasingly dependent on the presence of a relevant technological infrastructure to support business development e. g. Broadband access. The lack of this infrastructure can undermine business development, therefore damaging competitiveness and jobs. The issues above although not exhaustive are indications of market failure and therefore a challenge to the public sector in defining a role and developing projects/initiatives to address them.

Without effective action areas/regions risk falling behind and therefore losing out in terms of:

- Developing new businesses in new business sectors made possible by advances in technology;
- Ensuring that businesses by effectively using technology are competitive both locally and globally;
- Ensuring that businesses have the necessary information and support to develop into new markets;

- Enabling businesses to become more flexible and responsive to the demands of their customers and their staff;
- Developing a workforce with the necessary skills that are demanded in the present and future labor market.

How did you develop your project? Once you have identified a problem or issue then the next stage is to plan actions to overcome or redress these issues. This starts with the planning stage which is a critical component to the success of any project, starting with identifying the need for the project, and includes project time scales, project design, project finance, project partners and resources, project organization and management etc. What were the key factors in achieving this and what barriers did you have to overcome to do so?

Main outcomes of the project to businesses? Over the course of any project measuring its success is a necessary part of project management, reporting and measuring impact or change. What therefore were the main outcomes of the project and how were they measured? ? Increased or improved use of ICT helped to expand business activities? ? Increased or improved use of ICT resulted in the development of new services and/or products? ? ICT usage has helped to create new networks – inside and outside the company? The adoption of ICT solutions has lead to the restructuring of working and communication methods in the enterprise? ? New models of working and/new jobs emerged? ? The implementation of e-work helped to integrate people who have been excluded from “ traditional” jobs in the company before? ? The business now understands better the need for staff training? ?

Additional jobs and/or the maintenance of exiting ones as a result of the projects work? Lessons learnt?

During the course of any project the experience of delivery often throw's up many unforeseen issues, especially when you are dealing with technology, which are a result of internal and external factors. This then leads to lesson's learnt which can range from better ways to manage a project through to innovative approaches to providing support etc. These lessons learnt are not only of value to the project staff but also for others interested in developing or currently running similar projects.