

The Role of ICTs in Promoting SMEs in Northern Ghana

Mr. Mbiliba Dennis of the newly established Tamale ICT Centre has mentioned that appropriate ICT can play a very important role to help SMEs both to create business opportunities and reduce pressures from competition. He further said ICT can help SMEs cut costs by improving their internal processes; monitoring of daily transactions (sales), checking of sales against items/products, monitoring of inventory and ordering to avoid shortages. He stated these at the October session of the Northern ICT4D series in Tamale when he was speaking to a cross section of owners of SMEs in Tamale on the theme “The role of ICTs in promoting SMEs in Northern Ghana”.

Mr. Mbiliba explained that SMEs are often the main driver for a country’s economic growth and as the number of SMEs increases, competition increases, which then results in a decrease in prices, customer base, or both. This, he said will in turn decrease existing profits, creating less incentive for people to start SMEs. He however said with the introduction of ICTs in one’s business, this challenge could easily be surmounted.

Speaking on the benefits of ICTs to SMEs, he said ICTs provide better accounting and financial management practices, improved communication between different departments through intranet, better understanding trends and market prices through easier access to information and better knowledge management within the firm. He added that procurement can be done through e-procurement for cheaper and faster communication with suppliers.

On adoption and implementation of ICTs into their businesses, Mr. Mbiliba said in locations where SMEs are only starting to adopt basic ICT, obtaining a fixed or mobile phone line can help their business. This he said could replace the time and costs necessary for face-to-face communication. At those places where SMEs already have basic ICT facilities, Mr. Mbiliba advised that adopting more advanced ICT measures will bring enormous benefits. He said advanced communication technologies such as email could help firms communicate faster and cheaper with both its suppliers and clients. He

explained that if an organization uses paper in its daily transactions, it may take averagely about 7.4 days to move a purchase from request to approval. However, if done electronically, it will take only 1.5 days.

On the impediments to the adoption of ICTs by SMEs, the speaker said the lack of collaboration between ICT firms and SMEs outside of the ICT sector is a key impediment. He said ICT firms have not provided goods and services tailored to SMEs in the past because the demand from SMEs has been low. This, he said is also as a result of the fact that ICT products available in the market are too complex and expensive. He further said, poor communication infrastructure resulting in limited access and higher costs, outdated equipment and state-owned monopoly often resulting in expensive charges and limited coverage, especially in rural areas discourages SMEs from adopting even the basic ICT of fixed lines or mobile phones.

Mr. Inusah Ibrahim, the Executive Secretary of GINKS who was present at the forum gave a presentation on the GINKS network. He explained that the mission of GINKS is the platform committed to promote, create and provide knowledge for all through the use of ICTs for national development while its vision is a society where all have equal access and use ICT for national development.

On the thematic areas of GINKS, he mentioned agriculture, health, education, gender, youth and research.

Mr. Inusah said the focus of GINKS is to encourage existing and innovative ICT4D initiatives, enrich the ICT4D debate in Ghana and establish a concrete platform to influence ICT policies and providing an online and offline space for networking.