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**The consultant engagement online training course (CEOTC):
Developing a framework for the alignment of e-business strategies and
consultant engagement practices for Australian SMEs**

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Abstract

Having an e-business presence is fast becoming a requirement for the Australian SME business sector. However, simply having an e-business presence does not guarantee that it will bring about any benefits in terms of increased sales or an expanded customer base, two common goals identified by SMEs in the study. Many SMEs still lack the strategic planning skills required to clearly identify what is required from an e-business website and therefore tend to outsource their business strategies alongside technical and design strategies. To assist SMEs in best practice e-business an online training course (CEOTC) was developed as a precursor to outsourcing e-business and website design.



INTRODUCTION

It has been suggested that up to 20% of Australian SMEs will fail if they do not adopt electronic commerce practices and integrate these practices into their business strategies and planning processes (DCITA, 2000). As SMEs are integral to the Australian economy and employment growth a 20% failure rate would have a serious negative impact on the fiscal health of the nation. This 20% failure rate is in addition to the current 8% of all small businesses and 5% of medium businesses that fail (Bickerdyke, Lattimore, & Madge, 2000). The impact on employment rates of business failure based on the current failure rates causes up to 160,000 employees per annum to lose their jobs (Bickerdyke et al., 2000 p.38). When multiplied by a possible additional 20% SME business failures, unemployment rates could increase exponentially. An outcome that would have a detrimental effect on the Australian economy. This study seeks to address how Australian SMEs can maintain and enhance both profitability and efficiency by successfully adopting and engaging in electronic commerce practices.

Research has found there has been strong growth in SMEs initiating electronic business processes. In 2001 60% of Australian SMEs had a dedicated homepage, a growth of 19% over the previous 12 months (SBI, 2001). The majority of SMEs do not employ IT Managers or specialists. Consequently, many SMEs tend to rely on external consultants to design and implement websites and in so doing often outsource their e-business strategy.

The Small Business Index (2001) stated that SMEs have not yet fully established the connection between use of the Internet and transacting business on the Internet. This confirmed a recent ABS survey, when it was found that only 6% of SMEs surveyed used the Internet to actually buy or sell products (ABS, 2000b). Of all Australian online businesses, 14% offered online ordering yet only 3% used shopping cart technology and only 5% offered online payment facilities (ABS, 2000b).

The above statistics suggest that many SMEs using the Internet are e-business ready and in need of further information and assistance to make the transition to online trading. With further research on business to consumer electronic commerce opportunities, barriers and strategies, SMEs may gain the necessary knowledge to make the leap from e-business readiness to e-business enabled.

This study follows on from an earlier study by Bode and Burn (2002) which analysed the consultant engagement practices and e-business strategies of 30 Australian SMEs, the findings of which indicated that Australian SMEs required information and assistance in their consultant engagement practices. In an attempt to address these issues this paper presents the design, development and initial trial of a consultant engagement online training course (CEOTC) for SMEs seeking to outsource their website design and e-business strategy.



SMEs AND CONSULTANT ENGAGEMENT

The majority of SMEs do not have either the internal expertise or financial resources to enable the in-house development of e-business. (Bode & Burn, 2002; Hunter, 2002; Hunter, Diochon, Pugsley, & Wright, 2002; SBI, 2001). Lack of internal e-business expertise may also impact on the SME sector's ability to design, develop and promote websites. Just as SMEs may employ an accountant for their financial expertise, when considering electronic commerce implementation it has increasingly become standard practice for an SME to engage the services of a website design consultant.

There are a number of issues that impact on the success or failure of a SME engaging a website design consultant. Firstly, it may be the SMEs first attempt at engaging an external consultant and the SME may lack the relevant knowledge and experience required for successful engagement. Secondly, website design consultants are often SMEs themselves, and in the current climate of accelerating growth in the electronic commerce area, website design consultants are often business start-ups and consequently, may lack experience in negotiating successful contracts. Finally, consultants tend to view SMEs as one-off jobs and may consequently lack commitment to the project:

small firms were viewed as one-shot opportunities, offering no potential for establishing a long-term relationship. Consultants...would sell the small firms software and hardware, put together a network, and move on to the next company (McCollum, 1999, p.46).

Thong and Yap's (1996) research examined external expertise for the implementation of Information Systems in small business. Their findings suggest that high quality external expertise is a critical factor for successful IS implementation in the small business sector. It can be argued that high quality external expertise is also a critical factor in SMEs successful implementation of e-business strategies and procedures.

SMEs AND E-BUSINESS

Bode and Burn in a study of Australian SMEs and website development (Bode & Burn, 2002) found that the majority of SMEs did not strategically align their website development with their e-business strategies and, in fact, generally did not have an e-business strategy in the first place. This failure to align strategy led to many SMEs engaging website design consultants and by default, outsourcing their e-business strategies. Thirty SMEs were interviewed Australia wide to gauge their experiences in having engaged an external consultant and the resulting impact on e-business and consultant engagement success were analysed.

Initially the SMEs were asked for their definition of electronic commerce success and



70% of the participants indicated that they measured success economically. Typical comments included:

"ROI - return on investment, without a return on investment then it's a waste of time. Without the potential for a return on investment forget it, it won't work";

"Economics, it's all about money isn't it? If a website isn't bringing in some income, then you have to seriously think, well is it working? What's gone wrong? If nothing comes in after six months it really has to be seriously looked at";

"A successful website is one that makes money - end of story";

"Number of sales, number of hits that have eventuated in sales you can measure with ratios";

"By how much extra profit the site pulls in, you don't always see a return immediately, but bottom line is there has to be profit".

The participants were then asked two questions relating to electronic commerce success. One focused on the perceived success of their electronic commerce implementation and the other question related to how the SMEs measured success.

In terms of project success 18 of the 30 SMEs (60%) stated that their websites were unsuccessful. Ten SMEs (30%) indicated that their websites were successful to some degree, the remainder felt undecided on the issue and had adopted a "wait and see" attitude. The level of success was defined by the SMEs and related to their original aims and objectives for their websites or expectations of the possibilities of electronic commerce. The participants were also asked to assess their electronic commerce success on a five point likert scale, with 1 representing 'very successful', to 5 representing 'failure'. As can be seen in table 1 below:

Table 1 Participant rated Electronic Commerce Success

Question	Successful	Slightly Successful	Undecided	Unsuccessful	Failure
1. Would you rate your website as successful	2	8	2	10	8
2. Would you rate your website as economically	3	7	2	10	8



successful					
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Many of the SMEs had quite simplistic reasons for success, whilst others were quite distressed when making comments about website failure. Examples of SMEs comments on the success or lack of success of their websites illustrate these quite diametrically opposed views:

"People find my site and can look up my products from anywhere in the world - they know I'm here..."

"Well, it's very minimal at the moment not really any response, but that might change"

"We've actually sold a few things, not actually from the site but through people who've inquired through the site a couple of high priced items versus the small bits and pieces. So, if we didn't have the site they wouldn't have sold"

"We haven't sold anything in the 12 months the site has been up, I just hope we can make something out of it. The first sale we make there'll be a bottle of champagne opened in the office"

"it's bitterly unsuccessful at the moment"

"I'm at a point now where I'm going broke because of the website, so I have to decide either to continue with the website side of the business or just the shop. And I think I'll have to get rid of the website and just go with the shop. I needed to know how to get it known out there - you know?"

"To start with I had a few customers buying things for family, say from England and a couple from Singapore, but that didn't take off and the local market maybe one or two sales. Not real successful I'd say seeing as though it's been going for three years"

"It's a complete disaster"

"Well, there is absolutely no success, so there's nothing to measure is there?"

Although the above results indicate that primarily the electronic commerce implementation was not successful, 66% of the SMEs had achieved some measure of economic success from their sites, ranging from a 3% to 30% increase in sales turnover. This contradiction in the results tends to support Kumar *et al's* (1999) findings that a project, even if complete, may still be considered unsuccessful if the client/consultant



relationship is perceived as negative.

Client/Consultant Relationship

A problem area identified by the study and supported by the research was the issue of the client/consultant relationship. (Kumar, *et al* 1999; Murphy, 1999; Thong & Yap, 1996; Gable, 1991) all indicated that client expectations and communication play a critical role in the success of the client/consultant relationship. The study found that the SMEs expectations of the client/consultant relationship were unrealistic and their perception of what occurred as opposed to what actually occurred was also problematic. The SME expectations and perceptions may have been affected by faulty memory, negative or positive experiences of the engagement process and lack of objectivity.

For example, the project timelines set by the SMEs when engaging the consultants, were based on expectations rather than explicit agreement between the client and the consultant on project completion times. Over 95% of the SMEs did not state a completion time for the project and surprisingly all of the consultants were equally vague on expected completion times.

The SMEs in the study were questioned on their perception of consultant expertise in strategic management, website design skills and consultant experience. 98% of the SMEs in the study felt that their consultant lacked either the appropriate expertise in website design, electronic commerce and strategic management and/or lacked experience as a consultant. Hunter (2002a) in his case study on Song Book Music found that the consultant was lacking in knowledge and experience required for the successful outcome of the client consultant relationship. He further suggests that although the project was completed, it was considered 'unsuccessful' by the SME as it was essentially faulty (Hunter 2002a pp58-61). Hunter's findings are reflected quite strongly in the results of the study.

The client/consultant relationship was a major factor in SME disappointment in the consultant engagement process. It is interesting to note that 85% of the SMEs in the study felt that the client/consultant relationship process needed improvement and indicated that communication between the parties was often considered non-existent or of a low quality. In addition to this, 80% of the SMEs in the study rated their relationship with the consultant as poor or very poor. The results of the study indicated that the majority of the SMEs were extremely dissatisfied with their client/consultant relationship, and 97% of the SMEs had, or were in the process of, severing the client/consultant relationship.

The results of the study also indicated that prior to consultant engagement, a SME needed to have a clear idea of their Internet goals and the strategies required for achieving those goals. However, none of the SMEs appeared aware of this concept. Although the SMEs



could identify their primary, secondary and content goals verbally, they tended to rely on ideas, memory and hopes for the future success of their online venture.

Only seven of the SMEs had allocated an ongoing budget for future maintenance and development of the sites. None of them had clearly articulated or formalized future aims, identified timeframes or developed clear strategies for achieving their objectives.

METHOD

The study was qualitative in nature and based on an *interpretivist* perspective and use of case studies. Use of the interpretivist approach enabled the researchers to make sense of the people and organizations involved in the research project and to develop theory via an inductive process by exploring genuinely open questions rather than testing theoretically derived hypotheses. (Patton, 1990).

The sample for the study was selected from the original cohort of the first stage of this research (Bode and Burn, 2002). The CEOTC was trialed by seventeen SMEs and one consultant in an online learning environment, use of a feedback form and a brief questionnaire.

CONSULTANT ENGAGEMENT ONLINE TRAINING COURSE

Based on the results of the study the design of an online training course (CEOTC) for SMEs considering consultant engagement and Internet strategy was developed and tested on a small sample population of SMEs to gauge its usefulness to this sector. The aim of the course was to produce guidelines for SMEs considering electronic commerce initiatives and using external expertise.

Learning Outcomes

The intended learning outcomes of the Online Training Course was to provide SMEs with the ability to plan the implementation of electronic commerce and to select the most appropriate website design consultant for the project. The objectives of the course included: understanding consultants; business planning; Internet strategic planning; consultant engagement; contract management and project evaluation and assessment.

The CEOTC encompassed not only an easy to navigate and understand format, but also the theoretical framework required in order to make careful and appropriate planning and consultant selection decisions. This allowed the SMEs to gain the knowledge to confidently approach and engage a suitable consultant for their project. The course was designed to include Ellington's (1998) systems approach to course development. These include the two preliminary stages in the systems approach (target population examination and analysis of existing skills and knowledge), and itself forms the starting point of the cyclical process by which the course or curriculum is designed, implemented,

evaluated and refined (Ellington & Earl, 1998, p.2). Figure 1 below shows the process of identifying the learning objectives and intended learning outcomes:

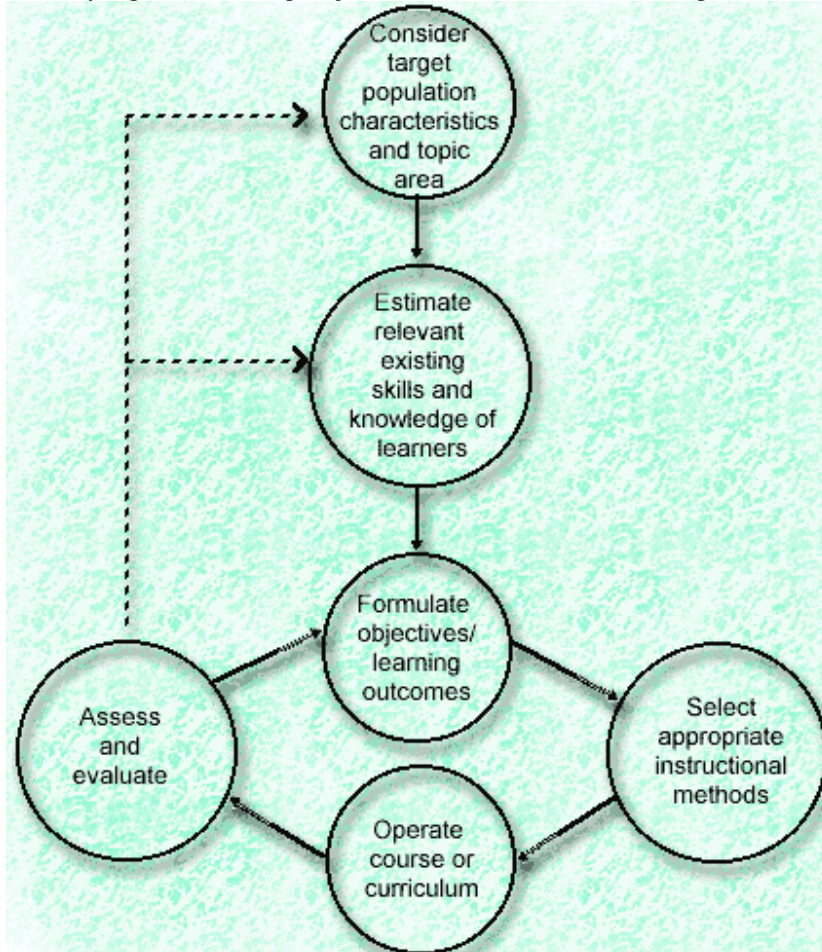


Figure 1 The systems approach to course design (Ellington & Earl, 1998, p.2)

The online training course also needed to include cognitive strategies to help the SMEs remember the information from each module. In order to achieve this objective a short quiz was designed to follow each module and to assist SME memory retention.

The site was designed for learners with a limited background in computing and was designed and presented in a linear and logical fashion, whereby each learning session was followed by a question and answer session, followed by the next learning session. It was possible to skip a module by moving to the end of a session and clicking the "proceed to next section" arrow.

The CEOTC was trialed by seventeen SMEs and one consultant. The consultant had, since the original interviews, ceased the website design side of the consultancy yet was still able to give valuable feedback on the CEOTC. Of the other consultancies in the



original cohort, one had ceased business, two had refocused their consultancies away from website design and two were unable, due to time constraints, to participate further in this research project. Nine of the sample SMES had not yet engaged a consultant for their website development, but were considering hiring a consultant in the near future, and eight SMEs from the original interview cohort. The object of the trial of the CEOTC was to gain high-quality feedback from the participants and to evaluate the usefulness of the course for the SME sector.

TRIAL AND EVALUATION OF THE ONLINE TRAINING COURSE

This section discusses the results of the trial and evaluation of the Consultant Engagement Online Training Course (CEOTC) for SMEs, noting both its successes and shortcomings. The evaluation was developed to gauge the usefulness of the course as a learning tool for the SME community and to highlight any problems with the course, including technical and learning aspects.

The SMEs were sent an email that explained the structure of the course and the procedure for the trial. Each SME was instructed to begin the course by reading the information on the homepage of the CEOTC, they were then instructed to work their way through each module and answer each quiz in whichever order they preferred. Each SME was also asked to fill in the feedback form at the end of quiz five and email the answers to the researcher. The suggested time allocated for the trial was between two and three hours. This was to ensure the SMEs had enough time to read and respond to each section of the CEOTC. The participants were also given the option of completing the course at one sitting or doing the course over several days to fit in with other time and work commitments.

To gain a clear understanding of the data and the nature of the sample population, descriptive statistics were collected. In addition, a brief questionnaire was administered to the participants in order to consolidate the information from the feedback forms. The questionnaire was designed to gauge the SMEs response to the CEOTC as an instructional tool and to evaluate the site in terms of functionality, ease of navigation, structure and design. All of the participants returned the questionnaire. The construction of the questionnaire was based on a five point Likert scale and the results presented as a table.

A questionnaire was emailed to the SMEs involved in the trial and all participants were willing to fill in the questionnaire. The questionnaire included questions on ease of navigation, overall appeal of the site and quality of content. The number of questions was limited to 12. The construction of the questionnaire was based on a five point Likert scale, ranging from Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree. Table (2) presents the results of the questionnaire:



Table 2 Results of questionnaire

Question	SA	A	N	D	SD
1. Overall, are you satisfied with the Consultant Engagement Online Training Course	15	3	0	0	0
2. The site took too long to download	0	0	5	13	0
3. The site was easy to navigate	15	2	1	0	0
4. The module headings were appropriately named	18	0	0	0	0
5. It was easy to locate sections that you were interested in	12	4	2	0	0
6. The instructions were easy to follow	16	2	0	0	0
7. The colour scheme and layout was attractive	6	8	4	0	0
8. The quizzes helped me retain the information	5	10	3	0	0
9. The content of the site was relevant and useful	16	2	0	0	0
10. The links to other sites were useful	12	4	2	0	0
11. Using the CEOTC was enjoyable and informative	14	4	0	0	0
12. I would like to participate in further online training courses	11	3	2	2	0

Overall it was found that all of the participants agreed or strongly agreed that they were satisfied with the CEOTC as an instructional tool. 95% of the SMEs either strongly agreed or agreed that the site was easy to navigate. 100% strongly agreed that the module headings were appropriately named and 89% found it easy to locate sections within the website. The colour scheme was considered attractive with 22% of respondents indicating a neutral response, but none disagreeing. 100% of the SMEs either strongly agreed or agreed that the content of the site was useful and relevant to them and this is supported in the comments section. All respondents were positive about the general format of the course and all agreed that the training course was enjoyable and informative. 78% indicated they would be willing to participate in future online training courses of a similar nature. The next stage of the evaluation process was an analysis of the results from the feedback form.

FINDINGS

All of the participants who evaluated the CEOTC sent in a feedback form with their comments regarding the course. The feedback from the participants generally fell into five distinct categories: 1) usefulness of the site; 2) navigation of the site; 3) appeal of the site; 4) overall satisfaction with the site; 5) technical aspects of the site.



Usefulness of the site

All of the participants indicated that they found the course to be useful as a learning tool and instructional aid. Overall the participants stated that the course gave them invaluable information regardless of whether they had engaged a consultant or were considering engaging a consultant.

Navigation of the site

The majority of the participants found the site easy to navigate, but several noted that it would have been useful to have a button that allowed one to skip a particular quiz and continue with the modules. There was a comment given that by not having such a 'skip to next module' button, participants were coerced into answering the quizzes in order. It would be quite possible to include an option to skip the quizzes and include at the end of each quiz page an option to continue to the next module.

Appeal of the site

No suggestions were given on improving the design or interface of the course, although four were ambivalent about the colour scheme. The majority of the respondents indicated that the overall design was appealing and well set out.

Overall satisfaction with the site:

The response from the participants was overwhelmingly positive in regard to overall satisfaction with the site. There were no negative comments received and participants indicated they were grateful to have the opportunity to make use of the course and several participants requested permission to allow the site to be accessed by colleagues. One Industry Association invited the researcher to address a meeting of SME owner/operators and give a demonstration of the website to members.

Technical aspects of the site

The majority of the respondents were satisfied with the technical aspects of the site. One concern raised was that links to other sites from the course were slow to load for three of the respondents and one respondent had difficulty with downloading and using the acrobat reader in order to gain access to the print version of the contents of the site. The site was designed for cross-platform compatibility, but it was found that the site worked more efficiently within the Internet Explorer browser.

DISCUSSION



The literature review and analysis of the results of this study clearly showed that there are significant opportunities for Australian SMEs and electronic commerce (ABS, 2001; DCITA, 2000; OIC, 2000; USIC, 2000). Whilst at the same time barriers to participation and uptake by SMEs is still unacceptably high (OIC, 2000; Freehill, 2000; SBI, 2001; Srivihok, 2000). Further, engagement of website design consultants was found to be a significant problem area for both SMEs and consultants. It was suggested in this study that SMEs needed further assistance in the areas of consultant engagement, planning and strategic management to increase the likelihood of the successful implementation of online business to consumer strategies for Australian SMEs.

Therefore, in an attempt to meet the SMEs and consultants needs and alleviate the problems identified in this study, an online training course (the CEOTC) was developed by the researcher and aimed specifically at the SME sector. The intended learning outcomes of the CEOTC was to provide SMEs and consultants with the ability to plan the implementation of electronic commerce and to select the most appropriate website design consultant for the project. The objectives of the course included: understanding consultants; business planning; Internet strategic planning; consultant engagement; contract management and project evaluation and assessment.

The SME and consultant participants in this study have a mutually dependent relationship and are, in effect, reliant on the success of the outsourcing partnership. It is suggested that the CEOTC is one important tool that will enhance this partnership and be mutually beneficial to the SME and consultant sector.

RESEARCH LIMITATIONS

The first limitation of the study is the sample population, due to the non-probability sampling plan it was difficult to ensure a representative sample across all SME sectors, therefore introducing sampling bias. Secondly, due to the qualitative nature of the study generalisability to other settings is limited.

CONCLUSION AND FUTURE RESEARCH

The results presented in this study highlight the usefulness of an online training course for Australian SMEs. The intended learning outcomes of the CEOTC was to provide SMEs with the ability to plan the implementation of -business and to select the most appropriate website design consultant for the project. The objectives of the course included: understanding consultants; business planning; Internet strategic planning; consultant engagement; contract management and project evaluation and assessment.

The development of an online learning tool as opposed to a more traditional text based option was a deliberate choice. SMEs have varied skill levels in regard to computers and the Internet and it was felt that using the CEOTC would enhance the skill levels of SMEs



and de-mystify online learning for those with limited computing skills. Thus creating a more successful client/outourcing relationship and impact on the future success of the SMEs foray into e-business initiatives.

This study analysed an Australia-wide cross-case analysis of SMEs and engagement of website design consultants, and an analysis of consultants and their strategies for e-business development. To obtain additional perspectives on these issues, additional research is required.

The Consultant Engagement Online Training Course (CEOTC) for SMEs needs to be trialed throughout Australia to fully gauge whether it is a useful resource for both academics and practitioners.

Frequently during the course of this study a small business owner indicated that they lacked sufficient understanding on electronic commerce to really specify what was required. Far more information sessions are required where practical workshops introduce the concepts of electronic commerce with hands-on experimentation.



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