EXPLORING THE POTENTIALS OF ICT ENABLED CO-CREATION PLATFORM FOR SMEs IN IKEJA ICT CLUSTER, LAGOS

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Abstract. This case study explores the possibilities and critical factors affecting how an ICT cluster in Ikeja area of Lagos, Nigeria could be organized as smart community of co-creators who are reliant on each other for process, product and market innovations. Through videographic research method, the study examines how inter-firm networks influence the innovation generation and commercialization process of entrepreneurial ICT firms in emerging market context; and how synergies from co-creation could enable the small businesses to gain competitive advantage to the local consumer market.

Keywords: ICT innovation, Co-creation, Open-innovation models, Emerging markets, SMEs inter-firm networks.

1. Introduction

Consumers of the digital era have gotten used to the constant influx of new communication trends which has intensified their taste for latest technological developments in the ICT industry. Such advancements have put pressure on ICT developers and manufacturers to figure out the most efficient means of tackling the challenges and promises of innovations in the increasingly competitive ICT market. Due to the growing complexity of innovation processes, inter-organizational alliances and different forms of open-innovation network collaborations has become prominent especially for small and medium-size enterprises – (SMEs). However, as a result of various resource constraints, SMEs within the emerging markets are feeling a tougher pinch in the race for innovation. Therefore, the ability of these SMEs to pull resources together to create and disseminate innovations is paramount for their survival.

The aim of this case study, is to explore the possibilities and critical factors affecting how the Ikeja ICT cluster of Lagos State, Nigeria could be organized as smart community of co-creators who are reliant on each other for process, product and market innovations. How such a cluster could enable these small businesses to gain competitive advantage to the local consumer market even in the face of fierce competition from multinational enterprises.

2. Background Overview

Scholars have argued the importance of SMEs as major vehicle for generating innovation flow which is essential for sustainable economic growth and regional

competitiveness [1]; [2]. Even though there is empirical evidence showing why small innovative firms outperform their non-innovative peers [3]; [4], yet there is also evidence that demonstrate that firms located in industry clusters are more likely to be innovative and responsive to adaptive industry trends [5]. Researchers have also argued that due to complex innovation processes and high cost of technologies, firms team up with their peers to develop, absorb or commercialize new innovations [8]; [6]; [7].

In the case of the Ikeja ICT cluster, the ability of the SMEs to harness the potentials of collaborative innovation systems could play a significant role in defining the future of such emerging market ICT clusters. Therefore, a smart technological platform that is fully developed with and by the different players within this local ICT cluster could be decisive in fostering interactions and exchanges, as well as providing 21st century digital tools for managing co-creation efforts by the SMEs [8].

Despite the many existing studies suggesting that the implementation of ICT-based open-innovation or co-creation platforms will yield positive results, however, there is lack of knowledge on how such co-creation platforms could be implemented in the context of an emerging market ICT cluster.

The result of this study would make significant contribution towards: A) bridging the gap in literature in the area of emerging market ICT firm's inter-firm network relationships for innovation creation and dissemination using a digital co-creation platform; and provide evidence that will lead to the development of a typology of inter-firm networks dynamics within the ICT sector in emerging markets. Contribution towards managerial implication is inevitable, to help owners-managers of ICT SMEs towards a strategy fit for harnessing full potentials of inter-firm collaboration in developing and sustaining innovations. B) This study will also produce a platform design prototype that when successfully implemented in the Ikeja ICT context could potentially transform this cluster into a smart innovation bed.

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