

# Exploring the potentials of ICT enabled co-creation platform for SMEs in Ikeja ICT cluster, Lagos

*A research agenda*

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# Agenda

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- Overview of Concept**
- Research Objectives**
- Background/**
- Research Question**
- Methodology & Research Design**
- Expect Contribution**



# Overview

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- ❑ **Growing ICT & SME sector in emerging markets (Nigeria)**
  - In Nigeria, SMEs account for some 95% of formal manufacturing activity and 70% of industrial jobs.
  - They employ an average of 50 percent of the working population as well as contributing up to 50 percent of Nigeria's industrial output
- ❑ **SMEs have compelling growth potential in Nigeria**
- ❑ **ICT sector is seen as key sector for Vision20 2020**

<http://www.cbn.gov.ng/>

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# Some General Issues

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- ❑ **Inadequate and inefficient infrastructural facilities, which tend to escalate costs of operation for SMEs**
- ❑ **Lack of adequate funding/credit for SMEs: bankers committee intervened in 2001 with a scheme themed “Small and medium industries Equity Investment Scheme”(SMIEIS)**
- ❑ **Complexity of innovation processes & vulnerability to MNCs**
- ❑ **Consumers of the digital era**

(Mambula, 2002)

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# Objective

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- Investigate the role of ICT in inter-firm networks and dyadic relationships
  - Potential for ICT-sector specific open innovation platform
  - Possibilities and critical factors for organizing the ICT cluster as smart community of co-creators who are reliant on each other for process, product and market innovations
  - Pilot platform with in the Ikeja ICT cluster
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# Research Question

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- ❑ *How can the Ikeja ICT cluster be organized as smart communities of co-creators?*
  - ❑ *What are the potentials and competitive landscape for co-creation innovation in Ikaja ICT cluster?*
  - ❑ *How can the SMEs utilize an ICT platform for open innovation and network relationship to overcome emerging market country liabilities and the liabilities of smallness?*
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# Literature background

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- ❑ The existing literature has consistently emphasized the importance of SMEs as major vehicle for generating steady economic and innovation flow which is essential for sustainable economic and social revitalization (Floyd & McManus 2005; Ayyagari et al., 2007)
  - ❑ Due to resource constraints, small businesses face diverse barriers to creating and maintaining innovative capacity, resource generation and international expansion (Ruzzier et al., 2006; Phelps, 2010; Rese & Baire, 2011, p. 138).
  - ❑ Therefore, SMEs rely on different external network alliances in order to augment their resource incapacity (Street & Cameron, 2007; Shamsuddoha et al., 2009; Torkkeli et al., 2010).
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- ❑ Even-though the recent years have seen enormous growth in collaborative innovations; however, majority of SMEs in the emerging markets are especially disadvantaged due to several factors including “emerging market liabilities and the liabilities of smallness”
  - ❑ Complexity, high costs and shorter commercialization circle
  - ❑ Firms that figure out the best strategy to leverage collaborative network systems are the ones that will lead the innovation frontiers in these emerging markets (Rese & Baire 2011)
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- ❑ The information and communication technology sector is among the most fast-paced sectors in terms of the speed of commercialization and dissemination of innovations.
  - ❑ ICT sector complexity of innovation processes has led to growth in the small-businesses' usage of external networks in their innovation process.
  - ❑ Positive relationships between inter-firm cooperation and innovation performance of entrepreneurial firms especially within the ICT sector (cf. Mohannak, 2007; Todd & Javalgi, 2007).
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# Specific problems

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- Most of the existing CRM and cloud-based project management platforms are not suitable for many emerging markets**
  - Popular social media platforms are not suitable platforms for inter-firm collaboration**
  - Poor investment in own platforms**
  - Difficulty in inter-firm collaboration**
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# Methodology & Research Design

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## ❑ **Qualitative reseach**

- ❑ Video-interviews with a random sample of 10 – 20 SMEs
- ❑ Co-creation of platform/UI
- ❑ Pilot test with a different sample group

# Expected contribution

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- a) **bridging the gap in literature in the area of emerging market's ICT firm's inter-firm network relationships for innovation creation and dissemination using a digital co-creation platform.**
- b) **b) Inter-firm collaborations influencing rapid successful internationalization?**
- c) **Development of a typology of inter-firm networks dynamics within the ICT sector in the emerging markets perspective.**
- d) **Contribution towards managerial implication is inevitable. The results may help owners-managers of small-to-medium-size ICT firms towards a strategy fit for harnessing full potentials of inter-firm collaboration in developing and sustaining innovations both for the local market and for internationalization.**



Thank You