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

A research agenda

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# Agenda

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



## Overview

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 Vison20 2020

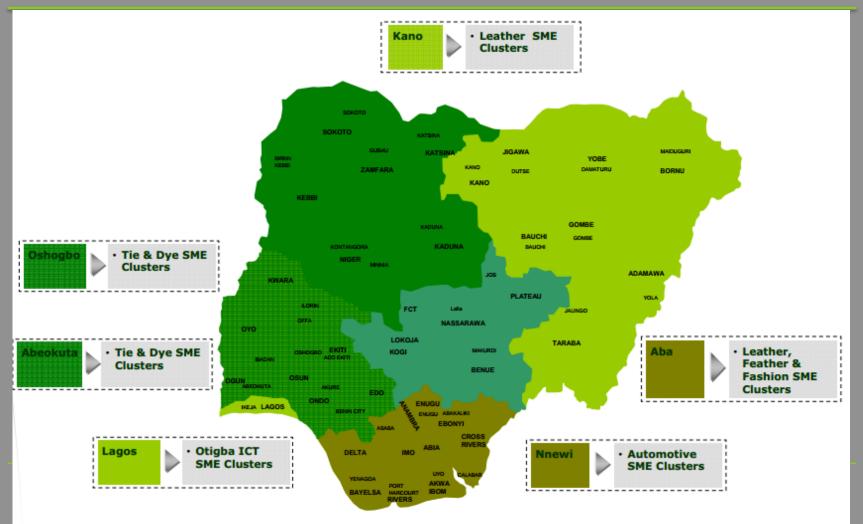
http://www.cbn.gov.ng/

#### Some General Issues

- 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)

# **SME clusters by industry**



Oyelaran-Oyeyinka, 2013



- 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 lkeja ICT cluster

### **Research Question**

How can the Ikeja ICT cluster be organized as smart communities of co-creators?

What are the potentials and competitive landscape for cocreation 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?

# Literature background

- 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).

- 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)

- 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).

# **Specific problems**

- 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

# Methodology & Research Design

#### 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**

- 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 cocreation 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-mediumsize 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.

