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# **Small Business IT Sophistication Defined**

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## **Introduction**

The development of small business research has been a very slow process, but following the lead of such researchers as DeLone, Cragg, King and Mahmood the understanding of small business is being expanded. Each of these researchers have offered models that suggest that organizational success is based in part on information technology (IT) and its impact on financial measures. Many researchers including those cited above have also expressed the need to develop an understanding of the non-financial components of organizational success.

In a current research project the questions of IT and its relationship to non-financial success are being studied, specifically if there is a direct and positive relationship between IT and non-financial success. In a previous paper by Brownmiller and King, it was argued that if the motivator for the small business was not financial then the measures of success should also be non-financial. Early findings reported by Brownmiller and King were that financial issues were not the most important motivator of the small business owner.

In developing this research a number of organizational success measures were examined and the basic finding was that there existed a lack of common definition of terms among researchers. In order to develop the foundation for this research, the development of a research model that focused on definition was undertaken. This model consisted of five major components, motivators, measures of success, organizational success, user sophistication and information technology. The relationship of the components outline the foundation of the research. The full definition of the model will be presented in future papers.

## **Research Questions**

This paper will focus on the findings from the research about the types of information technology in the small business environment and the level of user sophistication. In the survey instrument the respondent was asked to identify the types of IT used in the organization ranging from FAX machines to POS systems, to computers, to E-mail and others. The respondent was also asked about their level of education and daily involvement with IT.

Many researchers have defined sophistication in terms of user skills, complexity of problems solved, and so on. Within large organizations this may well provide an adequate definition. This research is focused in part on developing a definition for IT sophistication for the small business community. The direction being studied is as the complexity of the technology being used increases that the IT sophistication of the organization increases. The proposed evolution would be from FAX to computer to POS and LAN's to E-mail, EDI and Internet.

### **Sample Defintion**

The initial target population was small businesses located in the Morongo Basin located in the Mohave Desert of Southern California. The target population was extracted from the business operating in the City of Twenty-nine Palms, the Town of Yucca Valley, and the village of Joshua Tree. The owner/managers were personally approached by members of the research team and asked if they would be willing to participate in the research project. Over 100 businesses have agreed to be involved in the project.

It is important to note that this is the foundation of a research project that will ultimately see the study replicated in Austraila, New Zealand, United Kingdom, Israel and other countries in order to develop a global perspective of small business.

### **Conclusion**

Although the final analysis is not yet completed at this point, there are some very interesting discoveries. These discoveries beg for continued study and research.