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**Entry barriers of information and communication technology on small and medium enterprises**

E. K. Jayampathi and L. R. Lakmali

*Department of Management and Entrepreneurship, University of Ruhuna, Matara, Sri Lanka.*

Small and Medium scale Enterprises (SMEs) are taken significant place in a booming economy. SMEs are contributed for approximately 1% of country's GDP. Information and Communication Technology (ICT) is using electronic media which involving transactions using the internet, network and other digital technologies. Previous researches have revealed that ICT brings a capable way for SMEs to meet their number of challenges arising from both internal and external environments; further it brings value added advantages for businesses to keep their stability in a competitive market. But, they are unable to enter the ICT perfectly, by transferring its business activities in to the electronic way, since they have to face vast number of entry barriers when introducing ICT into their businesses. The objective of this paper was to examine the ICT entry barriers on SMEs in Sri Lanka with special reference to Matara District. The primary and secondary data were used to gather information from SMEs. The primary data were collected using the survey method. The population represented all Small and Medium scale Enterprises which registered at Divisional Secretariat Office in Matara District in the year of 2009. Among them fifty respondents were randomly selected as the sample and a structured questionnaire was administered. The questionnaire was developed based on past literature, and carried sixteen separate Likert scale questions. The questionnaire of the study comprised of two sections. The First part covered with basic information of the Small and Medium scale Enterprises and second section focused ICT entry barriers on SMEs in Matara District in Sri Lanka. The secondary data were collected from the previous research findings which are related to the research topic. The study found various factors that are inhibiting entries of ICT on SMEs such as lack of funds to install the information system, lack of infrastructure and lack of awareness on ICT. More involvement of the Government together with the collaboration of SMEs is very critical in creating an ICT based business environment among the SMEs in Sri Lanka. This may help for establishing a strong SME sector and getting competitive advantages over the domestic and international rivals.

**Keywords:** entry barriers, Information and Communication Technology (ICT), Small and Medium scale Enterprises (SMEs)