Introduction

The local community in any country worldwide has its own unique characteristics and charm. The small business in such local community includes many promising entities like the small yet very popular local coffee shops, yoga studios, dog grooming business, a car cleaning station and many more. These businesses are not only the source of income, but also carries the historical identity of a community. Many municipalities and tourism boards have prioritized preserving the unique characteristics of such vibrant small business community and try to create opportunities for transforming that characteristics into an advantage. Needless to say that the entrepreneurship either small or large, either deals with local community or nationwide, it plays a crucial role in making the society conscious about its rights and opportunities. Numerous studies show that small entrepreneurship helps in developing the economic condition of a society at the micro level to a considerable extend\(^1\). Small and Medium Enterprises (SMEs) play a crucial role in national economies. They are the driving forces of entrepreneurship, growth, innovation and competitiveness. This sector is widely considered the power that drives regional development and wellbeing.\(^2\) Moreover, SMEs work as a catalyst to hike GDP and provides large employment scopes. Small industries are the big numbers of local industries. The half of the total creation is contributed by small companies. It also assists in the growth of social welfare by opening jobs to local people. It significantly reduces the unemployment problem of the country. It in turn motivates people to improve skill to prepare them for self employment.
In most of the cases whenever the discussion is carried out about SMEs, normally the above mentioned local community businesses are not taken into consideration. Perhaps, these small business owners of the local community are an integral part of the society’s economy and improves the living standards of the area in which they live and work. Thus, they are cognizant enough about the fact how their decisions may impact their neighbours. In addition, these small business entities seem to be involved in the community in different occasions by sponsoring local teams for any game, donating shelters to the homeless in the city, join the chamber of commerce, participating in community charity events and so forth. However, to do business effectively, these local enterprises need to react to market change. It is necessary to find efficient and innovative methods of managing their business. However, in reality it is not happening. The willingness to adopt changes and use innovative methods to cope up with the competitive market. It is a primary need for the success in the competitive environment. There are many short range of activities that exist in SMEs and which work as a kind of advantages provided that they are combined with flexibility. It ensures the successful protection of their position in the local business. If in such scenario a bigger competitor enters the market the situation may be very difficult for the business community and other SMEs. Although expansion of small business in such condition may help to overcome the crises, however, expansion is not the objective of the community business and they cannot afford it. While they (the local enterprises) may not be able to generate as much money even as small businesses, in fact, they are a critical component of and major contributor to the strength of local economies. A small business is defined as a business (corporation, limited liability company or proprietorship) with 500 employees or less. Small businesses as well contribute to local economies by bringing growth and innovation to the community in which the business is established, however, community businesses are more attached to local society or village.

A balance in sound economic health development in the business is the prime need small enterprise as well as large industries. All these firms launch new concepts as a start up companies to contribute to the advancement of economic. However, these startups comprise a small part of SMEs. In fact, like many SMEs, long-established family based community businesses (as a small shop of ice cream, etc.) is handled by the proprietor of the business to meet the business objectives due to their strong tie to the neighbours and community. Small community businesses are being very important and it is increasing in many nations. It is due to the lack of available employment opportunities in bigger companies or government sectors. In addition, the growth of local business could
be faster compared to other SMEs provided such groups will improve business and income distribution structure as a whole. Some considerations about local community based SMEs are:

– SME business is a model of transition to large corporations,
– SMEs can create large employment opportunities to the local market,
– SMEs directly gives the role to the economic growth of a country or region.

In this era of digitalisation there are tremendous opportunities existing to promote local businesses at both the regional and national levels. It enables small businesses to enhance the international outreach and access to global value chains. Furthermore, digital technologies can aid the development of sustainable local products and services. It helps in cultivating new technological startups that create employment opportunities and leverage economic growth. Because in general, due to the lack of awareness in small enterprises they often failed in grabbing the market opportunities. So, there is a necessity of doing research about business in the local market. Every business requires some form of investment and enough customers to whom its output can be sold on a consistent basis in order to make a profit. However, in today's scenario the business activities are changing tremendously. It is far different from the traditional concept of exchanging or trading for items among people.

In the discussion of this research, we use the term ‘local’ to refer to those communities which are adjacent to, or impacted by, a company’s operation. Under this definition, the area is generally narrower than the State or Territory in which the project is located, although it can cover multiple Local Government Areas. The issue of what constitutes a ‘local business’ has been the subject of considerable debate over the years. The potential business drivers for procuring from local SMEs are numerous, but the most commonly cited reasons include: cost and risk reduction, access to resources/social license to operate, compliance and opportunities for increased revenue. Any company that provides goods or services to a local population is considered a local business.

Local marketing – also referred to as local store marketing or neighbourhood marketing – specifically targets the community around a physical store or restaurant. Promotional messages are directed to the local population, rather than the mass market. In practice, local marketing can take several forms. Many local businesses directly contact consumers through mail, in-town events, local team sponsorships, or advertisements in the town paper.

Entrepreneurs who have achieved professional success, prestige and a higher social and property status, eventually, tries to increase in demand
of local consumption. It directly activates economic development in small towns, villages and causes desired structural changes in the local economy. It is the most crucial economic function accomplished by the sector of small and medium enterprises. Small scale businesses as creators of new jobs, fuel economic growth, favour the formation of private product ownership and increase the overall level of utilization of the production potential. It is the knowledge of the local market, in particular its needs as well as the possessed abilities, that testifies to the high potential of SMEs. Small companies develop a large part of the labour force, freed as a result of the restructuring of the public sector. SMEs in general take over the assets of state-owned enterprises, agricultural holdings and public institutions released as a result of privatization. The division of large enterprises and the separation of smaller units from them also limits concentration processes and counteracts the monopolization of the economy.\textsuperscript{12}

**Literature review**

So far, there exist many research that focused on factors for the development of the local economy. In the study carried out by Hryniewicz\textsuperscript{13} a report on the statement that cooperation with entrepreneurs is found. It is slightly higher than the minimum activity of residents and their support for the integrated local elite. Also, there exist some works related to the role of ICT in microeconomics and local economy in particular in the context of developing countries as suggested by Kundishora et al.\textsuperscript{14}, Hirt et. al.\textsuperscript{15}, Sahoo\textsuperscript{16}, and Samoilenko\textsuperscript{17}. A description about the role of SMEs in the local economy is available in the work Ayandibu, fish, Nkwinika\textsuperscript{18}, Kubičková et. al.\textsuperscript{19}, and Qureshi et al.\textsuperscript{20}. Based on the literature review, analysis of current studies, visible trends in the development of local economy you can stated that this area of research still is very interesting. It is worth to mention that, the ongoing research on the role of SMEs in local market should be increased. The main problem in the area of using ICT is the lack of satisfactory scientific studies that can be useful for businesses, local authorities and habitats in cities and villages.

**Methodology**

The methodology used in the formulation of this research includes the analysis of existing IT solutions, existing literature of current time and the authors’ personal evaluation regarding the implementation of the ICT solutions in local SMEs. The paper has been prepared especially for small and medium enterprise business in local communities. Since the knowledge and best practices are the key catalysts
to improve the local economy through SMEs in that locality, we believe, the article will put an insight into the development and implementation of various local businesses. IT also supposes to help both professors and students of various universities by providing an idea of different potential areas of research as far as SMEs are concerned.

**Problem Statement**

The SMEs in general and local community businesses in particular face lots of challenges in progress. This is not due to the lack of facilities of infrastructures to support such business, rather, it is found out that this sector of entrepreneurs is suffering due to the lack of adequate studies of such hiders and subsequent adoption in local communities. There is quite a high need of satisfactory scientific studies and evaluation as well as figuring out various method of improving community businesses. Surely, recommendation and implementation of appropriate methods can influence the success of such industries up to maximum possible heights. Keeping in mind the need of the community enterprises, the following problem statement is structured.

“Perform a study on the challenges and issues in the development of community enterprises and providing some suggestions to improve them through the use of ICT tools”.

With this problem statement some of the research objectives are enlisted below.

**The Goal of the Study**

The focus of this research toward meeting the objectives are to:
– appropriate the role of SMEs in developing local communities,
– compare the role of ICT in local and global economy,
– identify ICT solutions in improving the local community SMEs.

This study contains material developed on the basis of the analysis of the activities related to implementing of SMEs business in local communities in Poland. In summation, the necessary information was obtained from reports, official sites, societies, books, articles and scientific journals. The author’s personal experience in operating a microenterprise in the IT industry is an important source of valuable, reliable and up-to-date information on ICT in business. These factors led to the preparation of the following research questions.
Research Questions
Based on the problem statement and research objectives formulated as stated above, this research is aimed at resolving the following research questions.

– What role SMEs have on local communities?
– What differences in using of the information and communication technologies, there are in local and global economy.
– Which ICT solutions can be implemented in SMEs in the local communities?

Impact of Small Businesses to local Communities

The role of SMEs in local communities
The local small businesses have tremendous impact on the community. It adheres to the capability to demonstrate the characteristics of the community. It emphasizes the interaction with local people in the level of business as well as personal. In most cases it is quite a high compared to contribution by many large corporations that exist in that locality. The large companies have many more regulations and they cannot directly focus on the development of the local people. They are more focused on global society. On the contrary the SMEs have no such global policies and can concentrate on the local market. They are not only complimenting its quirk the local audience but also support their economic growth. It’s recognizing and cherishing the positive impact that holds around the community and local government. The financial advantages of a community enterprise are large and it portrays the fact that a very small shop may have a greater impact in the society. Below, a brief impact of SMEs to the economy is presented in the form of a block diagram, figure 1.

A unified definition of local SMEs and other enterprises across government agencies can aid in the development of sound strategies. The development of this sector as well as analysing the contribution of these enterprises in the national economy is covered in the definition. The 2013/34/UE regulation from July 2013 provides a qualitative guideline for the classification of local enterprises. A brief of such classification is presented below.
Fig. 1
Impact of SMEs to economy\textsuperscript{21}

![Diagram showing the impact of SMEs with various factors]

Tab. 1
The class of enterprises as per 2013/34/EU\textsuperscript{22}

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Micro company</th>
<th>Small company</th>
<th>Medium company</th>
<th>Big company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance sheet total</td>
<td>within the range of EUR 350,000</td>
<td>below EUR 4 million</td>
<td>within the range EUR 20 million</td>
<td>more than EUR 20 million</td>
</tr>
<tr>
<td>Turnover</td>
<td>less than EUR 700,000</td>
<td>less than EUR 8 million</td>
<td>less than EUR 40 million</td>
<td>above EUR 40 million</td>
</tr>
<tr>
<td>Number of employees</td>
<td>fewer than 10</td>
<td>fewer than 50</td>
<td>fewer than 250</td>
<td>more than 250</td>
</tr>
</tbody>
</table>
Tab. 2
The number of enterprises according to legal norms and size classes in 2015

<table>
<thead>
<tr>
<th>Total enterprises</th>
<th>Total 1 914 141</th>
<th>Physical persons 1 720 318</th>
<th>Legal persons 193 823</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>1 838 365</td>
<td>1 691 115</td>
<td>147 250</td>
</tr>
<tr>
<td>Small</td>
<td>56 713</td>
<td>26 902</td>
<td>29 811</td>
</tr>
<tr>
<td>Medium-sized</td>
<td>15 631</td>
<td>2 182</td>
<td>13 449</td>
</tr>
<tr>
<td>Large</td>
<td>3 432</td>
<td>119</td>
<td>3 313</td>
</tr>
</tbody>
</table>

Tab. 3
Characteristics of an SME and a large enterprise

<table>
<thead>
<tr>
<th>Small and medium-sized enterprises</th>
<th>Large enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Running based on the owner’s or hired manager’s intuition</td>
<td>Application of modern management techniques and methods</td>
</tr>
<tr>
<td>Relatively low qualified staff</td>
<td>Highly qualified management</td>
</tr>
<tr>
<td>Dominance of operational decisions</td>
<td>Dominance of strategic decisions</td>
</tr>
<tr>
<td>Combined management and ownership functions</td>
<td>Management by hired executives</td>
</tr>
<tr>
<td>Crucial decisions made by the owner</td>
<td>Decisions made based on expert opinions</td>
</tr>
<tr>
<td>Running operations on a small scale with a local scope</td>
<td>Large sales</td>
</tr>
<tr>
<td>Independence from other entities</td>
<td>Multiple capital and organizational connections</td>
</tr>
<tr>
<td>No access to source of finance on a capital market</td>
<td>Access to a variety of financial market instruments</td>
</tr>
<tr>
<td>Relatively small market share</td>
<td>Significant market share</td>
</tr>
<tr>
<td>Capital-light growth</td>
<td>Capital intensive investment</td>
</tr>
<tr>
<td>Insufficient care about an enterprise’s image</td>
<td>Use of advanced image building techniques</td>
</tr>
<tr>
<td>Marginal export activity</td>
<td>Substantial export activity</td>
</tr>
<tr>
<td>No inclination to associate and form local interest groups</td>
<td>Membership in numerous business organizations</td>
</tr>
<tr>
<td></td>
<td>Running a company based on strategic and operational planning</td>
</tr>
</tbody>
</table>
The tabulated information depicted signifies the classification factors constraining to different categories of SMEs. It is more precisely segmented into nine sections as legal, fiscal, macroeconomic, financial, market oriented, administrative, information related, social, and technical\textsuperscript{24}.

**Ecosystems enablers facilitate access to local business enterprise**

Figure 2 below presents six ecosystems enablers that facilitate access to local market. This ecosystem allows to access diverse, adequately skilled, and competitively priced pools of technicians, engineers, managers, and support staff which are vital for any executive making an investment decision. The study reveals significant opportunities for economic council to differentiate by focusing on improving their human capital and technology. Indeed, developing a sector should go hand-in-hand with developing talent. Council is in a unique position to create programs that bring together government efforts, academia, and business to increase the pool of qualified and readily employable professionals and technicians who can deal with new ICTs\textsuperscript{23}.

*Fig. 2*
Six ecosystems enablers facilitate access to local market

- Focused Strategy
- Development of talent and technology
- Robust facilities and infrastructure
- Market sector access
- Access to capital and financing
- Favorable regulations and ease of doing business
- Promotion of SME’s and entrepreneurship
Differences of in using ICT in local and global economy

Some differences in the local community, business and global enterprises with respect to the implementation of ICT are presented in the following table.

Tab. 4
Differences of local and global enterprise \(^{24,25}\)

<table>
<thead>
<tr>
<th>Local enterprise</th>
<th>Global enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>It can help in case of paying bills more easily</td>
<td>Presenting a list of offers and prices between international enterprises</td>
</tr>
<tr>
<td>Can be a distance solver between villages in case of sharing goods or documents</td>
<td>Easy to be in touch through internet video conferences with managers</td>
</tr>
<tr>
<td>Gives the opportunity to search customers, providers through in-application options. For example, an option that will search for you, something around 100km from your location</td>
<td>Gives opportunity to a growing list of possible customers</td>
</tr>
<tr>
<td>E-government is conveniently used across the country to share government services</td>
<td>Can result in the improved market competitiveness of a nation’s products and services</td>
</tr>
<tr>
<td>It helps in delivering public services</td>
<td></td>
</tr>
<tr>
<td>It is an efficient and effective method of conducting business transactions</td>
<td></td>
</tr>
<tr>
<td>Many states in India have incorporated information centre as e-Governance initiative. Kerela is one of them implementing this e-governance. It has gone down to the villages through Information Centres to facilitate communication and information on land, training, payment of bills, etc</td>
<td>Can impact positively on governance and other sectors of the economy</td>
</tr>
<tr>
<td>It contributes by providing local stories to news and web portals, helps in disseminating information. It also helps by providing secretariat support to local governance</td>
<td>Assist in international economics integration and to improve living standards. It also simplifies digital divisional and improve utilisation of resources and easy management</td>
</tr>
<tr>
<td>Urban planning authorities are more likely to be aware of the city features in their multiple aspects, being able to define and monitoring the public policies, suitable to each situation, reinforcing the democracy and transparency of local governance</td>
<td>Upgrades the media of linkage of training institutions at national and international levels</td>
</tr>
<tr>
<td>Contributing as a simplifying tool, regarding the information and knowledge sharing, gathering local authorities, citizens and socioeconomic agents</td>
<td></td>
</tr>
<tr>
<td>Boost the development of networks, and consequently the social and territorial cohesion</td>
<td></td>
</tr>
</tbody>
</table>
Challenges in implementing ICT in a community business

Despite of being user friendliness of ICT tools, it has many challenges in implementing as it comes to the use in local community enterprise. It is not due to the infrastructure of the concerned company, rather it is due to the involvement of the less skilled local human resources. One of the major challenges in implementing ICT in local business is the language differences. Many employees in a community enterprise do not know English and they are fluent only in regional language. Hence, in such situations implementing ICT tools becomes difficult. ICT in local language definitely helps community business owners to make easy use of it. It will help also in demystification and quick adoption. Training in such ICT tools is another need in order to at make business owners and employees familiar with suitable ICT tools. Furthermore, in many countries following general challenges are also met:

- Inadequate communications and power infrastructure;
- Shortage of ICTs facilities and ICTs skills;
- Inadequate institutional arrangements;
- Limited financial resources;
- Inadequate public private partnership;
- Limited data management capacity;
- Inadequate horizontal and vertical communication;
- Inadequate internet bandwidth and inefficient Gateway

To address such issues we have suggested a few solutions for implementing ICT tools in local community businesses.

The ICT solutions in SMEs of local economy

There are many ICT tools existing nowadays to support the advancement of SMEs. However, all of them are not suitable for community of SMEs due to the limitations as stated in the previous section. In this subsection there are a few of the promising tools for promoting and upgrading local business.

The Social Media

Social Media contribution signifies the utilization of Internet technology or communication platforms through different available Apps creating and dissemination of content. This online information interchange involves customers, suppliers, or spouses, or employees within smaller companies. Enterprises should have an active user account or a license to make use of social media depending the type of the media application. As reported around 64.4% of the enterprises use Social networking apps. For example Facebook and LinkedIn
are the two popular networking sites among enterprises (63.3%). Twitter on the other hand, is in the second place (29.0%) in popularity in sharing multimedia contents. YouTube and Flickr are two other such applications. These two are in the third place of popularity (24.0%). Wikipedia knowledge sharing applications are in the fourth position (2.8%). But for large company the scenario is about different. In this case, social networks are in first place (95.1%), multimedia sharing websites in second (68.9%), blogs in the third (65.6%) and Wikipedia is in fourth (9.8%)\textsuperscript{26}. This statistic is equally applicable as in small business to community business as most of the social network sites like Facebook and twitter is very popular among all classes of people in the society.

**The business Web portal**

A web portal is a very prominent approach to all the enterprises. It facilitates the most common requirements like goods details and services offered, and price lists. As reported, such information is provided by around 70.9% for micro SMEs and around 93.1% for medium enterprises. Moreover, almost 40.9% of all enterprises provide references to their social media profiles as Facebook, Twitter and LinkedIn\textsuperscript{28}. Such web portals accelerate the promotion of products of the company.

**The Cloud Services**

Cloud computing enables low cost implementation of ICT solutions in a community business. It supports owners by providing software, computation facility, mass storage, etc. The services comprise of following characteristics of services:
- provided by cloud servers to customers,
- could be scaled up or down based on use,
- on-demand and no human intervention required,
- use and pay mechanism of charging\textsuperscript{28}.

It is a very promising facility for local businesses as it is cost effective and easy to maintain. All the portals of the company may be launched on the cloud which will eliminate the need of huge investment for necessary infrastructure.

**Electronic invoice**

An electronic receipt is an electronic record that contains billing data of trading. There are two unique sorts of electronic invoices. The first one is the standard e-invoice suitable for automatic processing and may be processed automatically. It could be exchanged between buyers and sellers via an electronic banking system. The other type is in electronic format, but it is not for automatic processing\textsuperscript{28}.
Customer Relation Management through electronic media

A huge number of electronic equipment is required in any type of business. These include devices for communications and information retrieval. Few examples are mobile phones, computers, laptops and any other communicating instruments. Customer service section of a company needs a computer and internet to communicate with customers through emails and live chat. If service related issues are resolved ICT solutions then fewer items may need to be returned for refund or servicing. In such a case business is easier to run more smoothly and efficiently. Benefits of business process: better reputation for company; trust in products and services of your company; a more smoothly and efficiently business process.

Online training

In the early days of business, there was a need to send employees to seminars and conferences to enhance their knowledge through hands on training. More advanced the training is, the more costly process in terms of time and money. Or in many cases the on-site training, although saves time, but costs more money. More money was spent either when sending staff off to a remote seminar or bringing in experts in the field to conduct on-site training. With the rise in telecommunications and video conferencing, employers can now offer training through internet based devices so that employees can be trained at their convenience and at much less cost to the company.

ICT based Staff Management

As the digital communication is advancing employees have the facilities to access managerial activities anytime anywhere. It enables employees to have their queries resolved in no time through digitized means of conversation. Such advancement improves the methods of production and better product delivery. However, the said communication is not only limited to email and telephone calls, but even it includes video conversations to sort out any technical or logical issues.

Setting up company’s own data centres

Companies either small or big, generate a considerable amount of data. Such data include invoice documents, technical and managerial training manuals, customer information and grievances and many more. These data even in the community, business needs to store for future reference. However, to store such data powerful data servers are required. For large companies setting up
a data server is not a big issue. However, for community SMEs the cost’s a bit high. So, installing such data servers is a concern to small industries. Most of small companies use a laptop or desktop to store such data. However, in current days cloud storage is coming up as a source of storage. It gives a cost effective mechanism for storing information for small community businesses.

**Conclusion**

SMEs in general and community SMEs in particular have a great impact on the local economy. However, the challenges in running and accelerating the business growth are much higher in the segment of local business in the family of SMEs. Compared to SMEs in global scale, the community SMEs face additional challenges like language and cultural issues. Due to the language issues, this segment of enterprises, is even unable to implement all types of ICT tools or solutions. In fact, in current days without ICT, it is really difficult to do wonders in business. In this paper, we have carried out a study about the impact of community economy. A discussion in favour of fostering SMEs for local economical growth of a country is the one of the topics of this research. As the ICT is the most prominent media of improving SMEs, some ICT tools for the benefit of local enterprises are listed and discussed. The authors feel that they are in an ample of things in SMEs, particularly in community business that need special attention of researchers and government. However, due to some unknown reasons SMEs are still unexplored. This piece of research will help in attracting researchers and government agencies to work for the progress of SMEs. Some recommendations regarding the development of local business using ICT tools are also provided in the research.

**Streszczenie**

Wpływ ICT na rozwój biznesu lokalnego

Małe i średnie przedsiębiorstwa wnoszą znaczny wkład w dynamizację lokalnej gospodarki, przyczyniając się do rozwoju społeczności i innowacji. Tego typu przedsiębiorstwa pomagają również stymulować wzrost gospodarczy poprzez tworzenie miejsc pracy dla osób, które z różnych względów nie mogą podjąć zatrudnienia w dużych firmach. Małe firmy oferują również możliwości utalentowanym ludziom, którzy mogą opracowywać nowe produkty, usługi lub wdrażać innowacyjne rozwiązania. Co więcej, duże przedsiębiorstwa czerpią korzyści ze współpracy z małymi firmami w ramach społeczności lokalnych. Dzieje się tak, ponieważ wiele dużych gałęzi przemysłu zależy od małych firm – różne przedsięwzięcia biznesowe realizowane są poprzez outsourcing. Niniejszy artykuł ma na celu podkreślenie wkładu małych firm w rozwój lokalnej gospodarki. Ponadto zamiarem Autorów jest zwrócenie uwagi czytelników na rolę
Słowa kluczowe: biznes, MiŚP, lokalny biznes, społeczności lokalne.

Summary
Impact of ICT on the development of local business
Small and Medium Scale Enterprises contribute to local economies by bringing growth and innovation to the community. This type of businesses also helps in stimulating economic growth by means of providing employment opportunities to the group of people who may not be employable by larger industries. Small businesses provide opportunities to talented people who invent new products, services or implement new solutions for existing ideas. Furthermore, larger businesses as well benefited from small businesses within the same local community, as many large industries depend on small businesses for the completion of various business functions through outsourcing. This paper is aimed at highlighting the contribution of small businesses to growth of the local economy. Our objective is to draw the attention of readers about the role of SME is the development of the society and to encourage people to help in uplifting these classes of industries. The significant point of this study is to give an insight of using information and communication technologies in local community business to improve reachability of this class of industries.

Keywords: business, SMEs, local business.

Bibliography


