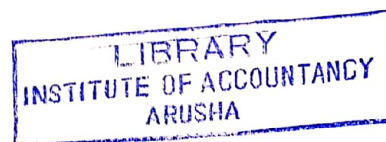


ABSTRACT

Information system has become one of the most important infrastructural elements for SMEs in both developed and developing countries. Its connectivity i.e. Personal Computers and Internet is very important in businesses of all sizes. Different sectors are increasingly global and dominated by large firms and the structure of their values chains and operations shape opportunities for small and medium size enterprises (SMEs). Commercial considerations and potential returns of Information system are the principal drivers of small business adoption and profitable use.

Assessing the role of information system in SMEs has been considered as one of the most critical issues in recent years. Several conceptual and empirical studies/researches relating to the role of information system in SMEs within the context of developing countries are few and lack the ability to propose an appropriate evaluation criterion for organization for these countries.

This study aims at investigating the role of Information system in enhancing the efficiency of SMEs in Tanzania. The study was based on qualitative research approach where questionnaire was the main primary data collection method. Both theoretical and empirical literature reviews related to the role of IT in SMEs were done. The result of the study indicates that the current use of IT follows a pattern that is very consistent with the way in which other resources are used by small businesses. In the light of the analysis of data collected through questionnaire, it was evident that the nature of small business practice presents some unique challenges in regard to the role of IT in particular organization. There was a little evidence of a willingness to make a large one time financial commitment to integrate IT into all aspects of the firm. While further researches are needed before these results could be generalized they do suggest that the greatest challenge associated with the adoption of IT present itself not to the small business sector but to its constituent's consultants, vendors and government.



25743