



The Role of Information Technology in Business Development in Mogadishu-Somalia  
Prof. Mohamed Abdi Jimale' At NILE UNIVERSITY OF SCIENCE AND TECHNOLOGY

### **ABSTRACT**

*Information Technology is among the relevant issue back up the business to pass into in a new market for being innovative and generating new product and services which help the growth of the business and company. The revolution of IT and internet facilitates the outstanding performance of the economy in business development, through the exchanges of information by using internet and electronic devices facilitate accessibility of doing business between companies globally.*

*Methodology: the data for this research paper was totally secondary in nature. An effort has been made to study the role of information technology in business development. Data has been collected from several newspapers, journals and websites related to information technology*

*This study tries to analyses the role of information technology in business development. And the impact of information technology in different activities of the business.*

### **1 Introduction**

In the global business, there are producers as product sellers and consumers as product purchasers. These two people are interdependent; the business does not exist or successful if there is no one between them. Producers require consumers to purchase products to sell, so consumers require producers to satisfy their needs. Manufacturers sell goods at a market place, and when consumers want to buy their needs, they go to the market place. These have occurred hundreds or even thousands of years since the starting of business when technology not yet improved. When technology improved, affects the development business system. Currently, information technology is advancing very fast so that it is difficult to avoid it's development. The advancement of information technology not only assist people's life to become better every day but also support the global business. Things that are used to be expensive and take a long time, now days can take a short period to complete. A work that would involve ten people now days can involve one person (Shaqiri, 2015)

Information Technology (IT) has a role as a means of the transaction of online business, such as through offering media facilities like the internet. The websites, apps, are given as an area for consumers to select the items they want. These transactions also need other technologies to support the online business, which is a telephone communication technology, banks that enable consumer payment, media with producers, shipping agents such as post office. These things are technologies that play a significant role and affect the development of online business. The facilities offered due to the part and influence of IT makes online business

tremendous due to it is efficient, economical, and faster to both sides producers and consumers (Steenhuis& De Bruijn, 2012). The purpose of IT on human life is critical. The development of information technology presently developing along with the progress of social development. Information technology is broadly applied by people who see business opportunities due to the development of this technology, such as online business. Globally online business is going to be usual. These have become commonplace and have developed quite well. By using an online business, it is simple for citizens to get the goods and services they are searching. The increasing number and cheapness of internet connections in some countries influence the development of online business. So this is beneficial for the advancement of online business, compared with the offline business.

Information Technology explains any technology that enables humans to create, change, store, communicate, and spread information. IT brings together high-speed computing and communication for data, voice, and video. For instance of IT consists not only of personal computers(laptops), but also telephones, Televisions, electronic household appliances, and modern handheld devices like cell phones. The advancement of the tools is significant and supportive of business activities that carried out, but it does not cost a small investment; besides, technological advancement should be supported by facilities and infrastructure from the area or place where the company is doing business activities.

The progress of information technology brings a significant impact on different aspects of life, specifically in the business sector. The new concepts currently are e-business (e-commerce) or electronic business. The performance of e-commerce gives new prospects and challenges to business professionals and organizations. Globally changes in the way of conducting business are trending, and these changes are mainly in meeting the required information and comprehensive network systems to assist faster and more flexible accessibility of services. Internet-based computer technology has increasingly developed into the most effective form of handheld computers and tablet PCs. High population mobility needs the world of commerce to enable to offer goods and services instantly by consumer demand. In order to overcome challenges, most business organizations are now using the media Internet to connect producers and consumers (seller and buyer) doing transactions. The transactions through the Internet are well known as e-business and e-commerce(Chaffey, n.d.). Many researchers describe that the main characteristic of global business today is e-business. The business model facilitates the exchange of information and business transactions that are paperless, via Electronic Data Interchange (EDI), e-mail, electronic

bulletin boards, electronic fund transfers, and other network-based technologies. The e-business supported by three main factors, such as

1. Increasingly of competition, to the global economy, Regional trade agreements, and growing consumer power.
2. Social and Environmental factors such as changes in workforce characteristics, government deregulation, awareness and demands for ethical practices, knowledge of corporate social responsibility, and political change;
3. Technological factors, such as the short lifespan of product and technology life cycles, innovations that occur almost every time, information-overloaded, and reduced risk of technology costs on performance

Business is a process whereby an individual/group of people offering or sells goods or services for the aim of gaining profit. Business starts with the desire of humans to meet the requirements that are impossible by themselves. Therefore, comes the desire to interact and help each other. In development, humans have a variety of needs and interests that continue to grow. So it is not enough to give and take, humans, try a system that brings benefits to fulfill the instincts of individuals to prosper themselves. Business becomes a structured system for getting welfare in life (Juan, 1991). High profits in any business obtained when there are cooperation and proper organized management, so the business is now it has a close relationship with the company, which is an organization that runs to get benefits for its members. The company structured in a structured manner, and there is a clear division of labour within a company. Regulators in the company are known as managers, and the implementers are known as employees (Nikoloski, 2014).

E-business is an electronic media-based business system like radio and television. Since the e-business system is better known by the wider community when the internet employed as an electronic media, the broad community assumes that e-business is an internet-based business as its medium. The development of e-business continues to change with the availability of electronic devices, like mobile phones and tablets. On cell phone or tablet systems, internet access is wireless, and this supports the ameliorate of new protocols such as the Wireless Application Protocol (WAP), which is an internet application without using a cable so that by using a cellphone or tablet, users can access the internet in when and wherever there available(Oetomo, 2001 &Shaqiri, 2015). According to Mohan Sawhney(Indrajit, 2002, Rudianto, & Zainuddin, 2007), e-business is: "the use of electronic networks and associated

technologies to enable, improve, enhance, transform, or invent a business process or business system to create superior value for current potential customers. "In principle, the definition clearly shows how electronic and digital technology function as a medium for achieving business processes and systems (exchanges of goods and services) that are far better compared to conventional methods, especially seen from the benefits that can be felt by those concerned (stakeholders).

Technology is advancing very fast and diverse; the existence of IT now has entered various aspects of life. Technology provides a smoother, more efficient, and more comfortable experience. Currently, almost all people use technology in their daily life in ranging from simple to complex. Technology has a very broader area, so it is not comfortable to be explicitly categorized. In essence, technological change can be grouped in four fields, including the Computer sector, Transportation and Communication Sector, Energy and natural resources, and New production process fields. Technological advancement in the computer sector influences the company's internal performance, especially in administration. Database systems can easily classify company data in detail and accurately. Even this system can also be used for employee absence. In general, the database system plays an essential role in the collection of company inventory. The sophistication of the computer that previous doubted would decrease the number of employed people now actually applies vice versa, such as increasing employment opportunities because most of the large companies' present time needs computer experts in the fields of data collection, informatics (programming), and of course computer technicians. It is because of the importance of the presence of technological resources that support the company's works (Issa-salwe, Ahmed, Aloufi, & Kabir, 2010)

Performance of the company's employees. Processing various variables that takes a long time to solve manually now is very easy and fast with a computer. Also, supported by the progress of various analytical applications that are very diverse. Many choices for companies to use in which applications are suitable for company needs. Secure storage and back up is also a plus. Now no longer need to worry about missing data provided; the computer has no errors. Advancement of technology in the field of transportation facilitates the movement of goods flow in a company. Various services are available both from the land, sea, and most express, like airlines. The transportation budget now is one of the things that take into consideration given the consequences of funding and speed that are rising equally. Land transportation has the advantage of cheaper funds. Sea transportation allows interisland services and large

amounts of capacity. Air transportation is flexibility and speed, but not for the size of the transport capacity and cost

Communication is the most talked-about field, easy to access due to the expansion of the internet network, shifted the existence of tools such as facsimile, telegram, or post. E-mail facilities that are easy, inexpensive, and fun with a variety of exciting features now become the foremost choice. The internet is also a powerful weapon for marketing, given the increasingly increasing public consumption of the internet. Networks also facilitate communication between employees and the board of directors. Informal relationships now are more needed because they are considered to have a significant impact on strengthening relations. Aside from the internet, TV and radio remain the most significant focus of public consumption that companies use mainly and advertise. Increasingly diverse and quality TV programs now adding certain parties' interests. For instance, Automotive events initiated by transportation companies now adorned many screens. The possibility of exchanging resources within one another is minimal, but technological development makes it possible, even though sometimes it expensive.

## **2 OBJECTIVES OF THE STUDY:**

1. To analyze the role of information technology in business development.
2. To study the impact of information technology in different activities of the business.

## **3 RESEARCH METHODOLOGY:**

The data for this research paper is totally secondary in nature. An effort has been made to study the role of information technology in business development. Data has been collected from several newspapers, journals and websites related to information technology

## **4. Results and Discussion**

The information system is substantial in many companies/organization; the main components included are hardware, software, brain ware (human resources), and network. These types of equipment are applicable to improve and raise work productivity, efficiency, effectiveness, and assist in the achievement of the organization's goals. Through the utilization of organizational information systems, internet technology has become an arena of survey of experts and practitioners — several business opportunities created due to this. Since the internet works as a business facility in the 1990s, the activities of various companies

seemed never to stop. Virtual shops are open 24 hours to exchange information and transactions. The using of information systems and internet technology by business organisations has given birth to e-business. There are 3.9 billion internet users in the world, up to over 3.65 billion in the last year (ITU, 2018). According to internet world stats data shows that Asia has the highest number of internet users around globally. More than 2 billion of Asia's people are using the internet. Due to this fact indicate that most Asian companies using internet services in their business activities, like paying bills, transfer money, exchange of information and communication. The second region which has most numbers of internet user in Europe, in 2018, Europe had more than 700 million internet users compared to Africa, which had more than 450 million internet users. The Middle East and Oceania/Australia. Region has a lower number of internet users.

#### **4.1. The Role of Technology in the Company/Organization**

Technology is significant in the development of any company and organization; it plays a substantial role in boosting the economy of a particular company, the following are fundamental roles of information technology in a company such as

1 Information technology can help through

- Communication
- Inventory management
- Management Information Systems
- Customer Relationship Management

2. Operational functions make the organization structure more streamlined, and its functions are taken over by information technology. Due to the nature of use that spreads throughout the organization's functions, units related to information technology management carry out its functions as supporting agencies where information technology is considered as a secure infrastructure.

3. The Monitoring and control function, imply that the existence of information technology is an inseparable part of the activity at the managerial level embedded in each manager's function, so that the organizational structure of the unit associated with it must be able to have a span of control or peer relationship that allows for effective interaction with managers in related companies

4. The Planning and decision function, as an elevates information technology to a more strategic role because of its existence as an enabler of a company's business plan and is a knowledge generator for company leaders who are confronted with reality to make some critical decisions every day. It is not uncommon for companies to ultimately choose to place the information technology unit as part of the corporate planning and development function because of the strategic functions mentioned above.

5. The function of Communication, in principle, included in firm infrastructure in the era of modern organizations where information technology placed as a medium for individual companies in communicating, collaborating, cooperating, and interacting.

#### **4.2 Advantages of Information Technology in Business development**

Since the computerized system so widely used, it is advantageous to incorporate information technology into the organization. Information technology provides tremendous benefits to the business world such as allowing the organization to work more efficiently and to maximize productivity. Among the advantages of information technologies in business are:

- Storing and Protecting Information
- Working away
- Automated Processes
- Communication

#### **4.3. Effect and Role of Information Technology in Business**

In recent days there is an explosion of information; information is vital for operations management activities. Many information outcomes in some companies being carried out by human being and partly carried out by machines; as a result, the idea arises to overcome the problem of humans and machines having to form a joint system with the results obtained from dialogue and interaction between machines (computers) and human processors. Information technology is one of the things needed in global business development. Indeed, we can say that Information Technology (IT) is a critical factor for the development of global business nowadays. Everywhere already using IT inside process the business activities. The influence and role of IT on the development of online business include:

1. IT facilitates the dissemination of information can develop online business in various regions of the world. such as e-commerce used by companies selling books, music, videos, games and electronic goods
2. The experts in the IT field also assist in expanding and growing online businesses on the internet. A significant number of experts in the IT field lead to the improvement of many online business systems. Online businesses are very vulnerable to credit card tapping, which causes consumers' disinterest in this business. Nevertheless, with the amelioration of the system, the confidentiality of consumer identity, the product again the trust to buy needs they want online.
3. Online businesses are popular because of the flexibility. Seller does not need to be in the shop to wait for customers, but with computers and connectivity, the seller can sell the products throughout the country and outside. Purchasers do not have to tire out to buy their needs, because by only buying online, the purchased goods c delivered directly to his address.

## **5 Conclusion**

The influence and role of information technology have indirectly made the business flourish. Because with information technology, a company can increase the need for time and cost efficiency. The more advanced technology also has a negative and positive impact on business, which makes it easier to increase production and income but on the other hand much work that was initially done by humans can be replaced by technology, this is a threat to all workers who are experts in this context because their position is taken with technological . in general, the role of information technology in the global business has many tremendous positive impacts than negative impacts. The influence and role of IT on the development of business and economic performance are as follows.

Information technology makes it easy to dissemination information and the advance of online business in different areas of the world without knowing the period, limitation and boundaries of the countries. For instance, an e-commerce that applied by companies to sell a variety of commodities. Currently, many people are experts in the IT field; it assists in advancing and growing an online business through the internet. Therefore, due to many experts in the IT field, online businesses can experience advancement and improvement in terms of the system. System improvement is made to overcome the



vulnerability of e-commerce against credit card tapping that can decrease consumers of a business.

Nevertheless, through the awareness of consumer confidentiality, systems can be maintained, and consumers can trust again to buy products via the internet. Online business is the most popular platform because of its simplicity. Also, online businesses do not need always to be there to supervise and wait for customers, but with a system that has been made in such a way as to run it automatically. Internet connections that are increasingly easy and affordable due to IT advancements also lead to prosperity in online businesses. Therefore the entry of the information technology period in the global business brings a positive impact on the business progress, in the period of information technology; a business can run without distance and time. Besides doing business today can run without the need for substantial costs, for example, is conducting business by using the internet. Also through a business such as export and import of goods and services, payment of taxes, exchange of money, creation of employment and other merits facilitate the outstanding performance of the economy, this enables the growth of national income. Therefore, the author recommends the companies to improve their services and to be innovative in using information technology in their business this will enable the company to earn a supernormal profit, grow and advance.

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