

## **ENHANCING ENTERPRISE COMPETITIVENESS THROUGH THE PROMOTION OF MANAGEMENT INFORMATION AND BENCHMARKING TOOLS**

*Priyantha Jayawardene*

*Lalith Goonatilake*

### **ABSTRACT**

*Many developing countries embarked upon industrialization as the major means of achieving economic growth. In the new globalized era, the survival and growth of enterprises would depend on their competitiveness. The UNIDO developed a set of software packages (BESTÓ, FITÓ, and PHAROSÓ) to assist enterprises establish performance targets and monitor key enterprise performance indicators. Such software tools enable enterprises to reap the benefits of the ongoing "information revolution" and direct it to support enterprise competitiveness development.*

*Small and medium enterprises (SMEs) in developing countries have limited managerial capacities. The use of IT tools could enhance the management capabilities and enterprise performance of SMEs. However, IT tools cannot be readily applied in developing country enterprises due to a number of constraints. First, most SME managers have limited capacities to apply TQM, cost accounting and operations management*

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**Dr Priyantha Jayawardene** is Senior Lecturer, Department of Industrial Management / Center for Enterprise Management Information Services, University of Kelaniya, Sri Lanka and **Dr Lalith Goonatilake** is Senior Industrial Development Officer, UNIDO, Vienna.

*systems (even manual systems are absent). Second, most software vendors lack requisite operations management training to install off-the-shelf software in an enterprise that does not first have the parallel manual system.*

*To address these developing country shortcomings, the UNIDO in 1998 established a "Centre for Enterprise Management Information Services" (CEMIS) in Sri Lanka. The strategy was to first present the UNIDO tools as the ideal performance indicators. Most managers aspire to have such benchmarking tools, but soon realize that initially they need to have manual systems related to production planning, inventory control and cost accounting. CEMIS provides training and consultancy in these vital areas and has created a greater awareness among SMEs on the benefits information technology can bring to them in enhancing competitiveness. With the initial interest shown and the feedback obtained, the Center is now developing additional software modules and training packages to supplement the UNIDO tools. These interventions would facilitate both the diffusion of IT benefits to developing country SMEs and in the long term enhance their competitiveness in the emerged global market place.*

**Key words:** *Competitiveness of SMEs, Computer-Based Support Tools.*