

## **ROLE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY IN MANAGING SMALL AND MEDIUM ENTERPRISES IN GOMBE STATE, NIGERIA**

**BY**

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### **Abstract**

*Small and Medium Enterprises (SMEs) play a vital role in economic development of every developing country. Previous researches have shown that SMEs employ a high percentage of labour in all developing countries and contribute a lot to the growth in their output. Considering the role of SMEs in economic development, recently, the Nigerian government has been paying attention to SMEs. Information and Communication technology (ICT) plays an important role in the growth and development of SMEs. However, the government has ignored ICT in its efforts to foster the growth and development of SMEs. This study aims to assess the level of ICT adoption by SMEs in Gombe State. The survey methodology is adopted in this study where structured questionnaires are administered to 275 randomly selected SMEs in Gombe State on ICT utilization. The study finds that over 89% of SMEs in Gombe State do not use computer in their operations and that lack of ICT knowledge tops the factors responsible for the non-utilization of ICT by SMEs in the State. It is therefore recommended that Government should exert efforts towards organizing sensitization campaigns and public awareness on the contributions of ICT and its usage by SMEs in the growth and development of modern businesses. Moreover, efforts should be intensified by the government in providing financial support in form of loans at cheaper interest rates to SMEs in Gombe, so as to move the state's economy to the next level.*

**Key Words:** *SMEs, ICT Adoption, growth and development, non-utilization of ICT, sensitization campaigns.*

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### **Introduction**

Researches have shown that Small and Medium Enterprises (SMEs) play a vital role in the economic development of both developed and developing countries as they are primary sources of employment creation. Observing the role of SMEs in economic development, recently in Nigeria, a great deal of attention has been given to SMEs. The government has been bringing out several initiatives to assist in the growth and development of SMEs in the country. Examples of such initiatives include the Youth with Enterprise in Nigeria (YouWiN), the CBN SME Investments Scheme, the CBN MSME Development Fund, etc. Similarly, Small Business Administration (SBA) report (2000) showed that about 75 percent of the 2.8 Million new jobs created in USA in the year were created by the SMEs. The same story emerges in many other economies (Ojukwu, 2006). Moreover, SMEs are critical agents of economic transformation as they account for more than 50 percent of Gross Domestic Product (GDP) of developing economies. They constitute main source of innovation and technological development; source of supply of both human capital (Since nowadays, most employees of corporations had to engage into one SME or another after graduation to make ends meet before securing jobs with the larger corporations); and source of raw materials to larger businesses and main source of entrepreneurship and enterprise (Sanusi, 2003).

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Information and Communication Technology (ICT) has a vital role not only in the growth of small firms but also in the growth of big corporations and multinationals. ICT is a broad term for a “wide range of software, hardware, telecommunications and information management techniques, applications, and devices that are used to create, produce, analyze, process, package, distribute, receive, store and transform information (Barba-Sanchez, Et Al., 2011).

Over the past few decades, ICT has been adopted by many organizations to give them an edge over their competitors, allow for flexibility in their processes, pave ways for easier and faster access to information and saving costs. Carr (2005) asserts that nowadays, in the business world, IT has become so common that some people assert that it is no longer an advantage, because almost everybody is using it, just like they use electricity.

Despite its advantages, ICT adoption by SMEs in Nigeria is very low as it is inhibited by many factors. Apulu and Ige (2011) find that Lack of Electricity, infrastructural facilities, poor service from ISP providers, financial constraints and knowledge gap are some of the major constraints to ICT adoption by SMEs in Nigeria. Because of their simplicity and small capital requirement, small and medium enterprises are easier to establish than a large corporations. As a result of this, more SMEs are established every day. And as the number of SMEs increases, competition increases. This in turn results in slower growth rate for the SMEs as profits get lower due to price reduction to compete favourably in the market (Kotelnikov, 2013). SMEs that operate in industries where large corporations and multinationals act as competitors find it more difficult to strive, as the corporations and multinationals have advantage of economies of scale and can react much faster to changes in the market due to availability of finances. ICT adoption by SMEs can be used to reduce cost of operations and enhance easy access to information. Moreover, to integrate into global competition and perform favourably, SMEs must adopt ICT in their processes (Chacko and Harris, 2005).

Hence, this paper studies the extent of ICT adoption by SMEs in Gombe State, highlights the barriers to ICT adoption by SMEs and suggests ways to counter these barriers and encourage SMEs to harness the power of ICT in their processes so as to enhance growth and development.

## **Review of Related Literature**

### **Concept of Small and Medium Enterprises**

Small and Medium Enterprise (SME) have been defined in different ways by different authors. The definitions vary due to size of the enterprise, number of employees and their scale of operation. In its booklet of *Guidelines For The Operation Of Micro, Small And Medium Enterprises Development Fund For Nigeria*, the Central Bank of Nigeria (CBN) defines Small and Medium Enterprises (SMEs) as entities with asset base of Five million Naira and not more than Five hundred million Naira(excluding land and buildings) and with labour force (employees) of between eleven and two hundred (CBN, 2013: Pp. 25).On the other hand, the Small and Medium Sized Development Agency of Nigeria (SMEDAN) defines a micro enterprise as a business with less than ten employees and an annual turnover of less than Five hundred million Naira?; a small enterprise as a business with employees between ten and forty nine and an annual turnover of five to Forty Nine Million Naira; and a medium enterprise as a business with fifty to one hundred and ninety nine employees and an annual turnover of fifty to four hundred and ninety-nine million Naira.

The Nigerian National Council on Industry sees a Small Scale Industry as an industry with a labour size of eleven to one hundred workers or a total cost of not more than Fifty Million Naira, including working capital but excluding cost of land and a Medium Scale Industry as an

industry with a labour size of between one hundred and one to three hundred workers or a total cost of over Fifty million Naira but not more than two hundred million Naira, including working capital but excluding cost of land. (National Council of Industry, 2001)

For the purpose of this study however, looking at the nature and size of most businesses in Gombe state, Small Enterprises are defined to mean all firms with operating capital of less than Five million naira and total number of employees less than fifty while medium Enterprises are defined to mean all firms with operating capital of between Five million and Ten Million Naira and total number of employees between fifty-one and two hundred.

### **Concept of Information and Communication Technology**

ICT is the acronym for Information and Communications Technology. In her paper on ICT definition, Zuppo (2012) observes that the scope of the definition of Information and Communication Technologies (ICT or ICTs) has been utilized within diverse contexts including economic development, education, IT, business and personal usage. However, Information Technology Infrastructure Library (ITIL, 2001) defines ICT as the application of science to the processing of data according to programmed instructions in order to derive results. Kelly, et al. (2004) see ICT as learning about new technologies and how to make the most effective use of them for personal, pedagogical and administrative purposes.

Similarly, in the Nigerian context, Adomi and Kpangban (2010) see ICT as electronic technologies used for information storage and retrieval. For this study, the definition given by Adomi and Kpangban (2010) is adopted with a little modification. Hence ICT in the context of this study and in relation to its application in SMEs, is defined to mean the adoption of electronic technologies by any business for data processing, information storage, retrieval and sharing within and outside the business entity to facilitate operations and enhance communication. For the purpose of this study, 'Computer' refers to any device that performs arithmetic and logical operations based on programmed instructions. In other words any device that is so constructed that it can perform a complicated sequence of arithmetical and logical operations at high speed without human intervention is referred to as computer (Karl, 1961).

### **The Role of Information and Communication Technology in Small and Medium Enterprises**

Many researchers have found that SMEs and indeed, large and multi-national organizations can improve their productive capacity by using the benefits of the Information and Communications Technology (See Esselaar and Stork [2006]; Harrigan and Schroeder [2010]; North and Smallbone [2001] Parrilli and Elola [2012]; etc.). ICT adoption enhances productivity in multinationals, large corporations and SMEs. For instance, Customer Relationship Management (CRM) software applications play a critical role in creating and sustaining customer relationships, however, SMEs hardly adopt CRM (Harrigan and Schroeder, 2010).

In their study of internet usage by SMEs in the US, Roy and Kshetri (2004) find that specific factors contribute to the SMEs' involvement with the Internet - prior technology use and the customer service subscale of perceived competitive pressure, influence both stages of Internet adoption. They also observe that past media usage does not explain SME behavior - in terms of adoption of internet usage in business.

In his study on 40 Nigerian SMEs from across 5 industry sectors, Ojukwu (2006) concludes that increased investment in ICT (particularly, Integrated Business and Information Solutions) results in increased growth in the SMEs. Similarly, Olaoye, Et Al. (2012) observe in their study

on SMEs in Nigeria that ICT has a major role to play in the development of start-up enterprises, most of which are novel creations in their own rights. They also conclude that SMEs venturing into ICT created opportunities for addressing the yearnings for employment and job creation for the youth in Nigeria. Finally, they assert that limiting factors such as poor access to financial assistance and poor marketing skill and orientation constitute challenges which any budding entrepreneur need to tackle to achieve sustainability of the established venture.

Speaking at the World Economic Forum on Africa 2014 SME Summit in Abuja, the Minister of Communications Technology, Mrs. Omobola Johnson, identified multiple taxation, inadequate infrastructure and vandalism as major challenges impeding the full growth and development of the Nigerian Information Communications Technology (ICT) sector. The minister pointed out that one of the biggest mechanisms for job creation, sustainable growth and inclusiveness is to support the growth and development of SMEs and leveraging on ICT to increase the growth and productivity of SMEs.

### **SMEs and ICT in Nigeria**

Given the benefits that ICT can bring to SMEs, SMEs not only in Nigeria, but in most developing countries still have been slow to adopt ICT. For example, over 90 percent of Nigerian SMEs still use paper and pen to record transactions (Ikem, Et. Al., [2013]; Maseko and Manyani, [2011]; Amoako1, [2013]). Meanwhile, their counterparts in developed countries use advanced computer software, both in processing and recording their transactions. In their study of ICT adoption by SMEs in the UK, Helen S., Ronan M. and Dolores O. (2003) find that characteristics of the firm and industry sector are contributory factors to the extent of adoption and exploitation of ICTs by SMEs, to support business processes. Lack of proper knowledge, education and skilled owner-managers and employees within the enterprise have been found to be a major barrier to ICT adoption by SMEs in Spain, Portugal, Poland and the USA – as against lack of access to information technology (Lukasz A., 2008).

Kotelnikov (2013) summarizes the main reasons why most SMEs do not adopt ICT as:

- a) Lack of stable and affordable Electricity Power.
- b) Poor communications infrastructure results in limited access and higher costs.
- c) Most advanced ICT products are designed for larger firms and not SMEs.
- d) Limited ICT Literacy of SME Owners Hinders their Ability to Choose the Appropriate Technology.
- e) Limited ICT literacy of employees in SMEs hinders ICT adoption.
- f) Fear of the unknown and Resistance to change.
- g) Lack of financing options limits SME ability to purchase ICT.

In their paper on SMEs and ICT adoption in Abuja, FCT – Nigeria, Ladokun, et al, 2013). identified poor telecommunication infrastructure, limited ICT literacy, inability to integrate ICT into business processes, high costs of ICT equipment, incomplete government regulations for e-commerce, legal and regulatory issues, weak ICT strategies, lack of research and development, excessive reliance on foreign technology and weaknesses in ICT implementation as factors that hinder the adoption of ICT by SMEs in Nigeria. They argue that poor telecommunication infrastructure tops the list of factors responsible for the inability of SMEs in Nigeria to utilize ICT in their operations. Consoli (2012) suggests that for good business performances it is important for SMEs to align their organizational and productive processes with ICT tools available. This will ease ICT adoption and allow for better utilization of the tools.

### Data and Methodology

For the purpose of this study, the survey methodology is adopted using both qualitative and quantitative approaches in collecting data. To assess the level of ICT adoption by SMEs structured questionnaires were administered to SMEs in Gombe state, Nigeria. SMEs constitute a high percentage of the business environment in Gombe State. A list of registered SME's was obtained from the Gombe State Ministry of Commerce and Industry. Out of the 1,102 SME's in the register, 912 are marked functional by the ministry. Based on this, a sample size of 290 SMEs (representing 32% of the population) were randomly selected and a total number of 290 questionnaires were distributed to each of the selected SME's. Out of these, 282 were returned, out of which 7 were invalid. Hence 275 (95% of the 290 administered questionnaires) were correctly filled and hence analyzed in this study.

Analysis was carried out on the responses from the questionnaires using Stata computer package. Frequency distribution tables and other descriptive statistics (including averages, variances, correlations and standard deviations) were generated from the responses to arrive at the results of the study.

Also to enable assessment of the impact of sector on adoption of ICT by the SMEs, responses are grouped by sector and analyzed using descriptive statistics. Moreover, the impact of gender in ICT adoption is assessed by analyzing the gender of the SMEs' owner/manager against responses obtained in respect of the SME's, also using descriptive statistics.

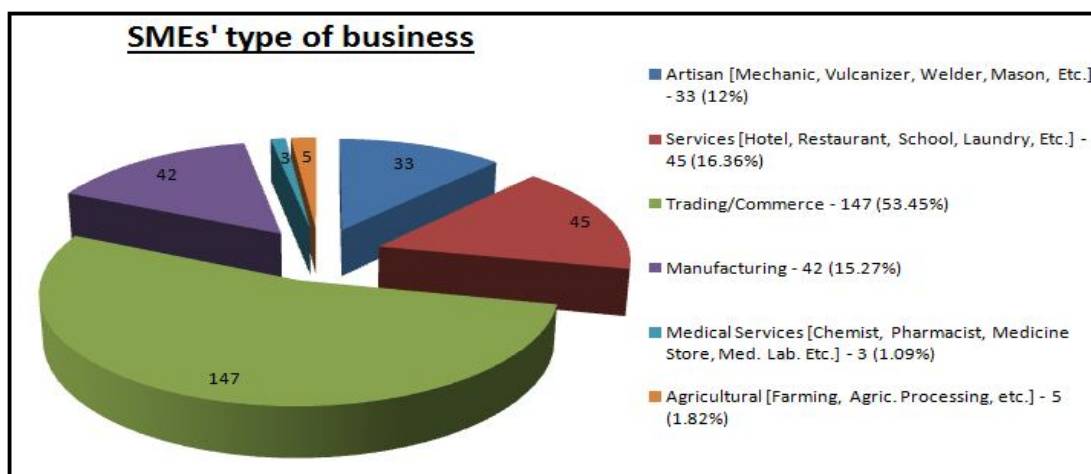
Among the barriers to ICT adoption by SMEs, the factors considered in this study include cost and availability of ICT equipments, availability and access to electricity/power supply, security and years of experience in business, management's and employees' knowledge of ICT. Analysis was carried out on the responses obtained using simple percentages.

### Results and Discussion

Findings from analysis of the data gathered for the study are discussed in this section.

Figure 1 shows an analytical breakdown of the types of businesses run by the 275 randomly selected SME's in the survey.

**Figure 1: Types of Businesses by SMEs**



It can be observed from figure 4.1 that over 53% of SME businesses in Gombe State are into trading/commerce, hence the claim by some Gombe state residents that it is the commercial nerve centre of the North-Eastern Nigeria. Surprisingly, only about 2% of the SME's contacted

are engaged in Agricultural business, which is claimed to be the majority labour-employing sector in the state. This indicates that either most of the people engaged in Agricultural businesses in the state are subsistence farmers or their businesses are not registered with the State ministry of commerce and industry – which is the stem data source for this study. Table 4.1 shows an analysis of responses from the respondents on some selected questions on their businesses.

**Table 1: Responses by SMEs on their Businesses**

Question	Response	No. of Respondents	Percentage (%)
1. How Many People Own Your Business?	1	179	65.09%
	2	49	17.82%
	3 – 5	27	9.82%
	More than 5	20	7.27%
<b>Total</b>		<b>275</b>	<b>100.00%</b>
2. What is the age bracket of the majority owner or general manager of your business?	Less Than 18Yrs	2	0.73%
	18 - 25 Yrs	66	24.00%
	25 - 39 Yrs	142	51.64%
	40 - 60 Yrs	61	22.18%
	Above 60 Yrs	4	1.45%
<b>Total</b>		<b>275</b>	<b>100.00%</b>
3. What is the gender of the majority owner/general manager of your business?	Male	244	88.73%
	Female	31	11.27%
<b>Total</b>		<b>275</b>	<b>11.27%</b>
4. What is the Marital Status of the majority owner or general manager of your business?	Single	43	15.64%
	Married	218	79.27%
	Don't Want To Answer	10	3.64%
	Widowed	3	1.09%
	Divorced	1	0.36%
<b>Total</b>		<b>275</b>	<b>100.00%</b>
5. How many years of experience does the majority owner or general manager have in managing a business?	Less Than 1 Yr	5	1.82%
	1 - 3 Yrs	166	60.36%
	4 - 6 Yrs	0	0.00%
	7 - 10 Yrs	35	12.73%
	6 Yrs	30	10.91%
	Above 10 Yrs	39	14.18%
<b>Total</b>		<b>275</b>	<b>100.00%</b>
6. Which of the following describes how your business started?	From Scratch	170	61.82%
	Took Over in Other Ways	16	5.82%
	Inherited From A Parent	47	17.09%
	Bought/Acquired From Someone	36	13.09%
	Don't Know	6	2.18%
<b>Total</b>		<b>275</b>	<b>100.00%</b>
<b>Question</b>	<b>Response</b>	<b>No. of Respondents</b>	<b>Percentage (%)</b>
	Less Than N50,000.00	48	17.45%

7. What is the present size of capital for your business?	N50,000.00 - N100,000.00	81	29.45%
	N101,000.00 - N500,000.00	89	32.36%
	N501,000.00 - N1,000,000.00	19	6.91%
	N1,001,000.00 - N5,000,000.00	27	9.82%
	N5,001,000.00 – N10,000,000.00	11	4.00%
	More Than N10,000,000.00	0	0.00%
<b>Total</b>		<b>275</b>	<b>100.00%</b>
8. What is the source of capital for your business?	Personal Savings	193	70.18%
	Loans From Family/Friends	18	6.55%
	Grants From Family/Friends	31	11.27%
	Inheritance	21	7.64%
	Loan From Bank	6	2.18%
	Other Sources	3	1.09%
	Dont want to answer	1	0.36%
	Loan From Co-operative Society	2	0.73%
<b>Total</b>		<b>275</b>	<b>100.00%</b>
9. How many locations does your business have (including warehouse)?	1	156	56.73%
	2	66	24.00%
	3 – 5	44	16.00%
	6 – 10	2	0.73%
	More Than 10	7	2.55%
<b>Total</b>		<b>275</b>	<b>100.00%</b>
10. Does your business require additional financing?	Yes	250	90%
	No	25	10%
<b>Total</b>		<b>275</b>	<b>100.00%</b>
11. How many employees does your business have?	1	50	18.18%
	2 – 5	146	53.09%
	6 – 10	44	16.00%
	11 – 50	32	11.64%
	51 – 200	3	1.09%
	More Than 200	0	0.00%
<b>Total</b>		<b>275</b>	<b>100.00%</b>

**Source: Researchers Compilation From Questionnaires**

It can be gathered from the table that over 65% of the SME's contacted are sole proprietorship businesses, as 179 of the 275 SMEs are owned by only one person.

It is also clear that youth own/manage most of the SME businesses in Gombe State, as over 75% of the SMEs contacted are owned or managed by persons between the age of 18 and 39. Moreover, most SMEs (over 88%) are owned or managed by males; hence there is the need for

sensitization of women to engage more in SME’s. It is also clear that most SMEs in Gombe state are owned or managed by married people. It is also clear that most of the SMEs contacted are small businesses which started from the scratch (62%) with personal savings as source of capital (70%), and which have less than 6 employees (71%), less than 3 locations (80%), less than 4 years of experience (62%) and with present total capital of less than N500,000.00 (78%). Also 90% of the respondents indicated that their business require additional financing to foster growth. Table 4.2 shows an analysis of responses from the respondents on ICT usage, power supply and problems face by the SME’s contacted in their businesses.

**Table 2: Responses by SMEs on ICT Usage**

<b>Question</b>	<b>Response</b>	<b>No. of Respondents</b>	<b>Percentage (%)</b>
12. Which of the following external problems is the major threat your business faces?	Financing - inadequate capital	165	60.0%
	Government Regulations – reports	18	6.5%
	Increased Competition	20	7.3%
	Low patronage	1	0.4%
	None	5	1.8%
	Power Supply	63	22.9%
	Unstable Demand/Sales	3	1.1%
<b>Total</b>		<b>275</b>	<b>100.0%</b>
13. Which of the following internal problems is the major threat your business faces?	Bad Debt	4	1.5%
	Employee Fraud	18	6.6%
	Insecurity (Theft, Robbery, Etc.)	56	20.4%
	Maintaining Sufficient Cash-flow	117	42.6%
	Managing Debt/Credit	32	11.6%
	None	15	5.5%
	Record-Keeping	33	12.0%
<b>Total</b>		<b>275</b>	<b>100.0%</b>
14. Do you use computer in your business?	No	245	89.1%
	Yes	30	10.9%
<b>Total</b>		<b>275</b>	<b>100.0%</b>

<b>Question</b>	<b>Response</b>	<b>No. of Respondents</b>	<b>Percentage (%)</b>
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15. Among the following, which is the major hindrance to computer usage in your organization?	Availability of ICT equipments	0	0.0%
	Cost of ICT equipments	5	1.8%
	Electricity/power supply	63	22.9%
	Employees' knowledge of ICT	16	5.8%
	Management's knowledge of ICT	169	61.5%
	Security (Fear of Fraud)	22	8.0%
<b>Total</b>		<b>275</b>	<b>100.0%</b>
16. Have you ever had any practical training in computer?	No	215	78.2%
	Yes	60	21.8%
<b>Total</b>		<b>275</b>	<b>100.0%</b>
17. Do you agree that using computer will enhance performance and profitability in your business?	Strongly Agreed	158	57.5%
	Agreed	59	21.5%
	Don't Know	30	10.9%
	Disagree	17	6.2%
	Strongly Disagreed	11	4.0%
<b>Total</b>		<b>275</b>	<b>100.0%</b>
18. Do you use mobile phone in your business?	No	1	0.4%
	Yes	274	99.6%
<b>Total</b>		<b>275</b>	<b>100.0%</b>
19. Do you use mobile phone to transfer funds to your customers?	No	272	98.9%
	Yes	3	1.1%
<b>Total</b>		<b>275</b>	<b>100.0%</b>
20. If No, why?	Fear of Fraud	168	61.8%
	I don't know how to do it	43	15.8%
	I don't have a phone that can do that	16	5.9%
	I do not keep money in the bank	9	3.3%
	Other reason	36	13.2%
<b>Total</b>		<b>272</b>	<b>100.0%</b>
21. Do you use mobile phone to pay your business bills (water/electricity, etc)?	No	275	100.0%
	Yes	0	0.0%
<b>Total</b>		<b>275</b>	<b>100.0%</b>

Question	Response	No. of Respondents	Percentage (%)
22. Do you save the names and addresses of your customers/suppliers on your mobile phone?	No	274	99.6%
	Yes	1	0.4%
<b>Total</b>		<b>275</b>	<b>100.0%</b>
23. Do you use your mobile phone to browse for products before purchasing or to advertise your products?	No	107	38.9%
	Yes	168	61.1%
<b>Total</b>		<b>275</b>	<b>100.0%</b>
24. Which of the following alternate sources of power supply do you use in your business?	Solar Panels	15	5.5%
	Inverter	22	8.0%
	Rechargeable Fans/Lights	111	40.4%
	Generator	85	30.9%
	None of the above	42	15.3%
<b>Total</b>		<b>275</b>	<b>100.0%</b>
25. Which of the following Social Networking sites/tools do you maintain account with?	WhatsApp	245	89.1%
	Facebook	187	68.0%
	Twitter	54	19.6%
	MySpace	7	2.5%
	BBM	45	16.4%
	Other	30	10.9%
25. Which of the following Social Networking sites/tools do you often use in your business?	WhatsApp	232	84.4%
	Facebook	111	40.4%
	Twitter	2	0.7%
	MySpace	0	0.0%
	BBM	8	2.9%
	Other	3	1.1%

**Source: Researchers Compilation From Questionnaires**

It can be gathered from Table 2 that lack of enough capital is the biggest challenge faced by the SMEs as 60% of the SMEs contacted ranked it as their biggest challenge and more than 42% of them have difficulty in maintaining sufficient cash flow. It is also clear that ICT usage by SMEs in Gombe state is very low as only 30 (about 10%) out of the 275 SMEs contacted use computers in their businesses, even though 21% of the SME owners/managers contacted indicate that they have had practical computer training before. It is also evident that ICT knowledge is grossly lacking amongst SMEs in Gombe, as over 67% of the SMEs contacted indicate that lack of computer knowledge both on part of the management/owners of SMEs (61.4%) and on the part of their employees (5.8%) hinder their ability to use computers in their businesses. However close to 80% of the SMEs contacted agreed that using ICT in their businesses will enhance performance and profitability of their businesses.

In effect, the government in its efforts to strengthen SMEs in Gombe should be mindful of the fact that most SMEs in Gombe state are more of small than medium enterprises and interventions/policies should be geared towards supporting smaller businesses as they constitute a high percentage of the SMEs that require more financial support. Moreover, sensitizations and public awareness on ICT usage in businesses should be encouraged in Gombe state to foster growth and development of the SME sector in the state. On the use of mobile phone in business, it can be gathered from the table that more than 99% of the SMEs contacted use mobile phone in their businesses. However, less than 2% of them use mobile phone to transfer funds and over 60% do abhor use of mobile phone in money transfer due to fear of fraud. Moreover, none of the SMEs contacted use mobile phone to settle their business bills. Hence confidence in the financial system is very low. Also almost all of them (99.6%) use the mobile phone in saving the names and addresses of their customers/suppliers. On using the mobile phone to access the internet for business enquiries, more than 60% of SMEs answered in the affirmative. Only about 5% use Solar panels (and about 8% use Inverters) as alternate source of power in their businesses, even though there's plenty sun light in Gombe State. Lastly, close to 90% of them have WhatsApp on their phone but only about 84% use the application for businesses.

### **Conclusion and Recommendations**

The result of this study reveals that lack of ICT knowledge tops the factors responsible for the non-utilization of Computer by SMEs in Gombe state, hence the National Orientation Agency (NOA) Gombe branch in conjunction with the Gombe State Government should exert efforts towards organizing sensitization campaigns and public awareness on the contributions of ICT in general and its usage by SMEs in the growth and development of modern businesses. Also efforts need to be made to restructure the power sector in Nigeria so as to improve power supply which is the next leading factor that hinders ICT utilization by SMEs in Gombe. Moreover, the study reveals that business applications on the mobile phone have great opportunity in Gombe as most SMEs utilize mobile phone in their businesses. Lastly, efforts should be intensified by the government in providing financial support in form of loans at cheaper interest rates to SMEs in Gombe. This will foster growth of SMEs in the state, which will, in turn assist in deriving the economy.

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