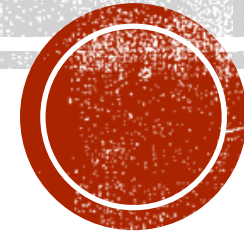


Digital Transformation of Micro-Enterprises in Ghana



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Motivation

- Micro-enterprises were severely impacted by COVID-19. In Ghana, amongst all firms:
 - 36% had to close during lockdown
 - 16% continuing to be closed in later months
 - 88% of firms experienced reduction in sales
 - 38% of firms report that they reduced workers' wages
 - Less than 10% of firms adopted digital solutions in doing business
- Micro enterprises struggle with digital transformation, however, digital technology offers new business models and opportunities
- Research questions:
 - How can micro-enterprises digitally transform their business?
 - What unanticipated benefits and challenges are experienced by micro-enterprises that digitally transform (e.g., growth of employees, more revenue, flexibility etc).
 - What support is needed from government and the Fintech sector to help micro-enterprises digitally transform?



METHOD

- Primary data from Ghana: Fieldwork/interviews with micro-enterprises, government agencies, technology firms

Micro-enterprises	Government agencies	Technology firms
Owner run, typically run online, and selling: clothes, IT services, food, fabric, handicraft, appliances etc.	Bank of Ghana/GhiPSS	Telco, FinTech firms, technology providers etc.

- Secondary data: Ghana Statistical Service, World Bank Findex survey



Profile of a digital micro-enterprise

	Spreadsheet /word processing, storing files	Website	WhatsApp, Telegram etc	Facebook, Instagram etc	DropBox, Google Docs etc	Online/mobile banking	Mobile money payments	Mobile money loan	Selling platform (e.g. Jumia)
Frequency	Medium	-	High	High	Low	Low	High	Low	Low
Use	Admin tasks	-	Communication	Advertising platform	Store data	Banking activity	Payments	Start up phase	Reaching markets

How do/did micro-enterprises undergo digital transformation during/after COVID-19?

Through “digital resource bricolage”



/ˌbrɪkəˈlɑːʒ/

noun

(in art or literature) construction or creation from a diverse range of available things.
"the chaotic bricolage of the novel is brought together in a unifying gesture"

- something constructed or created from a diverse range of things.
"bricolages of painted junk"

Benefits for micro-enterprises:

- More flexible work
- More customers/sales
- Reduced overheads
- Safer, affordable, secure
- More efficient processes
- Further innovation/products/services



Government

Characteristics	Details
About	Subsidy of the Central Bank of Ghana, responsible for the technical implementation of government-led financial services technologies
Services	Mobile money interoperability, instant payment, GhQR, cheque clearing, etc.
Support for micro-enterprises digital transformation	Enable micro-enterprises to receive payment across different mobile money providers free of charge through a GhQR code technology. Removing charges on “financial transactions” during COVID-19.



Technology firms

Characteristics	Mobile Money Provider	FinTech Firms	Technology Infrastructure Provider
About	Leverage mobile phone numbers as unique account numbers to offer digital financial services	Streamline and enhance the deliver of financial services	Develops and manages the technology infrastructure for mobile financial services
Services	Mobile money transfer, micro-loan, bills payment, etc,	Payment aggregation, development of digital financial services, etc.,	Mobile money USSD technology, credit scoring platform, micro-loan platform
Support for digital transformation	Enable micro-enterprises to use personal mobile money accounts to receive payment, pay suppliers, save, and borrow to support their businesses	Enable micro-enterprises to receive digital payments via online platforms	Provides the underlying technology for micro-enterprises to use phone numbers as pseudo bank accounts to perform financial transactions



Preliminary implications

- Digital transformation of micro-enterprises can be an organic form of bottom-up development driven by agency and entrepreneurial activity.
- Digital resource bricolage is a dynamic strategy adopted by some entrepreneurs that helps them to overcome environmental limitations and adapt during COVID-19.
- Digital transformation has several taken-for-granted advantages for micro-enterprises during COVID-19. The technologies they rely on are used in everyday contexts, easier to handle, take up less physical space, are low cost or free and tie into societal behavioural shifts.
- Technology providers are now keener to directly provide tailor-made services for micro-enterprises instead of allowing them to appropriate technologies purposes designed for individuals.
- Digital transformation of micro-enterprises, especially during COVID-19 has demonstrated their value and the government is now keen to formalise their operations for taxation purposes.
- Digital transformation practices (e.g., fee caps, increased transaction limits) as result of COVID-19 have become norms.



Next Steps

- Data collection and analysis: Access more organizations that may be able to give us an overview of the micro-enterprise landscape. Interview more micro-enterprises.
- Build on the notion of 'digital resource bricolage' as a viable and desirable digital transformation strategy for micro-enterprises that should be supported.
- Develop strategies for born-digital and non-digital micro-enterprises towards sustainable digital transformation.
- Profess recommendations on how governments, and their agencies, technology firms, etc, can support micro-enterprises to build resilience against future disruptions.





WE WELCOME YOUR
FEEDBACK AND
QUESTIONS

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