

ANNUAL INFOCOMM USAGE BY ENTERPRISES SURVEY, 2007 – EXECUTIVE SUMMARY

Introduction

This Survey seeks to determine the level of infocomm adoption and usage by businesses in Singapore.

Infocomm usage surveys have been carried out by IDA annually since 1999. This is the 9th in the series.

Research Methodology

The sample, covering all industrial sectors, was selected from the Establishment Sampling Frame maintained by the Department of Statistics (DOS). The sample was stratified by the Singapore Standard Industrial Classification (SSIC) codes. Data collection (via self-administered questionnaires by mail/email/Internet submission) and processing for the Survey was carried out from October 2007 to January 2008.

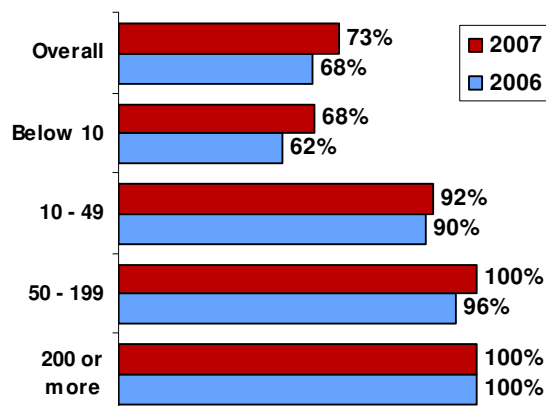
Key Findings On Infocomm Usage By Enterprises

Part 1 of this paper presents the findings of the 2007 Survey on infocomm usage by enterprises in Singapore. Part 2 sets out the findings for local Small and Medium Sized Enterprises (SMEs).

Usage of Computers

Computer usage among enterprises grew by 5% to reach 73% in 2007 (Chart 1), driven largely by the smaller companies.

Chart 1: Computer Usage by Employment Size

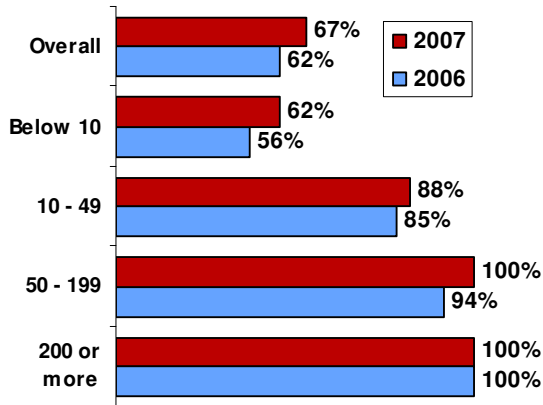


Base: All Enterprises

Usage of Internet, Broadband and Web Presence

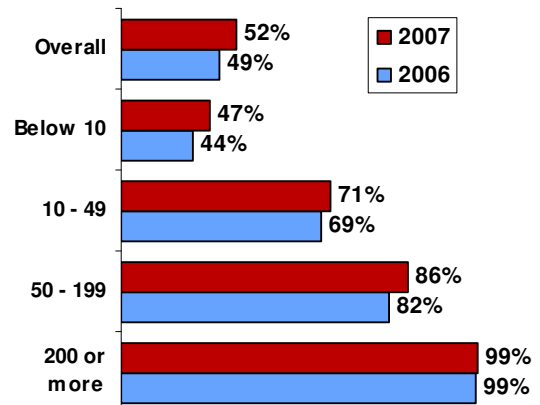
Both Internet usage and broadband mode of access have increased generally; similarly for web presence. While there is a general increase in adoption by smaller enterprises, there remains a sizeable gap between them and the bigger enterprises (Charts 2, 3 and 4).

Chart 2: Internet Usage by Employment Size



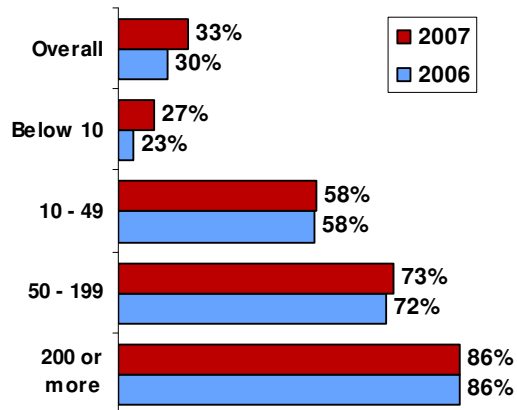
Base: All Enterprises

Chart 3: Broadband Usage by Employment Size



Base: All Enterprises

Chart 4: Web Presence by Employment Size



Base: All Enterprises

Usage of Internet Applications/Services

The top Internet applications/services used by the companies are *Sending or Receiving Mails* and *Information Search*, followed by activities involving dealing with government organisations (Table 1).

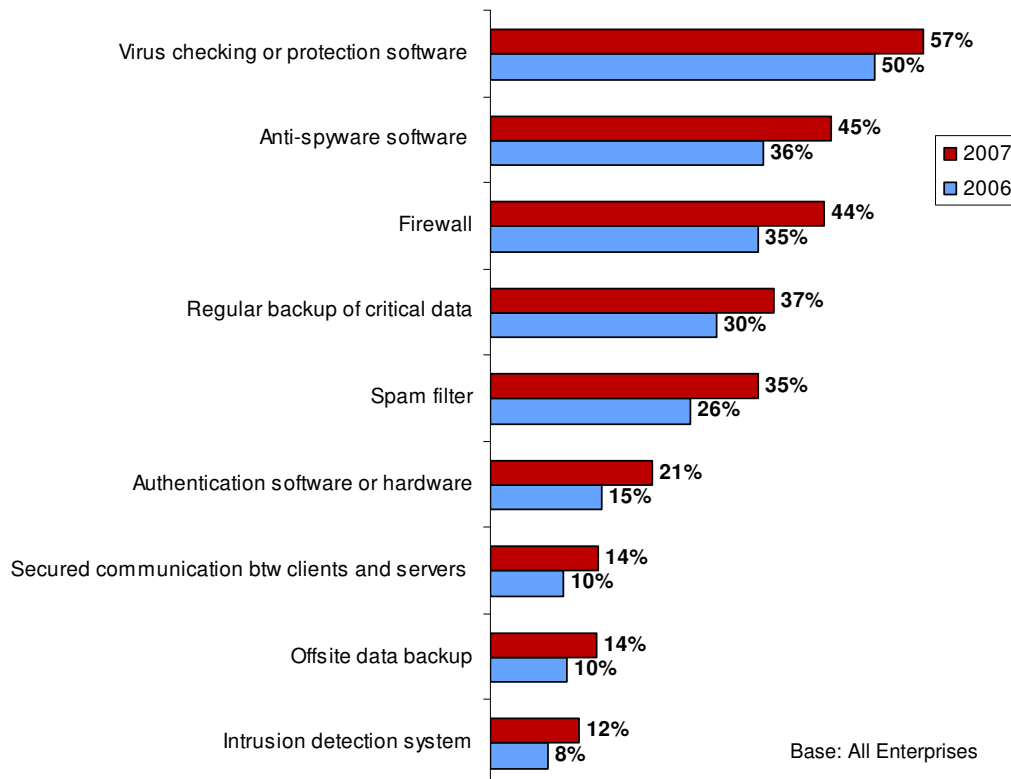
Table 1: Top Ten Uses of Internet

Internet Applications / Services		Proportion of Enterprises	
		2007	2006
1	For sending or receiving mails	96%	95%
2	For information search	92%	91%
3	For obtaining information from government organisations (e.g. from web sites or via e-mail)	77%	70%
4	For downloading or requesting government forms	74%	68%
5	For completing government forms online or sending	69%	60%
6	For making online payments to government organisations	48%	42%
7	For banking and financial services	48%	44%
8	For placing orders for goods/services	37%	35%
9	For receiving orders for goods/services	37%	34%
10	For marketing/promotion activities	35%	33%

Base: Enterprises with Internet Usage

Infocomm Security Measures Adoption

There is a notable rise in the adoption of infocomm security measures by enterprises. *Virus Checking or Protection Software* was the most pervasive measure adopted by companies (Chart 5), with *Anti-Spyware Software* and *Firewall* the next most commonly deployed measures.

Chart 5: Infocomm Security Measures Adoption

Barriers to Usage of Infocomm In General and Internet

Tables 2 & 3 list the top five barriers to the usage of infocomm in general and Internet, cited by survey respondents with no computer and Internet usage respectively.

Table 2: Top Five Barriers to Infocomm Usage In General

Barrier to Infocomm Usage	2007 Ranking	2006 Ranking
Cost of infocomm expenditure is too high	1	2
The level of infocomm skills is too low among the employed personnel	2	4
New versions of existing software are introduced too often	3	6
Existing personnel are reluctant to use infocomm technologies	4	3
Lack of perceived benefits	5	1

Base: Enterprises with No Computer Usage

Table 3: Top Five Barriers to Usage of Internet

Barrier to Internet Usage	2007 Ranking	2006 Ranking
Technology is too complicated	1	2
Security concerns (e.g. hacking and viruses)	2	5
Cost of Internet connectivity is too high	3	3
Cost of development and maintenance of web sites is too high	4	4
Lack of perceived benefits	5	1

Base: Enterprises with No Internet Usage

The next section presents the key findings from the 2007 Survey for infocomm usage by SMEs¹.

¹ The definition of local SME is as follows:

- At least 30% local equity
- Less than \$15m fixed assets investment
- Less than 200 employees (for the non-manufacturing sectors)

Key Findings On Infocomm Usage By SMEs

Infocomm Usage

Chart 6 shows a rise in infocomm usage generally among SMEs in 2007.

Chart 6: Infocomm Usage Among SMEs

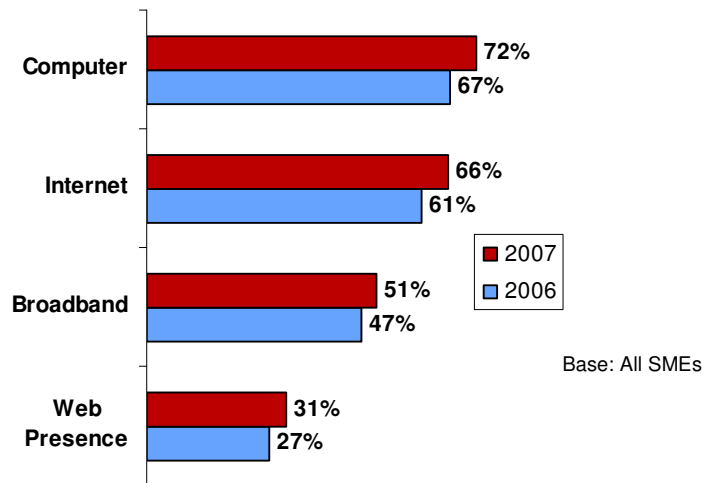


Table 4 shows the sources of information and updates on infocomm for SMEs.

Table 4: Source of Information and Updates on Infocomm By SMEs

Source of Information and Updates on Infocomm		Proportion of SMEs
1	Newspaper	39%
2	Internet	36%
3	Friends or business associates' recommendations	34%
4	Vendors	23%
5	Infocomm exhibitions, trade fair, talks, seminars organised by solution providers	17%
6	Trade association and chambers	8%
7	Infocomm courses	5%

Base: All SMEs

Infocomm Services

Accounting & Finance; Human Resource (HR) & Payroll and Intranet are the top software services adopted by SMEs (Table 5).

Table 5: Software Services Used By SMEs

Services		Already using	Not using	
			But planning to use	No plans to use
1	Accounting & Finance	44%	10%	46%
2	Human Resource (HR) & Payroll System	13%	8%	79%
3	Intranet	10%	5%	85%
4	Point of Sales (POS) System	9%	6%	85%
5	Computer Aided Design (e.g. AutoCAD etc)	7%	5%	87%
6	Customer Relationship Management (CRM) System	6%	7%	87%
7	Supply Chain Management, Execution (Inventory, Warehouse and/or Transport Management System)	5%	5%	90%
8	Integration with Suppliers, Manufacturers, etc	4%	5%	92%
9	Enterprise Resource Planning (ERP)	3%	5%	92%
10	Supply Chain Management, Planning (Demand Forecasting, Planning and Scheduling, others)	3%	5%	92%
11	Material Requirements Planning (MRP)	3%	5%	92%
12	Construction Project Cost Estimation System	3%	4%	93%

Base: SMEs with Computer Usage

Table 6 shows the preferred business models to implement infocomm.

Table 6: SMEs' Preferred Business Models

Preferred Business Model (s)		Proportion of SMEs
a	User-owned Model	44%
b	Fully Outsourced	36%
c	Pay as You Use Model	27%

Base: SMEs with Computer Usage