The Impact of Knowledge-Based Economy on the Success of Small Business and New Ventures

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Abstract: Knowledge-based economy is an advanced economic pattern based on the widespread use of informatics and the Internet in various aspects of economic activity, research in the knowledge-based-economy has addressed a number of methods, such as knowledge, technology, intelligence, information and creativity, and its impact on the development and success of small businesses and new ventures, however, determining that success of small business and new ventures has been influenced by knowledge-based economy is needed as base for development of it. Therefore, this research focuses mainly on Human Intellectual Capital (Knowledge – Skills – Leadership)Technology (Internet – Communication – Network) Organizational Processes (Marketing – Strategy – product) and their impact on success of small business and new ventures, based on the objectives a case study done on two of successful companies and 70 questionnaires were analyzed, the result indicated that that knowledge-based economy has an impact on the success of small businesses and new ventures, and was recommend to dig further in this field.

Keywords—knowledge; economy; business; ventures;

1. INTRODUCTION

We are now living in the information age and the rapid development of technology, intellectuals and other researchers and professionals trying to obtain information.

There are several ways to obtain information, transfer and share it through (Technology, Communication, Network) the information and communication revolution in the world has changed many administrative, educational and practical concepts in it work on information systems and the introduction of this field of work, the introduction of this technology depends largely on knowledge, and most of governmental and private bodies, especially technically advanced administrative bodies and institutions that provide technology-based public services.

Knowledge-economy or knowledge-based economy, it is an advanced economic pattern based on the widespread use of informatics and the Internet in various aspects of economic activity, especially in electronic commerce, based strongly on knowledge, creativity and technological development.

According to Organization for Economic Cooperation and Development (OECD), (2005):

It is an economy based primarily on the production, dissemination and use of knowledge and information.
Knowledge economy is the economy that revolves around how to acquire, participate in, innovate and add knowledge in order to improve education of any level and Link it with the requirements of the labor market, to improve the quality of life and sustain it in all its fields, through the use of informatics and technology and the use of scientific research and the use of reason [1].

- Important assets in the new economy have become technical knowledge, creativity, intelligence and information, Intelligence embedded on software and technology across a wide range of products has become more important than capital, materials or labor, previously, land, labor and capital were the three main factors of production in the old economy.
- Importance of a knowledge economy, Enables product innovation and customization. Greater role for human capital. Firms need to attract and retain workers adapted to the new mode of economy. To enhance knowledge distribution and benefit from new working practices collaborative. New growth theories emphasize the potential for human capital and increasing knowledge to provide new sources of economic growth and high levels of productivity [2].

2. PROBLEM STATEMENT

The decline in the economy and the increase in demand led to the emergence of a new pattern called (Knowledge-economy or Knowledge-based economy).
This new economy provides the ability to deal with information and determine its capabilities and needs from organizations, companies, and institutions, through the transfer and sharing of information to create a competitive advantage and maintain the technological level.
Therefore, it seems to be necessary to research the concept of (Knowledge-based economy) in order to investigate its effect on increasing the economic growth of small companies and open the way for entrepreneurs.

3. METHODOLOGY

RESEARCH DESIGN: A case study-survey was carried out in such a way that it looked at the relationship between knowledge and economic growth. The researcher distributed

the questionnaires to the selected respondents from which he was able to get people's views and which he backed up by secondary data to derive conclusions.

SAMPLING DESIGN: The researcher used simple random sampling procedure, to select of the company employees, so as to have a fair representation and minimize bias.

It's a method used to cull a smaller sample size from a larger population and use it to research and make generalizations about the larger group?, It is one of several methods statisticians and researchers, use to extract a sample from a larger population, use to select Random sampling was used to select elements that are more convenient (Greg DEPERSIO | April 2015).

DATA COLLECTION METHODS

PRIMARY DATA: Using a questionnaire was developed to collect primary data from company's employees. The five-point LIKERT scale, will be adopted ranging from "1=strongly agree, 2=agree, 3=neither, 4= disagree, 5=strongly disagree".

The LIKERT scale can be used in measuring satisfactions, which has to do with the respondents, signifying their degree of agreement or disagreement with a statement (Pickard, 2007).This study is an applied research empirical goal, and a correlation type descriptive survey regarding methodology. The statistical population consists of 70 employees.

SECONDARY INFORMATION: Secondary sources of data collection were obtained for additional information. The study relied on both unpublished and published data, such as articles from journals and the internet, which is related to the topic and the official website, reports of SHEIKAN Insurance & Reinsurance Co Limited, and Sudanese Petroleum Pipelines Co Limited.

DATA PROCESSING: The data that was collected was reduced to manageable proportions and summarized to bring out the desired figures of the study. Coding was used to classify responses into meaningful data and tabulations.

To achieve the objectives of the study and to be sure of its hypotheses, the following statistical methods are used:

➢ Graphic format
➢ Frequency distribution of answers
➢ Percentages
➢ Equation for calculating reliability coefficient (CRONBACH, Alpha)

ETHICAL CONSIDERATIONS

• **Privacy and confidentiality**: The information collected was treated confidentially and was not used for other purposes other

than the academic one. This was because the nature of information collected was delicate and it was what most people call business secrets.

• **Anonymity** .the respondents were to remain anonymous. The researcher ensured that he did not disclose the names of respondents.

DATA ANALYSIS AND RESULT: SPSS (Statistical Package for Social Sciences) used to analyze the data. After the data collection, an optimum research model has been applied to the results, obtained and then these results are entered in SPSS, to analyze the results.

Multiple regression analysis, is applied as there are, more than one independent variables affecting one dependent variable.

RESEARCH POPULATIONS: The target population, of the study comprises the total entities to, which the researcher distributed the questionnaire, to address the issues relevant to the statement of the problem. In purpose of this research 5 copies of a questionnaire handed out to the targeted population, (100%) of the targeted group responded, and returned the questionnaire filled with the information required.

To infer as much accurate results as possible the researcher insured of a diverse study samples in three main categories:

1. Types of gender (Male, Female).
2. Individuals from different educational levels.
3. Employment status.

RECOMMENDATIONS

The small businesses and new ventures owners should investigate more how Human Intellectual Capital (Knowledge – Skills – Leadership) Technology (Internet – Communication – Network) Organizational Processes (Marketing – Strategy – product) influence on their success and improve of their usage. Therefore more researches should be done on this field in order .to help the development of small businesses and new ventures.

CONCLUSION

The study concluded that there is a positive relationship between knowledge-based economy and economic growth, and that knowledge-based economies have a positive impact on the small businesses, although knowledge-based economy easily contributes to the new ventures rather than the already running business venture, all these has an impact on the success of the small businesses and new ventures.

References

[1] https://master-iesc-angers.com/towards-a-knowledge-economy/

[2] https://www.economicshelp.org/blog/27373/concepts/the-knowledge-economy/