ENHANCEMENT OF BUSINESS INFORMATION AVAILABILITY: THE CASE OF LATVIA

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Abstract

Up-to-date information is one of the main business resources for companies. However, the information flow between public and private bodies has often been hampered by various bureaucratic processes. This has brought about the creation of a number of government supported institutions, assisting businesses in their legal operation. Nevertheless, the lack of information is still recognized as the key problem for businesses in the European Union (EU). To minimize the gap in B2G communication, the EU member states, in cooperation with the European Commission, have created so-called Points of Single Contacts (PSCs) –portals providing access to exhaustive information on existing administrative requirements for businesses. Unfortunately, the quality of PSCs currently differs considerably from country to country, and in some cases the PSCs fulfil their role but to a basic standard. As a result, the low performance of the portals fails to make information more widely available to business, while the poorly-tailored systems hinder economic activity in local and EU common markets by attracting the attention of companies to what are ineffective information resources.

The *objective of the paper* is to evaluate the effectiveness of the Latvian PSC, to identify current drawbacks, and to provide a solution for the improvement of the PSC model, taking into account benchmarks of other EU member states.

The *Classification and Regression Decision Tree (CART) method* was used in evaluating the effectiveness of the PSC. A decision tree was created in order to simulate a real-life situation such as a business person searching for information on existing administrative procedures in a particular entrepreneurial activity. The effectiveness of the functionality of the Latvian PSC was evaluated with the help of entropy criteria, demonstrating the amount of supererogatory elements in the decision tree hindering the search process. After analysing the flaws of the current Latvian PSC model the unnecessary branches and leafs of the initial decision tree were stripped away, in turn making the decision process unambiguous and time-efficient. An improved model for the Latvian PSC was put forward using an optimal value of the entropy criteria. As a result any visitor to the portal would be led to the correct information in the most efficient way

possible when searching for the necessary information. Consequently, the advanced model of the PSC could be considered effective.

The described methodology for the evaluation of the sagacity of a decision tree, whereby the decisions are split into right and wrong and unnecessary variations subsequently removed, could also be successfully applied to the PSC models of other EU member states.

In her research the *author concluded* that if a business assistant tool does not fulfil its desired function, it loses its value. It is important not only to de jure provide the necessary information to companies, but also to make the B2G communication process as simple and transparent as possible. The current model of the Latvian PSC possesses huge potential in terms of fostering local and cross border entrepreneurship, but the portal's lack of organized structure and ill-designed interface are factors significantly limiting the application of its benefits. The solution provided for the optimization of the PSC increases significantly the efficiency of the portal, yet does not require vast capital investment, meaning it could well be implemented within the budget of public authorities. The author opines that a well-organized business-supporting portal should be considered an excellent tool for enhancing business information availability and stimulating a country's general economic activity.

Keywords: information, points of single contact, efficiency.

JEL Classification: C25, D73, D81.