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Study of Sustainable Growth Factors of SIE/ Micro-financed Business

Syed Ali Tarek*

Small-scale Individual Enterprises and Micro Financed Businesses are seen as potential solution to eradicate poverty. With philanthropic approach meeting business investment by means of micro financing to empower budding entrepreneurs who lack significant sources of financial assistance it is of great importance to figure out the factors that derives a small business to a thriving business. SIE/MFBs possess different characteristics than the traditional business or even SME. This study looks into this gap of literature and tries to find out additional factors that plays vital role in gaining sustained growth of these SIE/MFB.

Field of Research: Micro Finance.

JEL Codes: G21, G28, O21

1. Introduction

Micro financing has recently seen overwhelming success throughout the globe. No doubt, its prime focus is on a noble cause -eradicating poverty. Philanthropic aspect of this micro financing is still dominant. Eventually the source of the funds will shrink with time and proper utilization of the money will then catch the attention which is till now quite neglected. Giving money to someone who doesn't necessarily have good idea about creating a profitable business and expecting him to become a successful entrepreneur can be compared to living in a dreamland. Thus sending poverty to a museum will become just another catchy phrase. On the contrary the idea is good and to make it a sustained success a few criteria should be taken care of.

How a SIE (Small-Scale Individual Enterprise)/MFB (Micro Financed Business) is affected by various factors that are vital for the business and presenting them in simplistic manner so that these hands to mouth living people know what they must do to succeed in the battle to fight poverty with just motivation and aspiration.

Micro financed business (MFB)s has to face their first set of challenges at the very beginning of their journey. In developing countries it's even tougher. There are a few studies related to SIE and their management. Micro credited businesses are comparatively new in a sense that they share a lot of characteristics with the SMEs but still very different in their operations. This paper intends to analyze the internal and external factors that eventually determine the sustainable growth of SIE/MFBs.

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2. Literature Review

In the present time, a lot a studies has been carried out in respect to Micro Financing and it is being sought as a tool to eradicate poverty by empowering credit unworthy people to help start their own small scale enterprise (micro funded business). With philanthropic motivation set aside, these businesses are often left with no particular framework to follow and thus these businesses carry alarming risk of business failure.

Yunus(2003,2010) has published his experience with the micro financing and he sees this as a poverty alleviation tool. So far most of the micro financing institutes claim that they have more than 90% recovery rate. According to Yunus (2003) 'Poor people are bonsai people. There's nothing wrong with their seed, society never allowed them the space to grow as tall as everybody else.' His ideology is great, and with proven records it appears to be a success. But there is an ongoing debate that is Micro financing really the panacea for poverty. It is because, despite its overall success, there are a lot of cases where people eventually failed to pay off their loan and then their life had become more miserable than before. Without any doubt the global society is missing the framework that will enable these MFBs to ensure growth and hopefully sustain its growth. Also the mainstream financing institutes are lacking a model that can substantially judge small businesses like this to provide financing. This is where the main concern of the study lies.

SIEs, which form a significant percentage of the informal sector, make a substantial contribution to employment and poverty reduction in developing countries (Kappel and Ishengoma, 2006). It has been argued that the main problem for SMEs in developing countries is not their small size but their isolation, which hinders access to markets, as well as to information, finance and institutional support (Mead & Liedholm, 1998; Swierczek & Ha, 2003). Lack of capital, lack of skills, and problems in business development are of problems faced by SMEs. Despite the fact that some SMEs have been declined or stagnant, some others have been growing and successful.

Business Quality Management and Responsible entrepreneurship are factors those need to be added to the existing studies. Azmat(2009) argues that, given the important role of SIEs in developing countries in creating employment, boosting economic growth, alleviation of poverty and their sheer magnitude (Arinaitwe, 2006; ILO, 2002; Moore and Spence, 2006; Williams, 2007), their social responsibility deserves consideration, but remains severely under researched. This void in the literature is confirmed by Moore and Spence (2006, p. 222) who point out that 'there is to date no research on the impact of other organisational ownership forms on social responsibility such as sole trader, partnership, co-operative or limited liability for the SME'. What factors affect SIE/MFBs success among SMEs; indicating them and modelling them is the prime focus of my study.

3. Hypothesis

Factors directly related to SIE/MFB growth can be divided into two sub categories: Internal and External and these factors vary from the general growth factors for traditional business.

4. Methodology

The research will involve both qualitative and quantitative approach. Initially it will involve understating and pin pointing aim and objectives of the research, based on literature review. Then data gathered from Primary and Secondary sources will be scrutinized to identify sustained growth factors for SIE/MFBs. After the factors are being found out the next step will be to come up with the sustained growth model.

The research will be based on the use of:

1. Qualitative Method
2. Quantitative Method.

Qualitative Method

Qualitative research normally categorizes data into patterns as the primary basis for organizing and reporting results. Some of the well-practiced methods for gathering information for Qualitative research are: Participant Observation, Non-participant Observation, Field Notes, Reflexive Journals, Structured Interview, Semi-structured Interview, Unstructured Interview, and Analysis of documents and materials.

As per the research forecast is concerned I believe all of these sources have good use in conducting the research. For example: journals, interviews, analysis of documents and materials will give insight to understand the complexity. On the other hand, observation is also a necessary tool.

Participant Observation: is a widely used research method. Its aim is to gain a close and intimate familiarity with a given group of individuals and their practices through an intensive involvement with people in their natural environment.

Non-Participant Observation: is where data are collected by observing behaviour without interacting with the participants.

In this research both type of observation will be necessary to deploy in order to identify potential factors regarding the SIE/MFBs.

Structured Interview: is a quantitative research method commonly employed in survey research. The aim of this approach is to ensure that each interview is presented with exactly the same questions in the same order. This ensures that answers can be reliably aggregated and that comparisons can be made with confidence between sample subgroups or between different survey periods.

In this research it will include several structured interview with the sample group. The objective of this interview will be successfully identifying the factors.

Semi-Structured Interview: is a method of research used in the social sciences. It is flexible, allowing new questions to be brought up during the interview as a result of what the interviewee says.

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Unstructured Interview: is a method of interviews where questions can be changed or adapted to meet the respondent's intelligence, understanding or belief. Unlike a structured interview they do not offer a limited, pre-set range of answers for a respondent to choose, but instead advocate listening to how each individual person responds to the question.

This type of interview will be used in case of the lenders and investors who have the potential to assist the research with their key finding of risks regarding these SIE/MFBs.

Qualitative research approaches in this research will follow include the following:

- 1. Philosophical Research:** is conducted by field experts within the boundaries of a specific field of study or profession, the best qualified individual in any field of study to use an intellectual analyses, in order to clarify definitions, identify ethics, or make a value judgment concerning an issue in their field of study.
- 2. Grounded Theory:** is an inductive type of research, based or “grounded” in the observations or data from which it was developed; it uses a variety of data sources, including quantitative data, review of records, interviews, observation and surveys.

To identify the factors relating to sustained growth of SIE/MFBs, philosophical research approach will be followed. During the 1st phase of the research, it will be vital to identify the factors affecting growth of SIE/MFBs at the start. Next task will be to clearly identify these factors involvement with the business growth. Grounded approach will help in the identifying and determining the factors importance.

Quantitative Method

Quantitative research refers to the systematic empirical investigation of quantitative properties and phenomena and their relationships. The objective of quantitative research is to develop and employ mathematical models, theories and/or hypotheses pertaining to phenomena. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of quantitative relationships.

As per the research is concerned, developing a mathematical model for the sustained business growth for the SIE/MFBs is an integral part of the study. Quantitative method will be used for derivation of the ‘Sustained Growth Model’ for SIE/MFBs.

4. Sample and Data Collection

The target population for this research was the SIE/MFB owners. Probability sampling was used and the population selection method was ‘Systemetic Sampling’. The number of respondents was 100 owners of the SIE/MFBs in the UK. In filling in the questionnaire, personal interviews were deployed. In case such an interview was impossible practically, “drop and collect” procedure then was chosen. This procedure was selected to get a high response rate. Not surprisingly, the response rate was 99% and all returned questionnaires were usable for analyses. In addition to

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quantitative data collected using the questionnaire, 20 semi structured and structured interviews were conducted³. At average, each interview lasted for two hours. Characteristics of these entrepreneurs are presented in APPENDIX C.

4.1 Data Reliability

IBM SPSS 19.0 was used to stimulate data and derive the results. Conbach's alpha was taken as measurement of data reliability. For all 3 surveys the alpha's value was more than 0.7 which indicates higher reliability.

5. Factors Affecting the Growth of SIE/MFB:

Several factors affect the growth of the SIE/MFB. Some of which work as a positive influence others work adversely. If those factors are being characterized they fall in two categories:

1. Internal Growth Factor
2. External Growth Factor

Internal Growth Factor

These elements are the one that is dependent on the business owner and he/she can shape it. These factors are:

- Education/ Training/ Business Planning
- Constant Motivation / Peer Pressure
- Understanding of Business Ethics
- Nurturing Responsible Entrepreneurship
- Business Quality Management

First three elements is the base element for ensuring growth. This eventually determines that the growth will be ensured with a scope of sustainability. Next set of elements form the base for sustaining the growth. By sustained growth it would mean that the responsibilities for the society is well understood and practiced with best practices.

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Figure 1: Internal Growth Factor

Now let's have a look at the factors individually,

- **Education/ Training/Business Planning :**
In developing and poor countries the rate of literacy is too low and thus it's hard for the MFB owners to understand the basic business principles and interpret their needs. Formal education is a necessity but this is time consuming which is a barrier. For those who do not possess formal training must have some basic level business and finance training for the sake of their business. Without financial literacy and business knowledge they will not be ensuring their growth rather they will be exposed to sure failure in near future. To succeed in converting innovative ideas into business, planning plays a vital role. A concrete plan will ensure that the ultimate business goal is never mixedup.
- **Constant Motivation/ Peer Pressure:**
What is even worse with the MFB owners is that they tend to have bigger family and they have to take care of all the family members. Large proportion of these business owners are the only earning member of their family. In a condition like this it is not very strange to if they get demotivated and lose their interest in some point. To ensure the growth is maintained constant motivation is a key. It might come from family members, social contacts or even from the owner himself/herself.
Peer pressure is a good strategy of maintaining constant motivation used by Grameen Bank, Bangladesh for its delegates of micro finance. Peer pressure does the trick to keep motivating the MFB owners.
- **Understanding of Business Ethics:**
This might sound too big for those too small businesses. But running a business without ethical concerns is unthinkable. Where in third world countries corruption, dishonesty is well practised it is very important factor.

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As in today's world the consumers are more careful than before there is no scope of allowing dishonesty as a business culture.

Normally the MFBs start from the scratch so there is provision to integrate 'Business Ethics' on the first place. Customer retention is the key to success in each and every business. Practice of business ethics will certainly lead to further retained customers and the success of the business will be more justified.

As per the proposed model these above three factors constitutes the base for ensuring growth of the SIE/MFBs. The following two elements is necessary for sustaining the growth of the business.

- **Business Quality Management:**

Attain growth is just the first hurdle of the business. If it is being passed then the next target comes which is sustaining the growth. There are various tools to maintain the quality of the business. TQM, Six Sigma, ISO series are well known for these measurements. But they are too broad in a sense that SIE/MFBs certainly can't provide with all the requirements of those models. To better understand about the quality management of these businesses, scorecard based measurement is possibly the best solution. For example- Performance scorecard, finance scorecard, strategy scorecard, management scorecard etc. can bottom out the real scenario of the businesses. More study is needed in this area and previous literatures doesn't provide with a universal approach.

- **Nurturing Responsible Entrepreneurship**

For the SIE/MFBs Corporate Social Responsibility (CSR) is a particular challenge as because CSR as a term and as a concept is being created mainly by and for the large companies. Thus the term 'Responsible Entrepreneurship' comes into surface. As like any other large business 'Profit Maximization' remains the prime target of these small scaled businesses but it should also serve greater social interests as because human being lives in a society and at the end survival of the society is the most important thing. It is understandable that the SIE/MFBs have limitations but yet they must contribute towards a sustainable society which in return will make their business sustainable.

External Growth Factor

External Growth Factors are those that do not depend on the business owner or business itself directly but influences the business in a greater extent.

Two types of 'External Growth Factors' are:

- A. Macro Growth Factors
- B. Micro Growth Factors

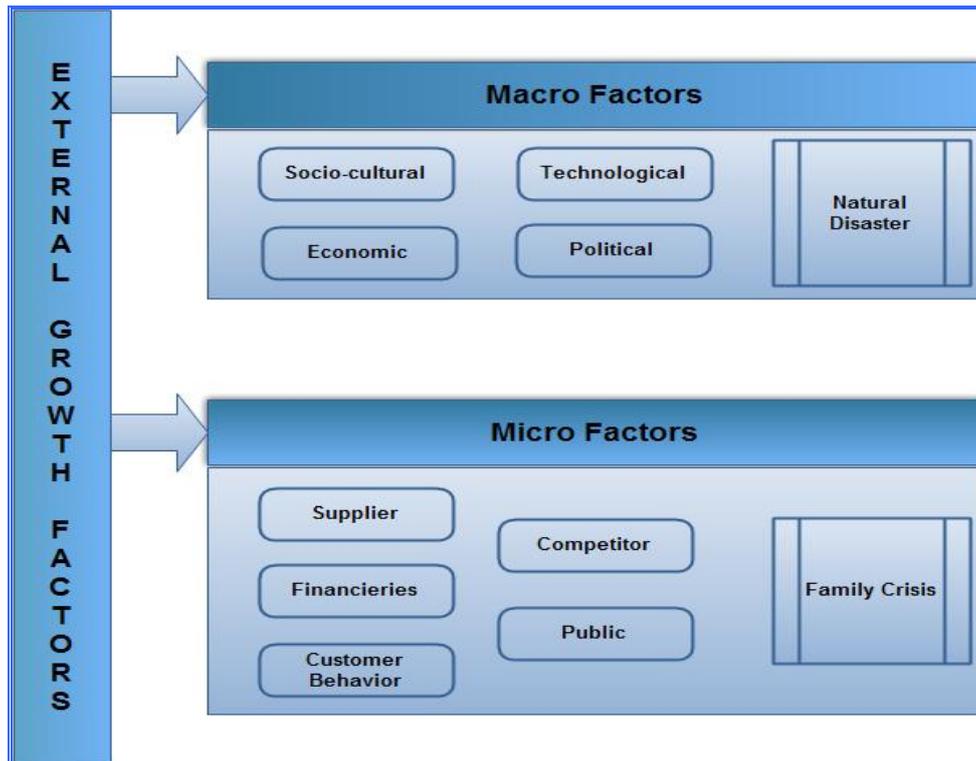


Figure 2: External Growth Factor

A. Macro Growth Factors:

Macro environment is also known as General environment and remote environment. Macro factors are generally more uncontrollable than micro environment factors. When the macro factors become uncontrollable, the success of company depends upon its adaptability to the environment. Some of the macro environment factors are discussed below:

Socio-Cultural:

The social dimension or environment of a nation determines the value system of the society which, in turn affects the functioning of the business. Sociological factors such as costs structure, customs and conventions, mobility of labour etc. have far-reaching impact on the business. These factors determine the work culture and mobility of labour, work groups etc.

Technological:

The business in a country is greatly influenced by the technological development. The technology adopted by the industries determines the type and quality of goods and services to be produced and the type and quality of plant and equipment to be used. Technological environment influences the business in terms of investment in technology, consistent application of technology and the effects of technology on markets.

There are numerous SIEs that run their business in internet and thus needs less financial strength. However, it is of great importance to SIE/MFB to pre-judge the technological standings before considering business endeavor.

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Economic:

An economy describes how a country spends its money. To be able to be successful to sustain, a business is dependent on economic factors. Internal environment, operational environment and external environment are 3 major classes of such factors. As for the SMEs or MFBs not all the factors are relevant. The small scale businesses however depend more or less in these below described factors which we will take into consideration. These are:

i) Demand and Supply

The demand and supply are two principal factors that affect the working of any business model. The demand is the will and ability of consumers to purchase a particular commodity and the supply is the ability of the business to provide for the demand of consumers. As long as there is demand for a business and it can supply the commodities without any noticeable disruptions it will see quick sustained growth.

ii) Economic Growth

Economic growth is the increase of per capita gross domestic product (GDP) or other measure of aggregate income. It is often measured as the rate of change in GDP. Economic growth refers only to the quantity of goods and services produced. Economic growth can be either positive or negative. Negative growth can be referred to by saying that the economy is *shrinking*. Negative growth is associated with economic recession and economic depression.

iii) Money and Banking

Banking facilitates monetary and fiscal policies that affect business and also the customers of the business. Money in circulation dictates the paying power or rather the demand of the consumers and the banking facility dictates the borrowing capacity of individuals as well as the business.

iv) Income and Employment

Another very important aspect of the economy that affects the working of the business is the level of employment and rate of income. The per capita income and density of employment dictates the rate of demand, density of demand and also the purchasing power of the people.

v) General Price Level

General price levels of the commodities also affect the sales of the business. Costs of raw materials, paying power of people, cost of production and finally, cost of transport are some of the important components that determine the general price level and also, the sales of the firm.

In this study, business cycle is not taken into consideration because it's based on short time fluctuation.

Political-Legal:

The Political- Legal factor is often a direct consequence of the political parties in power, which represents the popular opinion of the citizens of the region. If the citizens are, for example, pro-Big Business then probably taxation will be modest and

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there will not be a lot of stringent rules about environmental considerations. If the citizens are very concerned about safety issues, for example, then there will be a lot of rules and regulations governing things such as transportation safety, which will make it more expensive for some companies that have big shipping costs.

The rules and regulations created by the politicians have significant influence on the cost of running a business and the way it can market products and services. For third world nations, it plays a vital role as the entrepreneurs are poor and they have smaller scopes to cope with significant changes. For first world nations, policy regarding small businesses shapes the way entrepreneurs get involved in investing in a rather new idea.

Natural Disaster:

Natural disaster is one of the most neglected factors for small scale businesses where as this is a determinant factor of growth in third world countries. Drought, flood, rain, earth quake can change the fate of a Small-scale Entrepreneur. Thus in this study this factor is being included to the existing factors. How this relates on the first hand is, if the business is situated in a land which is prone to flooding. Then in case of flood the business will face extinction issues.

B. Micro Growth Factors:

Supplier:

An important force in the micro environment of a company is the suppliers, i.e., those who supply the inputs like raw materials and components to the company. The importance of reliable source/sources of supply to the smooth functioning of the business is obvious.

Financiers:

The financiers are also important factors of internal environment. Along with financing capabilities of the company their policies and strategies, attitudes towards risk, ability to provide non-financial assistance etc. are very important.

Customer Behavior:

The major task of a SIE/MFB is to create and sustain customers. A business exists only because of its customers. The choice of customer segments should be made by considering a number of factors including the relative profitability, dependability, and stability of demand, growth prospects and the extent of competition.

Competition not only include the other firms that produce same product but also those firms which compete for the income of the consumers the competition here among these products may be said as desire competition as the primary task here is to fulfill the desire of the customers. The competition that satisfies a particular category desire then it is called generic competition.

Public:

Public can be said as any group that has an actual or potential interest in or on an organization's ability to achieve its interest. Public include media and citizens. Growth of consumer public is an important development affecting the SIE/MFB.

Competitor:

When the capital is limited it is of great importance to focus on USP (Ultimate Selling Point). Sustained differentiation from the competitors is a must as two-three small business of same kind will not be high profit worthy. Thus, competitor analysis and monitoring is crucial if a SIE/MFB is to maintain its position within the market.

6. Research Findings

The research findings were quite interesting. Business ethics, quality management of the business or responsible entrepreneurship is often ignored in the SIE/MFB business environment. Financial literacy is still overlooked. The agencies those who provide with the fund does not provide their customers with adequate financial knowledge which is in cases crucial. However there are a good number of businesses who consider themselves as successful. This is undoubtedly creditable.

Economic changes and political view point also came out to be very engaging factors for sustained growth of the SIE/MFB. Socio-cultural norms though are big things regarding the smallness of these businesses but it forms the baseline for the business ethics. Technological issues are vital if the SIE/MFB is significantly involved in web based business.

Major findings of this research are:

1. Business ethics should get more priority throughout the business cycle.
2. Business quality management is necessary for a sustained growth.
3. Responsible entrepreneurship is an integral part of sustained business growth.
4. Natural disasters play vital role in terms of growth of business. Thus assessing the business operations in respect to natural calamities gives smaller businesses more stability and strength.
5. One man run business is prone to family barriers. If there is any sort of problem in the family, ex- illness, anxiety etc the whole business risks of extinction.

7. Conclusion

This study successfully figured out those factors that were missing from the literature but possess huge impact for the sustained growth of any SIE/MFB. With the time it will become necessary to promote micro financing to be used for sustained growth of business. Awareness among the entrepreneurs and the financial institutes is well cherished. This is the time when the funding organizations might consider an entrepreneurship buildup process to empower the left behind micro entrepreneurs to understand their business thoroughly. Ultimate target of the process will be to ensure the business growth is sustained. Due to time and resources constraint it was not possible to get into the depth of the factor analysis models. Future research will include but not limit to sustained growth model and the process of assessing these factors along with entrepreneurship buildup process for the micro funded business owners.

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Appendix A: Questionnaire

A. Measurement of perceived success

Please indicate your opinion regarding following statements (1. Strongly disagree ... 5. Strongly agree)

1. I consider my business growing
2. I am satisfied with the growth of net-income of the business
3. I am satisfied with the time needed to reach break event point (payback period)
4. I consider my business successful

B. Contextual variables

Please indicate your opinion regarding the importance of each factor to you running business (1. Very unimportant... 5. Very important)

1. Formal education / Business related training
2. Business plan (e.g. business feasibility study, expansion plan, plan product/service development)
3. Understanding of business ethics
4. Personal Motivation
5. Social responsibility
6. Business Quality Management
7. Human Resource Management
8. Personal capital inject capability.
9. Marketing (e.g. distribution channel, potential market)
10. Technology (e.g. production machinery, supportin equipments, computer)
11. Capital access (e.g. capital availability to start and expand the business, alternative sources of capital)
12. Information access (e.g. market information, information of source of raw material, information on new design)
13. Social network (e.g. business association, business partners, helpful colleagues/consumers)
14. Family crisis issues.
15. Legality (e.g. business permit, taxes)
16. Entrepreneurial readiness (e.g. managerial skills, decision making skills, communication skills)
17. Government support (e.g. easiness to get business permit, funding scheme from government, favourable policies)
18. Natural disasters (i.e flood, tornado, hurricane, volcanic eruption, earthquake, or landslide)
19. Supplier channel
20. Competitors
21. Consumer behavior
22. Public factor

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C. Overview of SIE/MFB businesses

Based on your experiences in running the business so far and the actual condition of the business, please indicate your opinion regarding each statement (1. Strongly disagree... 5. Strongly agree)

1. Distribution channel of my products is already in place
2. Market potential of my products is promising
3. Searching for new market for my products is not so difficult
4. Marketing of my products is well-planned
5. Existing technology suffices to support all production processes
6. Existing technology supports innovation
7. Existing technology is easily maintainable
8. New technology to support innovativeness in the business is attainable
9. Existing capital is sufficient to maintain and expand the business
10. If needed, it is easy to get additional capital
11. I have accessible alternatives of capital sources if needed
12. I have access to information on market/consumer of my products
13. I have access to information on capital sources
14. I have access to information on technologies to support my business
15. I have access to information on raw material sources
16. I have access to information on government regulations that are relevant to my business
17. I have reliable business network to run the business
18. I have many helpful colleagues/friends who support the business
19. I have professional affiliation/business association that supports the business
20. I have religious association that support my business
21. I have all permits to run my business
22. I fulfil all my duties as a businessman to government (e.g. paying taxes)
23. I have a good business plan
24. All policies taken in my business are well-planned
25. I have good leadership skills
26. I have reliable managerial skills
27. I have decision making skills
28. I have good communication skills
29. Government support to my business is satisfactory
30. I got business permit and other permits easily and quickly
31. During running the business, I have no problems when having contact with

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Appendix B: Survey Results (Questions vs. Response)

A. Measurement of perceived success

	<u>1.Strongly Disagree</u>	<u>2.Disagree</u>	<u>3.Neutral</u>	<u>4.Agree</u>	<u>5.Strongly Agree</u>
1.	11	22	25	27	15
2.	15	16	17	24	18
3.	19	22	21	24	14
4.	24	22	19	24	11

B.Contextual Variables

	<u>1.Very Unimportant</u>	<u>2.Unimportant</u>	<u>3.Neutral</u>	<u>4.Important</u>	<u>5.Very Important</u>
1.	15	10	13	28	34
2.	17	9	16	22	36
3.	12	13	19	30	26
4.	15	9	21	35	20
5.	13	16	17	39	15
6.	9	13	18	26	34
7.	15	12	19	19	35
8.	20	18	23	26	13
9.	13	16	20	19	32
10.	17	13	19	22	29
11.	15	17	12	24	32
12.	12	21	7	39	21
13.	23	18	12	38	9
14.	22	13	9	18	38
15.	18	18	9	27	28
16.	12	13	15	32	28
17.	18	17	21	35	9
18.	11	21	27	38	3
19.	15	19	23	35	8
20.	13	17	21	30	19
21.	9	12	25	32	22
22.	11	10	17	38	24

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C. Overview of SIE/MFB businesses

	<u>1.Strongly Disagree</u>	<u>2.Disagree</u>	<u>3.Neutral</u>	<u>4.Agree</u>	<u>5.Strongly Agree</u>
1.	17	29	17	25	12
2.	19	22	19	21	19
3.	21	17	13	24	25
4.	32	21	9	15	23
5.	19	27	12	17	25
6.	23	31	16	13	17
7.	25	19	17	17	22
8.	27	27	13	13	20
9.	28	17	19	21	15
10.	27	22	19	14	18
11.	21	21	18	21	19
12.	24	27	9	17	23
13.	29	24	20	13	14
14.	28	30	23	9	10
15.	27	23	20	15	15
16.	27	26	18	16	13
17.	19	27	19	22	13
18.	36	26	9	21	8
19.	12	11	32	27	18
20.	15	31	22	19	13
21.	18	19	27	21	15
22.	27	39	20	11	3
23.	30	19	21	18	12
24.	21	21	28	12	18
25.	26	19	27	14	14
26.	28	33	17	11	11
27.	29	29	16	9	17
28.	31	37	8	11	13
29.	31	39	14	7	9
30.	25	19	18	17	21
31.	34	23	15	24	4
32.	27	25	12	26	10
33.	26	29	12	19	14

APPENDIX C: Data Reliability Test

A. Measurement of perceived success

<p>Reliability: Scale: ALL VARIABLES</p> <p>Case Processing Summary</p> <table border="1"> <thead> <tr> <th></th> <th>N</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Cases Valid</td> <td>5</td> <td>38.5</td> </tr> <tr> <td>Excluded^a</td> <td>8</td> <td>61.5</td> </tr> <tr> <td>Total</td> <td>13</td> <td>100.0</td> </tr> </tbody> </table> <p>a. Listwise deletion based on all variables in the procedure.</p>			N	%	Cases Valid	5	38.5	Excluded ^a	8	61.5	Total	13	100.0	<p>Reliability Statistics</p> <table border="1"> <thead> <tr> <th>Cronbach's Alpha</th> <th>N of Items</th> </tr> </thead> <tbody> <tr> <td>.760</td> <td>4</td> </tr> </tbody> </table>	Cronbach's Alpha	N of Items	.760	4
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B. Contextual variables

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C. Overview of SIE/MFB businesses

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APPENDIX D: Characteristic Of The Entrepreneurs And Business

Variable	%
<i>Gender :</i>	
Male	29
Female	71
<i>Education Level of the Micro Entrepreneur :</i>	
Elementary	12
Junior High School	12
Senior High School	39
University	37
<i>Previous Business Experience :</i>	
Yes	37
No	63
<i>Origin of SIE/MFBs :</i>	
Established	85
Inherited	12
Other	3
<i>Source of Capital :</i>	
Personal Savings	10
Joint Venture with Colleagues and Friends	12
Family Investment	13
Third Party Investment	23
Bank	30
NGO/Micro Funding Institute	12
<i>Industry Sector :</i>	
Crafts and Arts	14
Agribusiness	16
Food processing	22
Service	25
Trading	13
Other	10