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SMALL AND MEDIUM ENTERPRISES BUSINESS SUSTAINABILITY CHALLENGES AND REJOINDERS: A CASE OF SELECTED DISTRICTS IN ZAMBIA

BY

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Declaration

I, Jones J Kalyongwe do hereby declare that this work is my own and that the work of other persons utilised in this dissertation has been duly acknowledged. This work presented here has not been previously presented at this or any other university for similar purposes.

Jones J Kalyongwe

Signature:

Date: 23 October 2019

This dissertation has been submitted for examination with my approval as Supervisor.

Professor Edwin Bbenkele

Signature:

Date: 23 October 2019

Dedication

I am grateful to my lovely wife, Joyce Kalyongwe for the encouragement, and providing for all my needs materially and socially including her prayer intercessions for the success of my academic work.

To our beloved sons and daughter, Tony, Jones Jr, Elton and Clive and daughter Sheba and our grandchildren, Mary, Tony Jr. Ethan, Choolwe, Alisha, Mung’andu, Maninga, Joan and Levy

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LIST OF ACRONYMS

AfDB	African Development Bank
AMP	Austrian Market Process
BAs	Business Associations
CEEC	Citizen Economic Empowerment Commission
COMET	Copper Mining Enterprises Trust Limited
CPI	Consumer Price Index
CTI	Commerce, Trade and Industry
CSO	Central Statistical Office
DBA	District Business Association
EBZ	Export Board of Zambia
EU	European Union
FDI	Foreign Direct Investment
FDG	Focus Discussion Group
FNDP	Fifth National Development Plan
GDP	Gross Domestic Product
GIDD	Gender in Development Division
GEM	Global Enterprise Monitor

GRZ	Government of the Republic of Zambia
HIPC	Highly Indebted Poor Countries
HIV / AIDS	Human Immunodeficiency Virus Acquired Immunodeficiency Syndrome
IC	Incubators
ICT	Information Communication Technology
IDCs	Ignition Development Centres
ILO	International Labour Organisation
IPR	Intellectual Capacity Rights
JICA	Japanese International Cooperation Agency
MCTI	Ministry of Commerce, Trade and Industry
MGDs	Millennium Development Goals
MMD	Movement for Multiparty Democracy
MSBCs	Micro Sector Business Centres
MSME	Micro Small and Medium Enterprise
NAPSA	National Pensions Scheme Authority
NELMP	National Employment and Labour Market Policy
NCSR	National Council for Scientific Research

NCMSMEs	National Council for Micro, Small and Medium Enterprise
NISIR	National Institute of Scientific and Industrial Research
NGO	Non- Governmental Organisation
NTBC	National Technology Business Centre
OECD	Organisation for Economic Cooperation and Development
PACRA	Patents and Companies Registration Agency
PRSP	Poverty Reduction Strategy Paper
PSDRP	Private Sector Development Reform Programme
SE	Sustainable Entrepreneurship
SED	Small Enterprise Development
SEDB	Small Enterprises Development Board
SED ACT	Small Enterprises Development Act
SIDO	Small Industries Development Organisation
SMEs	Small and Medium Enterprises
SMEEIS	Small Medium Enterprises Equity Investment Scheme
SSIAZ	Small Scale Industries Association of Zambia
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority
TDAU	Technology Development and Advisory Unit

TICs	Technology Innovation Centres
UK	United Kingdom
UNIDO	United Nations Industrial Development Organisation
UNDP	United Nations Development Programme
USA	United States of America
VIS	Village Industry Service
WEDAZ	Woman Entrepreneurship Development Association of Zambia
ZABS	Zambia Bureau of Standards
ZCSMBA	Zambia Chamber of Small and Medium Business Association
ZDA	Zambia Development Agency
ZEPZA	Zambia Export Processing Zambia Authority
ZNCB	Zambia National Commercial Bank
ZRA	Zambia Revenue Authority
ZVCF	Zambia Venture Capital Fund

ABSTRACT

The study objective was the examination of business sustainability challenges facing Small and Medium Enterprises (SMEs) in selected districts in Zambia. The study assessed whether the challenges lead to lack of operational and financial sustainability, and thereby, develop a broad-based theory in the form of a holistic framework for managing SME sustainability in Zambia.

To achieve the objective, the study adopted a mixed method approach using both qualitative and quantitative methods; primary data was collected using a Survey Questionnaire and Focus Group Discussions. The population for this study was the Mazabuka District Business Association, Kafue District Business Association and Lusaka Central Business District. The total population targeted was 120: out of which a sample 69 was drawn. This study used Convenience sampling which is a non-probability sampling method. Quantitative data was analysed using Statistical Package for the Social Sciences (SPSS) version 22 and descriptive statistics used quantitatively to describe the information using frequencies, percentages, tables and graphs. The Qualitative data from the Focus Group discussions was analysed using content/thematic analysis. Major findings of the study established that although there is adequate legal and policy framework for the promotion of the SME sector in Zambia, SMEs face serious challenges. Challenges such as lack of capital as the most single biggest obstacle to business, which is 'access to funds 'as 30.4%, of the respondents confirmed, while, 43.5% of the respondents said they were 'struggling but surviving', due to lack of entrepreneurial competencies, lack of financial record keeping, and too many competitors, and high transport charges to reach markets.

The study also established that dysfunctional District Business Associations and a weak and fragmented coordination between government agencies responsible for the implementation of the legal and policy frameworks and measures meant to develop the SMEs, have created a business environment where SMEs are not sustainable. The study therefore recommends that Government should consider establishing an SME Bank as was done in Malaysia where a bank was established by the government exclusively to support the SME sector. This deliberate policy would ensure that SMEs would easily access loans or funding for them to remain competitive as the cost of money can be regulated in support of the SME sector operators. In view of this, Government should review its SME policies to accommodate business sustainability strategies and continue to create a stable macroeconomic environment. Macroeconomic stability is desirable because it is characterised by low inflation, stable and investment friendly interest and exchange rates. It aids planning and enables businesses to make reasonable forecast on costs, turnover and returns on investment. Further research can be done in "Value Networks and Partnerships" as a way of addressing the challenges faced by SMEs in Zambia. This is a practical framework for SMEs sustainability as it may provide unity and solidarity among SMEs for them to collaborate more and therefore become sustainable.

Key words: Small and Medium Enterprises, Business Sustainability, Business Failure

CHAPTER 1: INTRODUCTION

Background to the Study

Zambia is a country surrounded by eight countries and does not have access to the sea, but is land linked to those countries and covers an area of 753,000 square kilometres. The country is situated on the plateau of Central Africa. The country shares boundaries with the following countries, Democratic Republic of Congo and Tanzania in the north, Malawi and Mozambique in the east, Botswana and Zimbabwe in the south, Namibia in the southeast, and Angola in the west. This geographical spread gives rise to high transportation costs, thereby giving rise to prices of goods and services. Judai (2001)

Figure 1: Geographical Features of Zambia

Zambia has abundant natural resources, including land suitable for farming. As of 1991, when a new government came into power, macroeconomic policies changed in favour of a free market system in which the private sector started to play a major role, as opposed to government, which previously played a central role in the economy. As a result, the post-1991 period saw the privatisation and liquidation of most of the previously state-owned enterprises, which had resulted in massive loss of jobs and stable sources of security for both individuals and families in urban areas. In a report by the Ministry of Commerce and Industry (GRZ, 1994). Many financial institutions established to give loans to youths, women and the Small and Medium Enterprises (SMEs), which initiative was new after Zambia's independence in 1964. Despite all these efforts, there was little reduction in poverty and unemployment in the country. In view of this situation, there was a need to undertake a study in business sustainability for SMEs as there was an increase in the SMEs set-ups in Zambia.

According to the Medium and Small-Scale Enterprises (MSME) Development Policy (2008), the MSMEs sector in Zambia was traditionally composed of business activities centered on enterprises engaged in traditional industrial sectors, mostly in the production of goods and services for domestic consumption. The main objective of most of the enterprise owners was to generate employment and income for family needs. Most MSMEs were further characterised by the use of low-level technology and were oriented towards local and less affluent market segments. After the introduction of structural economic reforms and the country's transition to a liberalised economy in 1991, there has been increased business activities in the MSMEs sector. Zambia has a large MSMEs sector, of which over 90% are informal, and this has serious ramifications on the functioning of the economy.

There is little information regarding the MSME sector and its contribution towards national development and economic growth. Due to this, it is difficult to estimate the total size of the private sector in Zambia as data from the Central Statistics Office (CSO) does not disaggregate national output in relation to enterprise size. The 1996 Baseline Survey on MSMEs revealed that Zambian MSME Sector was dominated by enterprises with a workforce of not more than 10 employees and that 52% of all MSME businesses are rural based. This sector's business activities were largely in trading, simple manufacturing, and service provision. In addition, the MSME sector and the manufacturing activities accounted for 41%, trading accounted for 49%, and services accounted for only 10%. Some of the manufactured products in the MSME sector include textile products, wood products, light engineering and metal fabrication, food processing, leather products, handicrafts and ceramics to mention a few. The service sector comprises restaurants, hair salons and barbershops, passenger and goods transport, simple building construction, telecommunication services, business centre services and cleaning services. In the trading sector, focus is in consumable products, industrial products, and agricultural inputs and produce. In the same 1996 Baseline Survey, the report said that, economic situation presented opportunities that, if taken advantage of, could lead to a vibrant MSME sector. The known opportunities included the implementation of macroeconomic reforms by Government that had resulted in substantial reduction in inflation rates, a competitiveness private sector, liberalised trade policies and removal of foreign exchange restrictions, which opened up investment in the country. Zambia also has abundant natural resources that can be implemented through various value addition activities to give the country competitive advantage in the region.

Even though the MSME sector in Zambia has great potential for economic growth, equitable wealth redistribution and poverty alleviation, there are many constraints and challenges like, low technology adoption, high interest rates on bank loans to facilitate the MSME business operations. There is also political interference and lack of entrepreneurship skills and training which makes the sector un sustainable thereby hindering growth and limit its ability to contribute effectively to national economic development. According to the Ministry of Commerce Trade and Industry - MCTI (GRZ, 2006), the sector's challenges and constraints include, but not limited to: (a) Limited access to markets, (b) Limited access to appropriate technology, machinery and equipment, (c) Limited access to suitable business financing solutions, (d) Inadequate business infrastructure such as roads and telecommunication facilities. Other constraints identified by MCTI, are that, the MSME sector also faces the following constraints: limited technical and management skills; inadequate and unsuitable operating premises that can facilitate enterprise growth; inadequate regulatory systems; and excessive competition from unregulated importation of cheap products, some of which are smuggled into the country.

The cited business constraints and challenges lead to lack of business sustainability, thereby making MSMEs weak to contribute to economic development in their sectors, in comparison to MSMEs in economies such as India, Central Asia, and South Africa. The Zambian Government's efforts to develop the MSME sector have continued and in 2006, through the ZDA Act, the Small

Enterprise Development Board was dissolved, and its activities incorporated into the Zambia Development Agency (ZDA) under the Small and Medium Enterprise (SME) Division. In view of these developments, there was a need for a more strategic and focused development of the MSME sector in the country. Arising from these initiatives, an MSME Development Policy to provide the needed guidance and direction on all activities and development efforts relating to MSMEs was developed (GRZ, 2006).

The study objective was, to assess the sustainability of Small and Medium Enterprises (SMEs) in Zambia by establishing the challenges they face in order to enhance knowledge in the field of sustainable entrepreneurship and to address this research gap by developing a holistic framework on how to manage SME sustainability.

Entrepreneurship Theories

Entrepreneurship has developed into a wide field of interest in business activities; this is according to Audretsch (2012). In view of this, Wiklund et al., (2011) stated that the entrepreneurship field has grown to become one of the largest divisions of the academy of management studies, worldwide. Audretsch (2012) posits that there are many areas, issues, and discussions regarding this area of study. Definitions in entrepreneurship are made by criteria such as the size of the organisation, its age, whether it is individually or family-owned, and its performance (Ibid.). Arising from the age criterion, a firm that has been in business much longer may not be considered a small business. Wiklund, et al., (2011) as well as Mason and Harvey (2013) noted that many different researchers have defined the term *entrepreneurship* differently, and it has become an emerged discipline since the 1970s. Mason and Harvey (Ibid.) further notes that the definition has changed during the 20th century years of 1901 through 2001.

An entrepreneur according to Mason and Harvey (2013) is said to be someone who controls the factors of production rather than someone who is not afraid to take risks. They contended that some psychologists believe that an entrepreneur exhibit differentiated traits that stimulate a high appetite for achievement, and that the high appetite for achievement makes entrepreneurs to become risk takers. Entrepreneurs are individuals who promote change through technology and creative innovations (Estay et al, 2013; Mason & Harvey, 2013). Also Estay et al. (2013) stated, the important aspects of the business process as well as the idea of becoming a business owner and making viable decisions were motivating factors for entrepreneurs and new business owners. This was similar to Schumpeter's notion of creative disruption, (Schumpeter, 1934)

Three dimensions of the entrepreneurial activity, being, the social, economic and environmental one, serve as interrelated subsets of the broader concept of sustainable entrepreneurship. In this regard, social dimension is focused on achieving social change and making resources available to a larger audience. However, cases of social entrepreneurship entails the creation of value that embraces both social and economic aspect, the focus is on social value, while economic value creation is essential in order to ensure financial viability of the business. This can be realised within a social action context and in terms of providing catalytic leadership in areas of social concern with the purpose of change (Weerawardena and Mort, 2006). According to Holliday et al. (2002), economic prosperity dimension may promote an acceptable quality of life through the productive capacity of organisations and individuals in society. Economic prosperity involves the creation and distribution of goods and services that may help to raise the living standards of people around the world. In respect of the environmental dimension, industry is one of the largest contributors to environmental degradation, it also has the potential to minimise its negative impact, when regulated. In the past years, a plethora of such management initiatives has developed. According to Dean and McMullen (2007), there are new opportunities for environmental entrepreneurs that exist to the discovery and implementation of new, more environmentally friendly process technologies.

Many ideas and inventions are commercialised in today's business world through entrepreneurship as a vehicle states Muntean (2011). Malchow-Møller, Schjerning, and Sørensen (2011) posit that entrepreneurs have become more responsible for developing newer jobs as their businesses grow. In the same vein, Schaltegger and Wagner (2011) aver that entrepreneurs are the drivers for their company's sustainability efforts, and that entrepreneurs were responsible for shaping the economy with innovative ideas. Each time an organisation makes environmental progress in business operations, a business leader is regarded as a sustainable entrepreneur. Entrepreneurs that want to have a sustainable business have generated new services, products, and techniques, which decreased environmental impacts and enhanced the quality of life (Ibid, 2011). Schumpeter (1934) demonstrated that the changing business environment continuously provides new information about the optimum allocation of resources to enhance profitability. Some individuals acquire the new information before others and recombine the resources to gain an entrepreneurial profit. Schumpeter was of the opinion that entrepreneurs shift the production possibility curve to a higher level using innovations and new ideas.

Sustainable entrepreneurship is the actualisation of (societal, environmental and institutional) sustainability innovations targeted at the market and providing benefits not only to shareholders but to societal stakeholders, as well, (Schaltegger and Wagner, 2011). These are focused on new products, services and processes for the market or industry (Lans et al., 2014), and these are distinguished from growth-oriented entrepreneurship (Valliere, 2006). This aspect would be achieved through a process of change of values and the manner in which opportunities are discovered and exploited, thus, moving from personal to socio-ecological gain (Binder and Belz, 2015).

It is said that, sustainable entrepreneurship is an emerging area of investigation within the entrepreneurship approach. However, it is still fragmented and without a coherent theoretical framework. The current conceptualisations of sustainable entrepreneurship has failed to consider its unique characteristics and the context within which it should take place.

Several theories have emerged and put in use by different scholars to try to explain the concept of Entrepreneurship, and these include, but not limited to the following:

Economic Theories - According to Ricardo (1817) and Smith (1776), Economic entrepreneurship theories date back to the first half of the 1700s with the work of Richard Cantillon, who first introduced the idea of entrepreneurs as risk takers. Meanwhile, economic theories of entrepreneurship tend to receive significant criticism for failing to recognise the dynamic and open nature of market systems; by ignoring the unique nature of entrepreneurial activity; and downplaying the diverse contexts in which entrepreneurship occurs in the business space. The classic, neoclassical and Austrian Market process schools of thought all provide explanations for entrepreneurship that focuses, mostly, on economic conditions and the opportunities they create.

Resource Based Theories - Resource-based theories always focus on the way individuals leverage different types of resources to get entrepreneurial efforts off the ground, Drucker (1985).

Meanwhile, access to capital improves the chances of getting a new venture off the ground, but entrepreneurs often start ventures with little investment capital. Other types of resources entrepreneurs may leverage include social networks and the information they provide, as well as human resources, and education. In some cases, the intangible elements of leadership that the entrepreneur adds to the mix operate as resource that a business cannot replace. Drucker (1985).

Psychological Theories - When society has enough supply of individuals with necessary psychological characteristics, Marshal (1948) posits that entrepreneurship gets a boost, because psychological theories of entrepreneurship focuses on the individual and the mental or emotional elements that drive entrepreneurial individuals. However, McClelland (1967) asserts that entrepreneurs possess a need for achievement that drives their activity, and Rotter's theory (2018), holds that people with a strong internal locus of control believe their actions can influence the external world and research suggests most entrepreneurs possess this trait. The other approach, though unsupported by research, suggests that personality traits ranging from creativity and resilience to optimism drive entrepreneurial behavior.

Sociological/Anthropological Theories - According to Habermas et al. (2014), using the sociological theory centres their explanation for entrepreneurship on the various social contexts that enable the opportunities entrepreneurs leverage. Further, Habermas et al., (2014) contends that the entrepreneur is a role performer according to the role expectations by society, while Reynolds (2009), a George Washington University research professor, says that, out of four such contexts: social networks, a desire for a meaningful life, ethnic identification and social-political environment factors taken into consideration as well. The anthropological model approaches the question of entrepreneurship by placing it within the context of culture and examining how cultural aspects, such as social attitudes, shape both the perception of entrepreneurship and the behaviors of entrepreneurs as a whole.

Opportunity Based Theory - Drucker (1985) says that, an opportunity-based theory contends that entrepreneurs excel at seeing and taking advantage of possibilities created by the following aspects, social, technological and cultural changes in the business ecosystem. For instance, where a business that caters for senior citizens might view a sudden influx of younger residents to a neighborhood as a potential problem, while an entrepreneur may see it as a chance to open a new business to cater for the young in the area.

Transaction Cost Theory - Coase (1937), postulates that in order to carry out a market transaction there is need to find out who the customers are you wish to deal with are or who you will conduct negotiations with leading up to a bargain. In this regard, you will also need to draw up a contract, to do the inspection and make sure that the terms are as agreed. More succinctly, transaction costs are (a) search and information costs; (b) bargaining and decision costs; and (c) policing and enforcement costs. Coase (1937) contends that without considering transaction costs it is impossible to understand properly the working of the economic system and have a sound basis for establishing economic policy.

Entrepreneurship Innovation Theory - An entrepreneur is one who is innovative, creative and has a foresight, and this is according to Schumpeter (1991),

Theory of High Achievement - Kirzner (1997) posits that doing things in a new and better way helps in decision-making and reduces uncertainty.

The theories discussed explored the economic factors that enhanced entrepreneurial behaviour, while classical theory extolled the virtues of free trade, specialisation and competition (Ricardo, 1817; Smith, 1776). This theory was the result of Britain's industrial revolution, which took place in the mid-1700 and lasted until the 1830s. Say (1803), argues that the classical movement described the directing role of the entrepreneur in the context of production and distribution of goods in a competitive manner.

Murphy et al., (2006) contends that, although Ricardo (1817) and Smith (1776) talked about three factors of production (namely land, capital, and labour), these theorists failed to explain the dynamic upheaval generated by entrepreneurs of the industrial age. The neo-classical model emerged from the criticisms of the classical model and indicated that economic phenomena could be relegated to instances of pure exchange, reflected an optimal ratio, and transpired in an economic system that was basically closed (Murphy et al., 2006). The economic system of the time consisted of exchange participants, exchange occurrences, and the impact of results of the exchange on other market actors. The importance of exchange coupled with diminishing marginal utility created enough impetus for entrepreneurship in the neoclassical movement (Ibid.).

Popper (2016) in ‘Conjectures and Refutations’ criticised the neo-classical conjectures. The first to be criticised was the aggregate demand, which ignored the uniqueness of individual-level entrepreneurial activity. Secondly, he said that neither used nor exchanged value reflecting the future value of innovation outcomes. Thirdly, rational resource allocation did not capture the complexity of market-based ecosystems. The fourth point raised was that efficiency-based performance did not subsume innovation and non-uniform outputs; known means, ends and perfect or semi-perfect knowledge. While, (Popper, 2016). Schumpeter (1934) further observed that perfect competition did not allow innovation and entrepreneurial activity. The fifth point was that, it was impossible to trace all inputs and outputs in a market system. Finally, entrepreneurial activity was destructive to the order of an economic system.

Knight (1921) avers that the unanswered questions of the neo-classical movement led to a new movement, which they called the Austrian Market Process (AMP). The AMP, a model influenced by Schumpeter (1934), concentrated on human action in the context of an economy of knowledge. Schumpeter (Ibid) described entrepreneurship as a driver of market-based systems. In other words, an important function of an enterprise was to create something new that resulted in processes that served as impulses for the motion of market economy. Knight (1921), further posits that, although this was so, entrepreneurship did not require ownership of resources, but an idea that added context to uncertainty and risk, and thus could attract capital.

Schumpeter (1934) further casts’ entrepreneurs as disruptive forces that upset the equilibrium and destroyed the status quo, and that they were catalysts of the new market order. According to Schumpeter (1942), an entrepreneur “incessantly revolutionised the economic structure from within, incessantly destroying the old one, incessantly creating new one.” (p. 83). Greenfield and Strickon (1986) noted that Schumpeter made the entrepreneur “the focal point and key to the dynamic of economic development and growth.” (p. 5). From this perspective, entrepreneurs were the catalysts who created disequilibrium, destroying the old order and enthroning a new order. As contended by Greenfield and Strickon (1986), in many developing countries, entrepreneurship commonly came about through the establishment of SMEs.

The Austrian Market Process model was not without criticisms, Knight (1921). The first of the criticisms was that market systems were not purely competitive but could involve antagonist cooperation; cartels to make the stronger companies stronger. The second criticism was that resource monopolies could hinder competition and entrepreneurship, while the third was that fraud or deception and taxes or controls also contributed to market system activity. While the fourth was that private and state firms were different, but both could be entrepreneurial and fifth, entrepreneurship could occur in non-market social situations without any competition.

Economic entrepreneurship theories date back to the first half of the 1700s with the work of Richard Cantillon, as contended by Dontigney (2018), who introduced the idea of entrepreneurs as risk takers. The classic, neoclassical, and Austrian Market process schools of thought all pose explanations for entrepreneurship that focused, for the most part, on economic conditions and the opportunities they created. Economic theories of entrepreneurship tend to receive significant criticism for failing to recognise the dynamic and open nature of the market ecosystems, ignoring the unique nature of entrepreneurial activity and downplaying the diverse contexts in which entrepreneurship operated.

1.2.1 Problems as Opportunities in Entrepreneurship

As noted by McMullen and Plummer (2007) a good portion of the research to date has focused on the discovery, exploitation, and consequences thereof without much attention to the nature and source of opportunity itself. Some researchers argue that the subjective or socially constructed nature of opportunity makes it impossible to separate opportunity from the individual, while others contend that opportunity was as an objective construct visible to or created by the knowledgeable or attuned entrepreneur. Alvarez and Barney (2007) argue that entrepreneurial objectives, characteristics, and decision making differ systematically, depending on whether opportunities were modelled or discovered or created. In the "discovery approach," for example, entrepreneurial actions were responses to exogenous shocks, while in the "creation approach," such actions were endogenous. Discovery entrepreneurs focus on predicting systematic risks, formulating complete and stable strategies, and procuring capital from external sources. While the creation entrepreneurs, by contrast, appreciated iterative, inductive, incremental decision-making, were comfortable with emergent and flexible strategies, and tend to rely on internal finance.

Coon (2004) contended that, some of the characteristics or behaviours associated with entrepreneurs were that they tended to be more opportunity driven (they nosed around), demonstrated high level of creativity and innovation, and showed high level of management skills and business expertise. Entrepreneurs are optimistic, (they saw the cup as half full than as half empty). They are emotionally resilient and have mental energy, they were hard workers, showed intense commitment and perseverance, thrived on competitive desire to excel and win, tended to be dissatisfied with the status quo and desired improvement. Entrepreneurs were also transformational in nature, were lifelong learners and used failure as a tool and springboard to do better in future.

1.2.2 Failure in Entrepreneurship

The inability of SME owners to access the needed resources and capital as averred by Rex (2015) affected their ability to devote time to working on, rather than in, the business and in turn constrained their ability to achieve growth objectives. Coming out of this resource constraint cycle was proving difficult for many owners (Ibid). Rex (2015) further argued that the lack of both internal and external capital to fund the growth of SMEs was a major constraint to remaining competitive in their business operations.

Waters (2013) contended that according to a survey of more than 1000 Australian owners of SMEs, small and medium-sized businesses were most likely to fail because of an inability to manage costs or anticipate rising costs. From those surveyed, 61 percent of SME operators said small businesses failed because of an inability to manage costs, 50 percent said inexperienced management, the other 50 percent said poorly designed business models or no business plan, 49 percent said insufficient capital, 37 percent said poor or insufficient marketing knowledge, and 35 percent said insufficient time for managing the books. These statistics were supported by ASIC data on 5600 business failures in 2011-12, which cited poor strategic management as the most common cause of failure, attributed to 19 percent of SME failures, with another 15 percent of failures attributed to poor financial control and management.

Evans (2012) notes that there are contrasting views on SME failure and thus states that "It's a contrast, as you look at the reasons why an SME owner feels an SME has failed; it is the inability to manage costs while the accountants say it is a poorly designed business model. A lot of SME owners are fixated on their craft and what they do, and they tend to chase revenue, they may send out lots of invoices and not understand the cost drivers." (p. 36). According to Evans (2012). Typical problems for SME owners was buying lots of inventory of the wrong sort of products because they felt revenue meant success and SME owners were incredibly busy until the day, they got broke.

1.3 Definition of Sustainable Entrepreneurship

According to Schaltegger and Wagner (2011), sustainable entrepreneurship was an activity in which various resources used can create value by meeting the economic, social, and environmental needs of the present and future generations, and providing solutions to social and environmental problems. From a strictly business perspective, the concept of sustainable entrepreneurship has been better defined by Crals and Vereeck (2004) as the " continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life for the workforce, their families, the local community and global community as well as future generations ". (p. 2). Studies by Crals and Vereeck (2004) suggest that the sustainable entrepreneurship dimension coupled with an ethical behavior can contribute to sustainable development while improving the environmental and economic performance of the business and the quality of life of the workforce, their families, the local and global community as well as the future generations.

Sustainable Entrepreneurship (SE) as a concept links sustainability development to entrepreneurship. SE is an umbrella term for environmental entrepreneurship, green entrepreneurship, eco-preneurship and social entrepreneurship. However, according to Gibbs (2009), these terms are overlapping and difficult to draw a clear-cut line among them and Hall et al. (2010) similarly observed that they are sometimes ambiguous. Many existing studies of SE are focusing too much on “environmental entrepreneurship” (e.g. Cohen and Winn, 2007; Dean and McMullen, 2007; Dixon and Clifford, 2007; Gibbs, 2009; Krueger, 2005; Schick et al., 2005;

Schlange, 2006). Although this thought is not wrong, we can learn from the other key aspects of sustainable entrepreneurship.

Furthermore, Tilley and Young (2009) argue that these two terminologies carry different meanings and have different primacies. As such, some distinctions between these two categories of entrepreneurship is appropriate. Scholars have suggested some significant definitions in recent years. Crals and Vereeck (2004) define SE as the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of workforce, their families, the local and global community as well as future generations. Clearly, the profitable "economic" domain, definition includes the maintenance of quality "social" domain and "social focused". Meanwhile, Dean and McMullen (2007) defined it as "the process of discovering, evaluating and exploiting economic opportunities that are present in market failures which detract from sustainability, including those that are environmentally relevant." (p. 58). Similarly, this definition also mentions about the "economic" domain, but "environmental" domain has added and made this definition "environmental focused".

1.4 SMEs and Sustainable Entrepreneurship: Theory and Practice

Over the years, scholars have come up with different concepts and explanations on sustainable entrepreneurship. Below are some of them.

Triple-Bottom-Line (TBL) and Sustainable Entrepreneurship

The Triple-Bottom-Line (TBL or 3BL) is John Elkington coined a concept in 1994 with the aim to search for a new language to express the expansion of sustainable values in business practices and operations. Elkington (1997) later explained the concept thoroughly in his book entitled "Cannibals with Forks: The Triple Bottom Line of 21st Century Business" and concludes that there are three main value creating aspects in sustainable conduct, namely: (i) Economic prosperity; (ii) Environmental quality and; (iii) Social justice.

This concept further been developed into the "3P formulation" which consists of "people, planet and profit" (Elkington, 2004). Nevertheless, Elkington has not developed any diagram to illustrate TBL; as such, many researchers have developed their own versions of graphical illustrations of TBL. Undoubtedly, many scholars to explain "sustainable development" have popularly used the

TBL concept (Chick, 2009). In fact, the use of TBL is not only limited to explaining or describing sustainability development in a conceptual manner, but it is well accepted that businesses play a significant role in showing commitment towards society, environment and the economy; and TBL serves as a useful tool in helping businesses to do so (Mark-Herbert et al., 2010).

According to McCartney and Rouse (2004) and Mitchell et al., (2007), there is an increasing use of TBL as a tool or device for sustainable reporting under the headings of environmental quality, social justice and economic prosperity by many organisations. This was due to its ease in monitoring the effects of business activities on the three dimensions in TBL. Slaper and Hall (2011) as well asserts that the flexibility of TBL makes it a suitable tool to be used by businesses, non-profit organisations and government agencies to measure sustainability performance according to their specific needs. Though this is so, both Mitchell et al. (2007) and Slaper and Hall (2011) have further observed that the major shortcoming of TBL is the lack of measurements to assess a firms' sustainability on economic, environment and social aspects.

Economic Dimension Theory

The economic dimension or "economic viability "theory deals with the flow of money or simply financial matters (Dixon and Clifford, 2007; Slaper and Hall, 2011). Entrepreneurs are not charity workers; they cannot survive without financial resources, and so for sustainable activities. It is worth mentioning that there is a group of entrepreneurs who emphasise heavily on profit or economic gains and different labels have been tagged to this group of entrepreneurs; for instance, "commercial entrepreneurs" (Austin et al., 2006) or simply economic entrepreneurs". The authors further explain that these entrepreneurs focused more on economic functions of entrepreneurship, such as exploiting opportunity and utilising resources for profit gaining. As such, this group of entrepreneurs cannot be called as sustainable entrepreneurs because their primacy is economic gains. While profit cannot be the sole target of sustainable entrepreneurs, being economically viable remains as the main challenge (Dixon and Clifford, 2007). Indeed, researchers such as Crals and Vereeck (2004), Austin et al. (2006) and Hall et al. (2010) have also mentioned the importance of being economically viable for the survival of businesses, including sustainable businesses. More specifically, Shepherd and Patzelt (2008; 2011) have included "economic gains" as one of the perspectives that need to be developed in sustainable entrepreneurship. Moreover, Richomme-Huet and De Freyman (2011) have also asserted that sustainable entrepreneurs should create values that produces economic prosperity, together with social justice and environmental protection. In other words, there should not be a zero-sum game or tradeoff between profit and other non-profit aspects, such as environmental wellbeing or social welfare. Thus, according to the revised model proposed, the economic dimension has an equal weight as compared to other dimensions, such as social, ecological and cultural

Social Dimension Theory

Friedman (1970) has made an argument stating, “The social responsibility of business is to increase its profits”. This statement has affected the way businesses performed in those old days. Businesses believed that they had contributed towards social development through activities such as job creation, product development and tax payment. However, businesses in today’s business world have changed their views on social responsibility businesses, due to the development and popularisation of corporate social responsibility CSR). For example, Crals and Vereeck (2004) have mentioned that “people” as one of the domains to be sustained in sustainable entrepreneurship. They assert that businesses are required to deal with issues in society, such as human rights, gender and child labour. While, Spence et al. (2010) have asserted that sustainable entrepreneurship is closer to CSR and environmental development, which specifies on entrepreneurs’ contribution towards social and environmental surrounding.

In addition, Richomme-Huet and De Freyman (2011) have also argued that, to be a sustainable entrepreneur, one must produce “social cohesion”, which refers to fulfilling individual and community needs. It is worth explaining that there should not be any confusion between “social entrepreneurship” and “sustainable entrepreneurship” because both have different agendas. As the name suggests, social entrepreneurs are having a primacy for social objectives, welfare and cohesion. As Austin et al. (2006) explained, social entrepreneurship refers to entrepreneurial activity with an embedded social purpose and can occur within or across business, non-profit or governmental sector. The social entrepreneurs to non-profit or governmental sector may cause the “entrepreneurial essence” crossover embedded in entrepreneurship to be lost. Therefore, sustainable entrepreneurship should not only concentrate on the social aspect. By referring to the model, economic, environmental and cultural perspectives should also been given equal concentration by all sustainable entrepreneurs.

Ecological Dimension Theory

The ecological dimension theory dimension draws the attention of most researchers in SE studies. Many researchers argue that an ecosystem is the basis of environmental system because natural aspects such as air, water and energy are part of our environmental system (Shepherd and Patzelt, 2008 & 2011; Slaper and Hall, 2011). Since these resources are scarce and non-renewable, they therefore need to be preserved. Sustaining the environmental, ecological or natural dimensions has now gained more attention from businesses (Schaper, 2002; Shepherd and Patzelt, 2008 & 2011). Researchers such as Isaak (2002), Schaper (2002), Krueger (2005), Schlange (2006), Dean and McMullen (2007), Dixon and Clifford (2007), Gibbs (2009) and Pacheco et al. (2010), these all have used the terms “sustainable”, “ecological”, “environmental” and “green” inter-changeably. However, there is a need to distinguish between sustainable and the others because they carry meanings.

One confusion that people have on sustainable entrepreneurship lies between “sustainable development” and “entrepreneurial”, according to Woodfield (2010). The author further argues that centering the businesses on “sustainable development”, such as making the world a better place to live or preserving the nature for future generations, have neglected the “entrepreneurial” aspect in entrepreneurship. Whereas, Shepherd and Patzelt (2008; 2011) argues that nature and environment are other aspects in sustainable entrepreneurship. Richomme-Huet and De Freyman (2011) have also included “environmental protection” as one of the values produced by sustainable entrepreneurs. This clearly explains that SE is not only concentrating on “sustainability development” or simply “nature preservation”, other aspects should be included as well. Therefore, “sustainable” should not only mean “ecological”, “environmental” and “green”. In short, for any entrepreneurial enterprise, focusing solely on the environmental aspect is not enough to make the business a sustainable one. Other dimensions in the model, such as economic, social and cultural demands equal attention to be a true sustainable entrepreneur.

Cultural Dimension Theory

Researchers over the years claimed that SE should emphasise on economic viability, environmental preservation and social development (Elkington, 2004; Crals and Vereeck, 2004; Tilley and Young, 2009; Richomme-Huet and De Freyman, 2011). This point of view mainly affected the concept of Triple-Bottom-Line (TBL) in which "economic prosperity", "environmental quality" and "social justice" describe sustainability in business. Some researchers have suggested that a new domain into the sustainable entrepreneurship framework should be included. For example, Nurse (2006) mentions about sustaining traditional or indigenous knowledge as important to prevent the loss of culture and over-dependence on Western culture. The author further explains that the culture aspect is the fourth pillar in sustainability development in order to achieve harmony among cultural diversity, social equity, environmental responsibility and economic viability. O'Neill et al. (2009) have suggested the model of sustainable entrepreneurship by including the cultural context, because culture influences all aspects of sustainable entrepreneurship process. In addition, Shepherd and Patzelt (2008; 2011) have also mentioned that sustainability is broader than the natural environment. They further assert that sustaining the culture of a community is important to prevent the loss of personal and community identity. Apart from the previous three contexts, cultural context should also be included into SE framework. Although Nurse (2006) has mentioned the existence of "cultural entrepreneurs", this group of entrepreneurs should not be regarded as sustainable entrepreneurs because they are mainly from the 'art sector or cultural industries' which could be not-for-profit and non-entrepreneurial oriented. It is important that, the cultural dimension should also have equal weight in sustainable entrepreneurship frameworks as compared to the others.

1.5 Proposed Study Model: A Revised TBL Model of Sustainable Entrepreneurship

It is a well-known fact that Triple-Bottom-Line (TBL) has received much acceptance as a tool in explaining Sustainable Entrepreneurship (SE) by researchers. Nevertheless, it has some limitations. As argued by Cohen and Winn (2007), linking TBL to SE research requires further investigation. Furthermore, researchers such as O'Neill et al. (2009) have also identified that some important domains were not being emphasised in TBL. For instance, Austin et al. (2006) suggested that future studies could investigate the impacts of certain contextual factors, such as country and community forces, on entrepreneurship. Even if the authors have not mentioned the word “culture” directly in their works, it is worth noting that country and community forces are very much associated to cultural forces. It is undeniable fact that culture shapes and makes a community distinctive (Shepherd and Patzelt, 2008: 2011). Thus, the impact of cultural forces roles on social entrepreneurship as well as SE deserves further investigations. Shepherd and Patzelt (2008; 2011), asserts that it is important for sustainable entrepreneurs to know the “constructs” to be sustained and developed. Although both Austin et al. (2006) and Shepherd and Patzelt (2008; 2011) have mentioned the importance of including “community” in their study, the latter have clearly pointed out “culture” as an important variable. When communities feel sustained, culture should be preserved to create distinctiveness for the community. No doubts work by Shepherd and Patzelt (2008; 2011) have suggested a new variable investigated in SE research, but they themselves have not done any further investigation on it. Nurse (2006) points out that in dealing with sustainability issues, developing countries tend to rely heavily on Western scientific knowledge, which is a cause of the social problems.

It is important to note that the overuse of Western scientific concepts in managing sustainability can lead to the loss of traditional or indigenous knowledge; which can have significant impacts on the efforts of preserving culture, Nurse (2006). Meanwhile, Nurse (2006) contends that the traditional “sacred wisdom” which can be regarded as solutions for sustainable development problems has often been neglected and forgotten. In this regard, the author proposes that cultural aspect included in the sustainability model. The framework by Nurse (2006), proposes to put culture not only as the fourth pillar in sustainable development, but at the center of it. It viewing culture as the central pillar of sustainable development could help the people to deal with sustainability issues their own way because as Nurse (2006) observes “culture shapes what we mean by development and determines how people act in the world” (p.37). Could it be just another type of eco-preneurship or socio-preneurship which overly focused on one aspect of sustainability and inaccurately being treated as sustainable entrepreneurs because the concept of “equal footing” is not discussed in the framework suggested?

O’Neill et al. (2009) may not be the first to include cultural domain in explaining SE, but is the pioneer in doing so. Based upon a sustainability model developed by Navajo FlexCrete, a Native-American corporation, the authors argued that “cultural domain” should be included in explaining SE, in addition to the existing three domains of economic, social and environmental. As such, they suggested that SE should be analysed from four domains, namely (i) Economic; (ii) Social; (iii) Environmental and; (iv) Cultural. The model is an extension of TBL, but with a few limitations. For instance, the model has not mentioned clearly about the extent that should be emphasised for each of the domains; as the model has not empirically been tested.

Thus, for purposes of this study, a modified sustainable entrepreneurship model based upon TBL is proposed and being used to explain sustainable entrepreneurship in Zambia.

According to O’Neill et al. (2009) and based upon the above definitions of sustainable Entrepreneurship (SE), it can be said that SE covers the main issue of “what Entrepreneurs can do in preserving economics, environment, social and culture, in entrepreneurial ways; whereby entrepreneurial ways mean being innovative, creative, trying out new methods, taking risk, and making profits. To this end, this study therefore defines Sustainable Entrepreneurship as follows: “A process in which entrepreneurs exploit the opportunities in an innovative manner for economic gains, society equity, environmental quality and cultural preservation on an equal footing’’.

Two main components require further explanations in this definition. Firstly, sustainability covers the preserving of the domains of economic, social, environmental and cultural in an equal manner through continuous commitment from the entrepreneurs. In other words, these four domains are to be emphasised equally. Secondly, entrepreneurs are those who are innovative enough to make a change in their businesses, processes or products for sustainability. They can be opportunity driven or merely sustainability driven to start-up a business.

1.6 Statement of the Problem

Even with many reforms being undertaken by the government of Zambia, to ease the doing of business, Handley (2008) argues that the businesses’ historical entanglement with the political elite has given rise to a tendency among Zambian businessmen to seek opportunities through personal ties with those close to political power. Additionally, Katubiya (2015) avers that the picture in Zambia is that one third of Zambian start-ups businesses fail in the first three years of inception while a further half of the remaining fail in their fifth year. According to the World Bank Doing Business Report (2012), many promising entrepreneurs in Zambia face with so many constraints that the estimated rate of failure for start-ups is as high as 65% over a period of three years compared to an estimate of less than 50% in Europe over a period of five years. Apparently, most SMEs in Zambia are not sustainable due to constraints they face in running a business profitably.

Therefore, the purpose of this study is to investigate the causes that make the SMEs not sustainable in Zambia. Since the researcher had been associated with the SMEs sector as a Consultant in the past years, it is evident that research in this area of business would add value to wealth creation, poverty reduction and the creation of real jobs in Zambia.

1.6.1 Main Objective

To examine business sustainability challenges facing Small and Medium Enterprises (SMEs) in Zambia.

1.6.2 Specific Objectives

1. To investigate the nature of SME sustainability in Zambia
2. To identify the factors that cause challenges to SME business sustainability
3. To find out Government's role in SME sustainability in Zambia
4. To come up with appropriate sustainability solutions for SME businesses

1.6.3 Research Questions

1. To what extent are SMEs sustainable?
2. What factors cause challenges to SME business sustainability?
3. Are there any contributions Government makes to SME sustainability?
4. What solutions can assist the SMEs become sustainable?

1.6.4 Study Hypothesis

The general hypothesis of this study is that Small and Medium Enterprises (SMEs) in Zambia are not sustainable due to several challenges they face.

Thus, the Null hypothesis (H_0) is 'SMEs in Zambia are not sustainable due to several challenges they face such as lack of capital, transport problems, high competition, lack of organisational skills and lack of financial management'.

The Alternate hypothesis (H_1) is SMEs in Zambia are sustainable

The Null hypothesis will be tested by assessing the main challenges facing SMEs in Zambia and determining whether with such challenges SMEs can be sustainable or not.

1.7 The Significance of the Study

This dissertation attempts to find out SMEs sustainability in Zambia and assess the sustainability challenges, and thereby develop a broad-based theory in the form of a holistic framework for managing SME sustainability in Zambia. A further motivation is to contribute to the field of entrepreneurial sciences and bridge the gap between theory and practice in the business eco-system. This study is important because it would help create awareness of what needs to be done in order to reduce the lack of business sustainability by most SMEs and increase job security and wealth creation among entrepreneurs engaged in business. The SMEs currently employ many people and could increase this number if they were well managed for them to be sustainable. The study may also contribute to the economic growth of the country as the entrepreneurs would contribute to the country's Gross Domestic Product (GDP) by enhanced production, creation of jobs, payment of taxes and wealth creation for themselves.

1.8 Structure of the report

This thesis consists of five chapters, references and appendices.

Chapter 1: Introduction

This chapter began with the introduction and the background to the study and gave a general perspective of entrepreneurship, and highlighted the study problem, objectives and hypothesis.

Chapter 2: Literature Review.

This chapter starts by providing an overview of sustainability and the definitions of SMEs, give an overview of entrepreneurship and sustainability, International and African Perspectives of SMEs, challenges facing SMEs in general, and a detailed perspective of the SME sector in Zambia. Finally, chapter proposes the Fist Theory of Business sustainability.

Chapter 3: Research Methodology and Design

This chapter analyses various research paradigms, methodologies and methods currently used in business management. The chapter then highlights the research design and methodologies used in the study and shows how data was analysed.

Chapter 4: Findings, Analysis and Discussion.

This Chapter presents the findings from both the quantitative and qualitative tools used in the field studies. It further gives an interpretation and discussion of the results in line with the study objectives, study questions and hypothesis. It also discusses the contributions made to the body of knowledge and the limitations identified in this study

Chapter 5: Conclusions and Recommendations.

This chapter provides a conclusion and recommendations arising from the findings of the study and concludes by discussing the areas for further research to enhance the findings of this study.

References:

References to support citations in the dissertation

Appendices:

These show the tools used during the study

Conclusion

This chapter highlighted the research problem investigated, the background of the study, and the statement of the problem, the purpose of study, the objectives that guided the research and definition of terms.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter starts by providing a brief history of SME business sustainability, which is the focus of this study. Based on a critical review of the current literature on SME sustainability, this chapter presents an in-depth discussion on the meaning of the term ‘business sustainability’ and constructs a working definition for ‘business sustainability’. This chapter also covers the recent developments, challenges, research directions, and other important aspects of business sustainability subject arena. It also covers the entrepreneurship theories and attempts to explore the core organisational elements affecting sustainability in SME organisations. It further gives a summary of key issues arising from the reviewed literature.

2.2 History/Overview of Sustainability

Sustainability is relatively recent and relates to a conference held 40 years ago according to Agyekum-Mensah et al. (2012) and Adams (2006). The term sustainability and sustainable development became more prominent through the publication of the Brundtland Commission’s Report in 1987. The report defines sustainable development as ‘the development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ (United Nations, 1987). Nowadays, the term ‘sustainability’ refers to the best use of natural resources (such as water and energy.) in order to meet the needs of the current population while being able to preserve the environment for future generations. According to Ambec and Lanoie (2008), sustainability also enables greater innovation by encouraging learning and inquiry among employees. This addition offers access to alternative markets and opportunities to differentiate products while reducing risk management and agency costs and providing access to cheaper capital and improved labour costs.

It is said that, the World Commission on Environment and Development -WCED (1987) posits that the idea of sustainability came to public attention after a 1972 report, “Limits to Growth,” issued by the international think tank Club of Rome. The World Conservation Strategy developed by the International Union for Conservation of Nature, in collaboration with the U.N. Environment Programme and World Wildlife Foundation, made sustainability as a benchmark of international action in 1980 and currently in use.

According to WCED (Ibid), the term “sustainable development” achieved international public prominence through the 1987 report of the World Commission on Environment and Development. Our Common Future often called the “Brundtland Report” after the name of its chair, former Norwegian Prime Minister Gro Harlem Brundtland. It presented the famous definition: “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”

In the same report, theories of sustainability attempt to prioritise and integrate social responses to environmental and cultural problems. An economic model looks to sustain natural and financial capital; an ecological model looks to biological diversity and ecological integrity; a political model looks to social systems that realise human dignity. Religion has entered the debate with symbolic, critical, and motivational resources for cultural change

2.3 Definition of Micro Small and Medium Enterprises (MSMEs)

Very few countries have working definitions of SMEs, except some members of UEMOA/WAEMU and Mauritius and Morocco, according to the African Development Bank and OECD Development Centre, African Economic Outlook (2004-2005). Therefore, data on SMEs was hard to compare, though there are patterns and countries ranked by extent of SME activity. Meanwhile, Ward (2018) asserts that what exactly an SME or Small to Medium Enterprise is, depends on who is doing the defining. Depending on the country, the size of the enterprise can be categorised based on the number of employees, annual sales turnover, assets owned, or any combination of these. It also varies from industry to industry (as it does in the U.S. and China). Nevertheless, according to Gries and Naudé (2008a), the one common denominator is that SMEs typically make up more than 90 per cent of all registered enterprises in any country. Economies differ, however, in the extent to which they rely on SMEs to generate a greater or lesser proportion of total output.

2.3.1 Definition of SME in the United States of America (USA).

In the USA the SME definition varies by industry based on the North American Industry Classification System (NAICS). This is a system developed by the U.S.A, Canada, and Mexico to standardise and facilitate the collection and analysis of business statistics. The U.S. Small Business Administration (SBA) (2016) provides a list of small business size standards matched to the

NAICS codes. A small business to be eligible to apply for government contracts and targeted funding, a business must be within the defined limits in terms of a number of employees or revenue. In manufacturing, for example, an SME should have 500 employees or less, whereas in wholesale trades it is typically 100 employees or less. Ranges within sectors vary quite a bit. For example, in the sector involving Mining, Quarrying and Oil and Gas Extraction, a business involved in Copper Ore and Nickel Ore Mining can have up to 1,500 employees and still be an SME while a business involved in Silver Ore Mining can only have up to 250 employees to qualify.

2.3.2 Official Zambian Definition of Enterprises in the MSME Sector.

An enterprise is "an undertaking engaged in the manufacture or provision of services or any undertaking carrying on business in the field of manufacturing, construction and trading services", as stated by the Small Enterprises Development (SED) Act of 1996 of the Government of the Republic of Zambia. This does not include mining or recovery of minerals; mining is not included because it falls under the Mines and Minerals Act of 1994.

Meanwhile, for purposes of this study the definition of MSMEs in Zambia follows business variables: - (a) Total fixed Investments, (b) Sales Turnover, (c) Number of employees, and (d) Legal status. On this basis therefore, the following definitions will apply:

Micro Enterprises - A micro enterprise shall be any business enterprise registered with the Registrar of Companies whose:

(i) Total investment (excluding land and buildings) shall be up to Eighty Thousand Kwacha (K80, 000);
(ii) Annual turnover shall be up to One hundred and Fifty Thousand Kwacha (K150, 000); and (iii) employing up to ten (10) persons.

Small Enterprises - A small enterprise shall be any business enterprise registered with the Registrar of Companies and put in the following categories:

(i) Total investment, excluding land and building (in the case of manufacturing and processing enterprises) shall be between Eighty Thousand and Two Hundred Thousand Kwacha (K80, 000 – K200, 000) in plant and machinery while in the case of trading and service providing enterprises shall be up to One Hundred and Fifty Thousand (K150,000) Kwacha;

(ii) The annual turnover shall be between One Hundred and Fifty Thousand and Two Hundred and Fifty Thousand (K151, 000- K300, 000) Kwacha; and (iii) Employing between eleven and forty-nine (11- 50) persons.

Medium Enterprises - A medium enterprise shall be any business enterprise larger than a small enterprise registered with the Registrar of companies whose:

(i) The total investment, excluding land and building (in the case of manufacturing and processing enterprises) shall be between Two Hundred Thousand and Five Hundred Thousand (K201, 000–K500, 000) Kwacha in plant and machinery and shall be (in the case of trading and service providing) between One Hundred and Fifty-One Thousand and three Hundred Thousand (K151, 000 – K300, 000) Kwacha;

(ii) The annual turnover shall be between Three Hundred Thousand and eight Hundred Thousand) (K300, 000 - K800, 000); and (iii) Employing between Fifty-One and One Hundred (51 -100) persons.

Informal Enterprise - An informal enterprise shall be any business enterprise not registered with the Registrar of Companies whose:

(i) The total investments, excluding land and building, shall be up to Fifty Thousand (K50, 000) Kwacha; and

(ii) Employing less than Ten (10) persons.

In order to qualify as micro, small or medium enterprise under the above-mentioned categories, the company should meet the legal status and total investment criteria together with at least one other criterion. Having a standard SME definition makes gathering and analysing statistical information about businesses easier.

According to UNDP (2004), MSMEs had the highest capital employment ratio and were a source of income for a broader layer of the population. The development of MSMEs is a sustainable way of reducing the levels of poverty and improving the quality of life of households through wealth and job creation. The contribution of MSMEs to employment, growth, and sustainable development was a widely acknowledged fact.

2.4 Definitions of Business Sustainability

SMEs even though not well supported by both Government and Financial Institutions, were the second largest employers in the country; second only to the Government, according to World Bank (2010). This alone indicates the need to ensure SMEs remained supported and sustainable. There has been no much research conducted in Zambia on the factors that contributed to the stagnation, the lack of sustainability and eventual collapse of SMEs, thus necessitating this research. The bulk of the literature reviewed was on the studies conducted in other countries where the level of industrial progress at the time of the study was similar to that of Zambia. It was important to review literature from other countries to suggest possible problems and how these were resolved.

The focus of this study is on business sustainability of SMEs in selected districts in Zambia and the underpinning theories are, theories of business sustainability and theories of entrepreneurship.

According to the McKinsey Global Survey (2010), business sustainability is managing the triple bottom line - a process by which companies manage their financial, social and environmental risks, obligations and opportunities. This survey highlights the three impacts, which are profits, people and planet. Nevertheless, this approach relies on an accounting-based perspective and does not fully capture the time element that is inherent within business sustainability. A more robust definition is that business sustainability represents resiliency over time - businesses that can survive shocks connected to healthy economic, social and environmental systems. These businesses create economic value and contribute to healthy ecosystems and strong communities. (Ibid)

There are schools of thought that, sustainability is the same as corporate social responsibility (CSR), though the two are not the same. Bansal and Des Jardine (2014) state that the notion of 'time' discriminates sustainability from CSR and other similar concepts. Whereas ethics, morality, and norms permeate CSR, while sustainability only obliges businesses to make intertemporal trade-offs to safeguard intergenerational equity. Short-termism is the destruction of sustainability. Bansal and Des Jardine (2014) also contends that the terms Sustainable and Sustainability describe many different approaches toward improving the way of life. Sustainability does not (and should not) have a rigid definition. According to them, the following are some views of what sustainability can encompass:

a) Sustainability attempts to merge ecology and economy into one system.
b) Sustainability is a way of renewing resources at a rate equal to or greater than the rate consumed.
c) A sustainable community is one that resembles a living system where all the resources (human, natural and economic) are renewed and in balance for continuity.
d) Uses of the word sustainable; include Sustainable Business; Sustainable Development; Sustainable Agriculture; Sustainable Living: and Sustainable Community.

Sustainability is an entrepreneur's ability to account for contemporary and future generations needs while upholding the world's ecosystem, Gagnon (2012). Sustainability focuses on an entrepreneur's growth, nature preservation, life support, and a business owner's pursuit to bring into existence future products and services for gain. Rajasekaran (2013) notes that sustainability emphasises the necessity to balance three main objectives for the future growth of humankind: economy, ecology, and society and ethics. These objectives are, people, profit, and planet because they meet the needs of the contemporary generation without compromising the needs of the future generation. Gobble (2012) described sustainability as the source of innovation and growth, and further considered sustainability as being concerned about the social good and ecological impact of the community, business, and market. Activities of the business must be sustainable for not only the business but also the world (Gobble, 2012).

According to Rajasekaran (2013), sustainability involves a company's investors and its triple bottom line and is more than the climate and ecological impact; Real sustainability consists a broad range of innovation that addressed the business and social impact that reshaped the business system (Ibid). This study used sustainability to mean an SME continuing to be in business over a long period.

2.5 Performance Indicators

Many challenges faced by SMEs are to condense large amounts of environmental, economic and social information into a limited number of key indicators, according to Hart (2010), Sustainability Performance Indicators (SPIs) or sustainable development indicators are used to measure a company's performance and to monitor and report on future progress. These SPIs are in three areas covering either the economic, environmental or the social aspects of sustainability.

Economic performance indicators: company turnover, profit, quantity of products sold

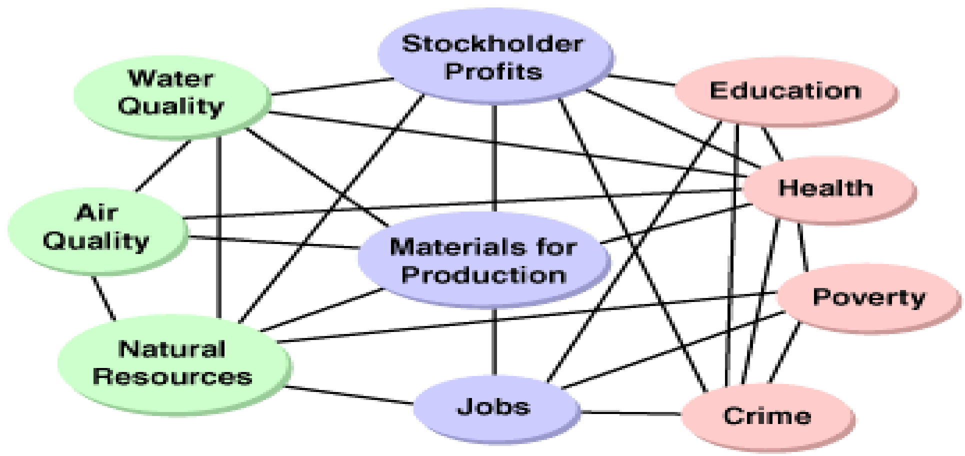
Social performance indicators: labour practices, human rights, and broader issues affecting consumers, community, and other stakeholders in society.

Environmental performance indicators (KePI): greenhouse gas emissions, water consumption, and waste output.

2.5.1 What is an indicator of Sustainability?

An indicator is something that helps you understand where you are, which way you are going and how far you are from where you want to be, Hart (2010). An indictor considered good alerts you to a problem before it gets too bad and helps you recognise how to fix the problem. Indicators of a sustainable community point to areas where the links between the economy, environment and society are weak. The indicators allow you to see where the problem areas are and help show the way to fix those problems. Indicators of sustainability are different from traditional indicators of economic, social, and environmental progress. Traditional indicators -- such as stockholder profits, asthma rates, and water quality -- measure changes in one part of a community as if they were entirely independent of the other parts. Sustainability indicators reflect the reality of the three different segments as shown in the Figure 2 below:

Figure 2 Segments of Sustainable Indicators



Source: Hart (2010) Communities are a web of interactions among the environment, the economy and society.

As shown in Figure 2, the natural resource base provides the materials for production on which jobs and stockholder profits depend. Jobs affect the poverty rate and the poverty rate is linked to crime. Air quality, water quality and materials used for production have an effect on health. These may also influence stockholder profits: if a process requires clean water as an input, cleaning up poor quality water prior to processing is an extra expense, which reduces profits. Same as, health problems, whether due to general air quality problems or exposure to toxic materials, influence worker productivity and contribute to the rising costs of health insurance.

Sustainability, needs this type of integrated view of the world as it requires multidimensional indicators that show the links among a community's economy, environment, and society, Hart (2010). For example, the Gross Domestic Product (GDP), which is a well-publicised traditional indicator, measures the amount of money spent in a country. GDP reports a measure of the country's economic well-being, the more money spent, the higher the GDP, and the better the overall economic well-being is of a country. However, because GDP reflects only the amount of economic activity, regardless of the effect of that activity on the community's social and environmental health, GDP can go up when overall community health goes down. For example, when there is a ten-car pileup on the highway, the GDP goes up because of the money spent on medical fees and repair costs. On the other hand, if ten people decide not to buy cars and instead walk to work, their health and wealth may increase but the GDP goes down.

In contrast, a comparable sustainability indicator is the Index of Sustainable Economic Welfare, Hart (2010). To get a more complete picture of what is economic progress, the ISEW subtracts from the GDP corrections for harmful bases or consequences of economic activity and adds to the GDP corrections for significant activities such as unpaid domestic labour. For instance, the ISEW accounts for air pollution by estimating the cost of damage per ton of five key air pollutants. It accounts for depletion of resources by estimating the cost to replace a barrel of oil equivalent with the same amount of energy from a renewable source. It estimates the cost of climate change due to greenhouse gas emissions per ton of emissions, and the cost of ozone depletion calculated per ton of ozone depleting substance produced, and additional adjustments made to reflect concern about unequal income distribution. Some health expenses considered as not contributing to welfare as well as some education expenses, like the GDP, the ISEW bundles together in one-index tremendous amounts of information, but the key difference is that the information considers the links between environment, economy and society.

Indicators of sustainable community are useful to different communities for different reasons according to Hart (2010), for example, a healthy, vibrant community, indicators help monitor health so that negative trends are caught and dealt with before they become a problem. For communities with economic, social, or environmental problems, indicators can point the way to a better future. For all communities, indicators can generate discussion among people with different backgrounds and viewpoints, and, in the process, help create a shared vision of what the community should be.

However, the above definitions are more in the field of economic development and very little seems to be in business space. To this end, the remainder of this chapter will focus on business sustainability.

2.5.2 Indicators of Assessing Sustainability of the SME Sector

The SME sector of any economy is often in the spotlight because it is neglected as a stimulator of economic growth, this is according to the World Bank (2012), and however, often researchers fail to examine the capacity of SMEs to sustain the development. The growth potential of SMEs through different indicators to gauge an understanding of sustainability is important. Based on an empirical study of trends in 18 industrialised countries, the Organisation for Economic Cooperation and Development - OECD (1997), notes that SMEs now account for about a quarter of exports in most industrialised nations. Internationally active SMEs are emerging in notably large numbers throughout the world, and they tend to be more dynamic and grow faster than strictly domestic firms (Bell, 1995; Nakamura, 1992; OECD, 1997; Rennie, 1993; United Nations, 1993). Gary (2001) posits that as an indicator of SME sector sustainability can examine the data on export contribution by SMEs; the higher their contribution towards export sector the greater their ability to sustain diverse economic conditions.

In most countries of the world, SMEs represent the vast majority (99%) of all enterprises according to the OECD (1998). The contribution of SMEs to economic growth, job creation and innovation has been widely recognised (Anita, 2005). SMEs are especially dynamically efficient within their sector and achieving high allocative efficiency from the social point of view SMEs does play a vital role for the growth and development of emerging economies (Bari, et., al, 2005). Because of their importance for the developing economies, it is vital to understand the elements that can stimulate the growth of the SME sector.

The economic survey of Pakistan and other international data indicate the growth potential of the SMEs through value addition by the sector as postulated by Ahmad, et al., (2009). The higher the value addition of SMEs towards the GDP, the greater their development prospectus. Also, reports from World Bank (2012) and Africa Development Bank - ADB (2010), consider value addition as an important indicator of sustainability of the SME sector compared to the large manufacturing sector.

2. 5. 3 How Business Sustainability can be applied in an Organisation

Business sustainability makes firms resilient, so they are better able to adapt to change, according to Spence (2012). Sustainable businesses are prepared for the future because they:

- Create long-term financial value for the owners
- They understand how their actions affect the natural environment and try to reduce their impacts
- They use and see their ties to others - for example, employees and community - as contributing to positive social change

These organisations go beyond short-term financial goals and consider environmental and social implications - both in their day-to-day operations and when making long-term investments.

Spence (Ibid) avers that, in many ways, SMEs are the original sustainable businesses, because of close links to customers, employees and suppliers, and the integration of business with family life. This means that SMEs are often better than large firms at understanding communities and the natural environment. Sustainability and the legacy of the firm are a part of SMEs' day-to-day activities - even if they do not call it "sustainability." Spence (Ibid) argues that sustainability can have financial, environmental and social benefits that reinforce each other, and these are:

Saving money – sustainability involves reducing waste and unnecessary energy, fuel, and other inputs of less value in the operations of a business.

Managing business risks – sustainability helps firms get ahead of supply chain pressure and ever-stricter regulations. Early adoption by firms of sustainable practices avoids a costly rush to comply with regulations.

Citizenship – Sustainability reinforces the legacy and integrity of the owner-manager especially for family owned businesses. Moreover, taking responsibility for actions is in keeping with the role of a businessperson as a leader and responsible citizen.

Maintain strong 'licence to operate' – For companies to do business, they should display positively to key groups, sometimes called "stakeholders". Sustainability means maintaining strong relationships through:

- Employees - Treated well employees increase their job satisfaction and makes them more likely to stay with the company. Some other sustainability initiatives can also increase employee loyalty, like company-sponsored volunteering or such attachments.
- Customers - customers who know about a company's sustainability actions think better of the company and are more likely to patronise it. Companies that have integrated sustainability into their business systems are more likely to find new market opportunities, in other geographical areas.
- Local community - firms should always have community connections as they have multiple benefits. For example, keeping neighbours informed about actions that might affect them, like a building expansion, will make projects go more smoothly, with no conflicts
- Other companies - increasingly, peer companies value sustainability in their partners. While other companies can also provide sustainability advice and collaborate on sustainability initiatives as both want to achieve their business objectives
- Regulators - Sustainable practices help companies meet legal requirements as an added benefit, because companies in compliance get new permits more quickly and are trusted.

The Starting Point

SMEs can take simple, achievable steps to become more sustainable according to Spence (2012. He further avers that, even a very small firm can reinforce its position as a responsible member of the community without becoming a "sustainability expert." Actions can be "quick wins" or "deep changes." Quick wins are easy to accomplish and do not require a lot of expertise or effort, while Deep changes require that you take stock of your business and identify opportunities that are a good long-term fit. While more time consuming, deep changes may have more significant payoffs and result in enduring positive social change. For example, in terms of Employees and Supply Chain, Spence (2012), suggests that 'Quick wins' may include supporting employee volunteering to empower them, develop their skills and loyalty thereby benefiting the community. 'Deep changes' may include developing an ethical sourcing policy to ensure that inputs are produced responsibly; this effort can draw new customers and strengthen relationships with suppliers, and the community.

2.6 Challenges in Measuring Sustainability

There are ten challenges relating to measuring sustainability as discussed below:

(i) Many metrics that claim to measure sustainability are too confusing.

What is measurable is manageable, according to Laughland and Bansal (2011); Issues or goals without obvious metrics are much harder to tackle. Sustainability initiatives can be particularly difficult to measure because they often affect people and society at a macro level, and their organisational implications are unclear. Further, their impacts are not immediately obvious, and they depend on who implements them and how. Many metrics and measurement systems - such as the Global Reporting Initiative, Ecological Footprint, and Life Cycle Assessment - currently exist to help managers measure their sustainability in their business operations.

What would make one metric or suite of metrics better than others would, and how can businesses judge which is most appropriate for their needs? Laughland and Bansal (Ibid) argue that the range of options often results in more problems than solutions. As one manager said: "It's important to know which sustainability metrics are most meaningful and integrate them with traditional business metrics." It is important that, managers recognise that different metrics serve different purposes: some are most relevant to sectors such as manufacturing, while others focus on specific issues, such as carbon. While some metrics focus on products whereas others focus on organisations, some set common benchmarks, whereas others inspire leadership. It seems as if there is a veritable cacophony of metrics, standards, and certifications. Even leading businesses need guidance on which ones will help them benchmark, signal their commitment to sustainability, and identify areas that need improvement.

(ii) Government policies need to show outcomes which clearly connect to Sustainability.

Laughland and Bansal (2011) posits that governments have several tools at their disposal, such as taxes, regulations, and markets, to encourage businesses to steward environmental resources. These tools have little effect because of poor implementation, and poorly measured, or used ineffectively. Laughland and Bansal (Ibid) postulates that businesses and management often want to “do the right thing”, and appropriate policy can support this mindset.

Leading businesses want policies that push all organisations to improved sustainability outcomes. In doing so, firms can put into place long-term measures and innovate new products and practices that move them closer to those goals. The researchers also argue that businesses also want to know the best practices for collaborative consultation and policy development involving government, business, and other stakeholders. They do not want to be adjuncts, but to work with government collaboratively and meaningfully. One manager asked, “How can we build bridges between government and business that will allow for knowledge sharing and a solid foundation for future business sustainability-related policies?” In other words, businesses wants to be involved in the process such that the resulting policy is effective, efficient, and consistent with both the needs of business, society and government.

(iii) Consumers do not consistently factor sustainability into their purchase decisions.

It is a fact that many decisions consumers’ make-from what food to buy to how much energy to use-involve sustainability-related tradeoffs, Laughland and Bansal (2011). They say consumers constantly trade off different types of impacts (social, environmental, or economic) at different levels (personal, communal, or societal) over different time periods (now or later). In the words of one manager: “Many people demand cleaner energy but refuse, for example, to allow windmills in their community”. How can we help consumers make informed tradeoffs when it comes to sustainability?” Laughland and Bansal (2011), further aver that understanding how consumers value sustainability in the context of other product attributes would help businesses develop products that meet their needs. Further, there may be a role for business in educating consumers on issues and product attributes, resulting in more informed purchasing decisions. Laughland and Bansal (Ibid) further say that still, this does not just apply to consumers-it also applies to investors. Shareholders and lenders must decide where to invest their money. How do they choose between different companies, which require trading off one set of corporate attributes for another? Should they invest in a power producer using cheap coal or another moving towards renewable or alternative energy? Understanding how people make tradeoffs will help businesses make sustainable choices.

(iv). Companies do not know how best to motivate employees to undertake sustainability initiatives.

A survey research shows employees would rather work for sustainable firms and some would even forego higher earnings to do so, Laughland and Bansal (2011). Firms must better leverage this knowledge to attract and retain the best employees. To do this, sustainability managers want to know which employee incentive plans are most valued, and so likely to be effective. Again, one manager clearly identified this need, by asking: “What does the cumulative experience of business tell us about how best to incorporate sustainability performance targets into employee incentives?”

According to Laughland and Bansal (Ibid), these mechanisms should allow firms to leverage their sustainability initiatives and values, building the right capacity internally and ensuring progress towards sustainability goals. Laughland and Bansal also posit that an enduring commitment to sustainability, over a long-time horizon, may separate those companies that are truly committed to leading change from those that are only keeping pace with their peers. One manager at a leading firm points out: “It’s easy to generate ideas and start initiatives at the grassroots level, but how do we sustain that momentum for fruitful innovation across the entire organisation and over the long term?” Nevertheless, such commitment requires the buy-in, ownership and sustained interest of employees. In this way, good employees attract other good employees, and the firm moves towards a virtuous and enduring cycle of sustainability.

(v) Sustainability still does not fit neatly into the business case.

According to Laughland and Bansal (2011), most sustainability managers are beyond asking if it pays to be good (or green). However, they have to explain and defend sustainability activities. Current financial decision-making does not fully capture the value of sustainability-related investments. These investments are long-term and intangible rewards, whereas many investments make short-term impact on the bottom line. One manager pointed out that the payback period for sustainability investments often exceeds that required to approve projects. Sustainability executives may resort to intangibles to justify corporate environmental and social investments. Initiatives are often treated therefore, as 'off-grid' or 'one-offs', rather than a recurring component in all decision-making activities. Again, another manager said that, "We need to be able to value brand, reputation and the externalities arising from our business activities."

Laughland and Bansal (Ibid), say that sustainability managers want to know how to measure sustainability investments. They further suggest it. What are the short-term and long-term ways to assess and justify these investments? How can sustainability executives demonstrate the value of sustainability within the decision-making language and framework of finance executives? Laughland and Bansal (2011) says that until sustainability becomes a legitimate and value-creating activity, it may lose out to other projects that are understood and valued.

(vi). Companies have difficulty discriminating between the most important opportunities and threats on the horizon.

It is difficult to judge which of the risks warrants attention, and often more challenging to prioritise them. Businesses need guidance on how to evaluate the materiality of an issue, both for disclosure purposes and for strategic planning. In their study, Laughland and Bansal (2011), cite numerous threats as looming for business, from financial crises, to climate change, to local land issues, to health pandemics. It was pointed out by one-manager, that business faced some complexity in their business dealings: "There are myriad opportunities and risks we could tackle as an organisation. The manager said, we need to understand where to focus our attention to advance our practices now and in the future."

Laughland and Bansal (Ibid) points out that equipped with an understanding of which risks and opportunities are most material to their organisation, managers can then prioritise material issues, translate them into internal strategies, and communicate them to stakeholders.

(vii) Organisations have trouble communicating their good deeds credibly and avoid being perceived as greenwashing.

A survey done by Laughland and Bansal (2011), shows that claims made by some businesses and NGOs regarding sustainability are perceived to be credible, though others were met with skepticism or disbelief. There are some different reactions related to attributes of the organisation making the claims, its size, its structure, its actions, or its motivations. Leading businesses are also wary of touting their successes, because communications can invite public criticism for the things that they aren't doing. The researchers confirm that companies want to know how to communicate their message credibly, so that whatever they do has credibility. This issue is very important as most of the benefit of CSR activities can depend on whether stakeholders believe the message to be truthful. As one manager noted: "Polls show people consider academics and NGOs more credible than government and corporations. What can organisations do to foster public credibility?"

(viii) Better guidelines are needed for engaging key stakeholders, such as marginalised communities.

According to a study by Laughland and Bansal (2011), many businesses have experienced very positive interactions with marginalised groups, resulting in benefits for both parties. Some businesses operating in the same areas or regions have had negative interactions. Again, one manager recognised the unique viewpoint that was required to navigate such situations: "It is important for organisations to understand such communities' perspectives on sustainable development, which covers the traditional view of sustainability in resource development beyond the environmental, social and economic pillars to include cultural and spiritual dimensions."

Relationships between businesses and communities can be built on mutual respect and trust, which is more likely to lead to positive engagement, Laughland and Bansal (Ibid). Moreover, this understanding of situations can inform the business community of new approaches to sustainability and stakeholder engagement, for both communities, within and outside of them.

(ix) There is no common set of rules for sourcing sustainably.

It is argued by Laughland and Bansal (2011) that businesses that want to purchase products and services which are environmentally and socially responsible should have rules in place. However, the process of identifying sustainable suppliers is not always straightforward, and the means for comparing products is not always easy. One requires industry-specific knowledge and understanding of practices to make sustainable sourcing decisions, for data that may not be available. Laughland and Bansal (Ibid) survey research contends that, identifying a set of best practices for sustainable sourcing would provide organisations with targets for benchmarking as well as guidance on managing their supply chains. This approach would yield opportunities for leading businesses to showcase their good practices. A manager said: "Sustainable sourcing is key for us, but how can we get people to understand what it means for our business? Are there lessons from what we have done that can help other businesses?" The manager further said, sustainable sourcing is not just about sustainability, it is also about managing and mitigating risks. This issue is one in which the business case and societal good are aligned, however, many businesses remain perplexed about how to manage their supply chains sustainably.

(x) Companies that try leading the sustainability frontier often end up losing.

Leadership in any field, sustainability included, carries with it some clear rewards. For example, leading organisations can attract new customers, and foster loyalty with employees and community stakeholders respectively, Laughland and Bansal (2011). Nevertheless, there are risks associated with being on the cutting edge. For instance, sustainability leaders may overinvest in technologies that never yield the expected rewards, be overtaken by a second mover who builds on the leader's ideas to leapfrog into the lead or lose the support of internal stakeholders, with shifting corporate priorities. Again, a manager highlighted this paradox: "Being a leader signifies sticking your head above the parapet: it exposes you to criticism both internally and externally, but the potential rewards are great. Organisations introducing new sustainability targets have to do their homework." The ability of executives in companies to benefit from the potential upside and reduce the risks will be key to ensuring that there are always businesses willing to raise the bar.

2.7 International Perspective on role of SMEs and Support to the SME Sector

Literature that was reviewed in relation to international SME perspectives shows the diverse management of SMEs in those countries surveyed.

The key role of SMEs for growth is generating employment and ensuring equitable distribution of income as confirmed by the Asian Development Bank report (2008-2009). Entrepreneurship is looked at as an effective means not only of combating unemployment, poverty and under-development in the developing nations, but similarly as a strategy for rapid economic development in both developed and developing nations (Schumpeter, 1934; Harper, 1991; Morris & Lewis, 1991; Hamilton, 2000; Clausen, 2006; Praag & Versloot, 2007). In the 1970s to 2000 economies in the Western countries relied on big businesses and mass production, which had given way to a so-called entrepreneurial economy where knowledge-driven goods and services were more flexibly provided by smaller creative class of companies. Naude (2011), through his study noticed impressive growth in the emerging economies (notably Brazil, Russia, India and China) and concluded it had been driven by innovative entrepreneurial revolution. It is said that, entrepreneurial development is the key to poverty reduction and eradication, employment generation and rapid economic development.

Report of the Study on the Opportunities for the Internationalisation of European SMEs (2011), says that SMEs play a pivotal role in the EU economic developments and the Commission gives great importance to its prosperity. The following initiatives are taken at EU level:

i. Principles of the Small Business Act, EU business centres help the EU SMEs to enter third-country markets have been established in India and China. These centres provide business support services including matchmaking, market access assistance, and guidance on regulatory issues,
ii. In China a Help Desk has been operational in the last few years delivering a targeted advice on business issues to EU SMEs
iii. The Enterprise Europe Network has continued to expand in third world countries.
iv. The Commission established a number of SME policy dialogues both bilaterally (China, Russia) and multilaterally (EU-MED Cooperation, Eastern Partnership) aimed at approximation of SMEs policy framework.
v. "Market Access Strategy" for European exporters (2007), the Market Access Teams now operate in 30 key export markets. They have brought together trade councilors, European Commission and EU business organisations into close cooperation to inform each other about trade barriers and on how to tackle them.
vi. The study on Internationalisation of European SMEs was completed.
vii. Assisting the SMEs achieve their Internationalisation goals, the European Commission offers support services

European Union SMEs Internationalisation

EU-based small and medium-sized enterprises (SMEs) need to plug into the market opportunities in developed and emerging economies, according to the Report of the Study on the Opportunities for the Internationalisation of European SMEs (2011). SMEs across the European Union can easily access the contact and service details of a large number of public support service providers at their doorstep and in international growth markets, using https://webgate.ec.europa.eu/smeip/. These service providers all help EU-based SMEs extend their business to growth markets beyond the EU.

This database is provided by the European Commission. SMEs can use it without charge as it is free and open to the public. The portal also links to the European Commission's "Market Access Database", which provides market access information for the individual growth markets, while (Semi) public service providers offering specialised services for SMEs that plan to extend their business beyond the borders of the EU are invited to register via the portal's homepage and add their service offer to the database. Internationalisation links EU SMEs to sustainability through exports and government incentives support programmes

Currently, few SMEs in the EU are doing business beyond Europe, though SMEs are the backbone of the EU economy, they are the vehicle to restoring growth in the EU, but they should enter the markets of fast-growing economies. For instance, SMEs that have international operations report stronger turnover growth, higher rates of job creation, and increased innovation capacity. Study on Support Services for SMEs in International Business (2013), postulates that amongst the objectives of the Commission’s strategy in the Communication ‘Small Business, Big World’ are providing SMEs with easily accessible and adequate information on how to expand their businesses outside the EU, thus improving the coherence of the activities and filling the gaps in the existing services.

The guidelines of the present study on mapping and analysing the existing support services come from the strategy above. This study served two purposes:

i. Providing data for a portal for EU SMEs seeking support services for Internationalisation;
ii. Identifying gaps and overlaps in existing support services.

This study aimed at assessing the scope and availability of support services for EU SMEs, both within the EU and in 25 countries outside the EU. The study outcomes show an inventory of support measures and an analysis of gaps and overlaps in existing services being offered for any future additional action.

The new strategy sets out 6 fields of action, namely:

a) Strengthening and mapping the existing supply of support services,

b) Creating a single virtual gateway to information for SMEs,

c) Making support schemes at EU level more consistent,

d) Promoting clusters and networks for SME Internationalisation,

e) Rationalising new activities in priority markets, and

f) Leveraging existing EU external policies

The Small Business, Big World Report (2011) provides a new partnership to help SMEs seize global opportunities and contends that, the European Commission's proposed new strategy aimed at helping small and medium-sized enterprises to expand their business outside the European Union. This could trigger new dynamism for the European economies.

In 2009 the Commission launched a study to map the level of Internationalisation of European SMEs, to identify which were the main barriers and advantages of Internationalisation and propose policy recommendations. The study further analysed all activities that put SMEs into a meaningful business relationship with a foreign partner: exports, imports, foreign direct investment, international subcontracting and international technical co-operation. This data and conclusions are based on a survey of 9,480 SMEs in 33 European countries.

The report further says that, 25% of EU's 27 countries SMEs export or have exported at some point in the recent past. However, international activities are mostly geared towards other countries inside the internal market and only about 13% of EU SMEs are active in markets outside the EU.

The study presents fact-based evidence of the need to support greater Internationalisation which has political consequences in the EU:

- International SMEs create more jobs: SMEs that are internationally active create employment growth of 7% versus only 1% for SMEs without any international activities.
- International SMEs are more innovative: 26% of internationally active SMEs introduce products or services that were new for their sector in their country; for the local SMEs this is only 8%.
- Public support goes largely un-noticed: SMEs awareness is 16% of public support programmes for Internationalisation and because of this, only a small number of SMEs use public support.
- SMEs in the EU are more internationally active than US and Japanese SMEs. As a matter of fact, European firms are more active than their counterparts in Japan or the US. Even if only extra EU exports are considered they still perform better than their counterparts.
- Very often SMEs start international activities by importing, thus SMEs that both import and export started with import twice as often (39%) than with exports (18%).

The Study Report on the Opportunities for the Internationalisation of European SMEs (2011), builds on the results of the 2009 study and looked at opportunities and support available for EU SMEs looking to do business outside the EU, more so in key markets of Brazil, Russia, India, China, Japan, South Korea and Ukraine. The study focused on three main elements: an assessment of the market potential for SMEs in key markets outside the EU, an examination of the options to better connect European SMEs to international markets, and a review of specific measures to facilitate the access of European SMEs to these markets.

It is important to note that making SMEs sustainable in any country calls for deliberate strategies and support services such as the ones highlighted above. Among others, strategies and measures like providing business support services including matchmaking, market access assistance, guidance on regulatory issues; establishing ‘Help Desks’ delivering a targeted advice on business issues to SMEs; enterprise networking among SMEs within and outside the country; and the "Market Access Strategy" for exporters where Market Access Teams bring together trade

councillors and business organisations to closely cooperate to inform each other about trade barriers and how to tackle them, goes a long way in making SMEs sustainable.
However, if no deliberate efforts are made to address the challenges and obstacles faced by SMEs, then sustainability will be affected.

2.7.1 SMEs Failure - International Perspective

The SME business failures are attributed to the lack of competencies among business owners as well as the lack of abilities and skills of those who hold key positions in the organisations, Kiggundu, (2002), while Beaver & Jennings, (2005), also found evidence that 'non-rational' behaviours of the business owners or entrepreneurs themselves in managing the business contributed to entrepreneurial failure.

The importance of small and medium-sized enterprises (SMEs) for economic development among the major world economies had long been recognised, Ahmad (2009) and Komuniti (2006). The researchers got real life information and details from the founder-owners on the actions or inactions that can lead to business failure, and in turn, present similar and contrasting insights into how to prevent failure and/or improve the likelihood of business success from the two different cultural contexts of Malaysia and Australia. According to (Reiss, 2006), SMEs were more responsive to market demands and were perceived as an important means of job creation by both countries. Nevertheless, irrespective of country, SMEs faced common problems which impaired both their performance and survival rate. Research statistics confirm that the failure rate of small businesses in their first five years was more than 50 percent, (Reiss, 2006).

Business failure at macro level can severely affect the national economy of any country as it has major effects on the employment rate and national income, Ripsas (1998). Despite the potential of adding jobs faster than bigger firms, smaller firms also eliminated them faster as there was a high failure rate in the sector. In an analysis of the multiplicative effect of business failure to a national economy, Naples (1997) avers that; "business failures were not just blips on the screen of economic activity that were instantaneously counteracted by business formation. The business failures destroy jobs, and independently contributed to economic decline". (p. 521). When a drop in autonomous spending led to business failures, the appropriate expenditure multiplier was substantially larger than standard models suggest. Due to these challenges, national income fell further, and unemployment increased more drastically. According to (Chak, 1998), the most significant contributing factor to failure among SMEs was a shortage of resources. At firm level, a history of business failure could hamper the entrepreneurs from obtaining loans or financial assistance the next time round because businesses needed to have had a good track record to qualify for credit. Besides weakening the confidence of creditors in the business, failure can also impair the confidence of the consumers.

Resource-based theories focus on the way individuals leverage different types of resources to get entrepreneurial efforts off the ground, and access to capital improves the chances of getting a new venture off the ground, while entrepreneurs often start ventures with little ready capital. Other types of resources entrepreneurs might leverage include social networks and the information they provide, as well as human resources, and education. In a number of cases, the intangible elements of leadership the entrepreneur adds to the mix operates as a resource that a business cannot replace, and in so doing, the SME business can be sustainable, Barney (1991).

SME Failure in Australia

In Australia it is reported that the SME failure rate is as high as 23%, according to Watson (2003). As a remedy to this problem, the Australian government organised various support mechanisms to increase SME success. The mechanisms included the formulation of policy related to innovation, new technology, managerial development, and business improvement and export skills for SMEs and their owners. It is worth noting that some of these mechanisms will be investigated in this study in the Zambian context. Other forms of assistance include access to information on government assistance programmes; encouraging firm innovation; encouraging networking amongst SMEs; and providing practical assistance and financial support to SMEs, Organisation for Economic Co-operation and Development (2002).

SME Failure in Malaysia

According to (Komuniti, 2006), the failure rate for SMEs was 60% in Malaysia, even though there has been no comprehensive studies or accurate figures published so far. In order to curb the increasing number of SME failures, the Malaysian government has taken various measures including the recent establishment of the SME Bank in October 2005 to cater for the financial needs of SMEs. The government also put in place other support programmes including promoting and increasing production efficiency; enhancing quality and productivity through automation and modernisation of machinery; encouraging SMEs to undertake R&D, product development, and designing activities; and creating a more conducive business environment for SMEs (Central Bank of Malaysia, 2006). These initiatives can also be applied in Zambia by the government through institutions like Citizen Economic Empowerment Commission, the Ministry of Commerce and Industry, Private Sector Development and Youth and Women empowerment programmes under the Ministry of Youth and Sport.

There are some similarities of SME owners in Malaysia and Australia in their behaviours in managing their businesses. Gaskill et al., (1993) notes that a study proved that there was a strong link to Medium Size Enterprise (MSE) founder-owners in Australia and Malaysia on what they felt were ineffective behaviours and competencies that were strongly associated with their experiences of difficulties or failures in their own businesses.

SME Failure in Canada

Statistics according to Innovation, Science & Economic Development Canada (2018), shows that thousands of businesses exit the marketplace every year in Canada. The failure statistics show that about 96 percent of small businesses (1–99 employees) that enter the marketplace survive for one full year, 85 percent survive for three years and 70 percent survive for five years (Key Small Business Statistics). Approximately 7,000 businesses go bankrupt every year in Canada. Ward (2018) postulates that microenterprises (businesses with 1 to 4 employees) have a slightly lower business failure rate than other small businesses; after five years in business, 70.4 percent of micro-enterprises survived compared with 66.9 percent of other small businesses (Ibid).

According to an Industry Canada study (2018), the main reason for business failure is inexperienced management. Managers of bankrupt firms do not have the experience, knowledge, or vision to run their businesses. These factors could also be hindering sustainability in Zambia and were investigated in the Zambian context

2.7.2 SME Sustainability

An entrepreneur should first possess a love of and belief in what they desire to produce and provide as a product to a market (Khaleefah, Rashid, Al Ajoe, & Al Husien, 2014). Entrepreneurs that do not possess the ambition, patience, and the confidence to become sustainable business owners usually fail within the first 5 years in business (Khaleefah et al., 2014). A new entrepreneur should retain the following characteristic to survive beyond 5 years, (a) creativity, (b) tenacious, (c) confident, (d) hard-working, and a (e) risk-takers. In 2010, three out of eight new businesses failed because of poor planning (Ellis, 2012).

A study by Reiss (2006), compared companies that focused on short-term profits and that made decisions based solely on the bottom line, whereas, sustainable companies thought long-term. These companies forged strong relationships with employees and members of the community. Thus, found ways to reduce the amount of natural resources they consumed and the amount of waste and pollution they produced. As a result, sustainable companies endured, surviving major shocks like global recessions, and workers owned the vision of the business venture.

The challenge for SMEs was to remain focused on sustainability within a dynamic context Mc. Kinsey (2010), as creating a sustainability policy was not enough; objectives must be clear, employees and management must show commitment through consistent actions and, little by little, a set of values and habits transcending the individuals of the organisation could emerge. This was even more critical for SMEs, since time dedicated to the education of sustainability was limited. In order to optimise their activities, SMEs sought to establish a culture of sustainability that created a cycle which reinforced sustainable habits and values in the workplace. This promotion of sustainability involved all employees in the organisation - not just a few strikes, executive scandals and boycotts by environmental activists.

According to Wall Street Journal (2010), the last global recession in 2009 had affected SMEs much more as finance was very difficult to access. Simply put, sustainability had to be made easy. While there may be buy-in from most departments, there was often concern about who was responsible for the programme and how much time it would take. The SME owner needed to know how a sustainability programme was going to deliver operational efficiencies, open the door to new business, cost much less money than it generated (or even zero cost), and how the whole programme would be managed by enthusiastic employees. Further, the Wall Street Journal (Ibid), says the economic climate could also affect an SME more than a large company because they didn't have the necessary financial cushion that large companies had in this situation.

Meanwhile, the Report of the Study on the Opportunities for the Internationalisation of European SMEs (2011), contended that in a globalised world, SMEs needed to be able to confront an increasing competition from developed and emerging economies and to plug into the new market opportunities these countries would provide. There is a direct link between internationalisation and increased SMEs performance. It is said that, international activities reinforce growth, enhance competitiveness and support the long-term sustainability of companies. Yet European SMEs still depend largely on their domestic markets despite the opportunities brought by the enlarged single market and by globalization at large.

Arising from this, understanding practices that would hamper business success were deemed important and timely. An alternative approach to understanding practices that lead to business success was by examining the inverse, that was, the behaviours associated with business failure. These challenges would lead to factors which affect sustainability of SMEs. This was because factors citing reasons for failure would appear as factors affecting success and sustainability. (Gaskill et al, 1993). The study by Gaskill et al, therefore, aimed at understanding the behaviours that were associated with business failure, as identified by SME business owners in Australia and Malaysia. The study's results are; the numerous characteristics shared by failed firms are directly related to personal decision-based characteristics of the owner (lack of insight, inflexibility, and emphasis on technical skills,), managerial deficiencies (lack of management skills and appropriate managerial training,) and financial shortcomings (no accounting background, cash flow analysis, financial records.). In contrast, Star and Massel (1981) tied failure rates to the type of business as the failure rates were higher for firms that (1) were smaller in size, (2) were located in rural areas, (3) sold low priced merchandise, and (4) operated as sole proprietorships.

In their survey, Peterson, Kozmetsky, and Ridgway (1983) provide supporting evidence for these reasons, which asked existing firms why businesses failed, found that lack of management expertise and financial-related factors were most cited. While, Wichmann (1983) reported that accounting and management capabilities were important attributes affecting small business success and failure. And Boardman, Bartley, and Ratliff (1981) reported that rapidly growing firms often fail due to the financial stress of the growth. For example, the rapidly growing but failed firm had increasing sales concurrent with higher cost of goods sold, greater debt, and smaller profit margins. The important relationship between financial distress and bankruptcy was recognised early by Beaver (1968) and Altman (1968).
Numerous studies by researchers, including recent studies by Gentry, Newbold, and Whitford (1987), Gilbert, Krishnagopal, and Schwartz (1990), Laitinen (1991), and Thomas and Evanson (1987) have continued to emphasise the importance of following a firm's financial performance to recognise impending bankruptcy. These factors that cause lack of business sustainability were also researched among the SMEs in Zambia and the results are contained in the research findings.

As postulated by Kiggundu (2002), two significant reasons for most SME failures were: (i) the lack of entrepreneurial competencies among the main founder-owners, and (ii) the lack of abilities and skills of those who held key positions. While, Kiggundu, (2002) and Beaver & Jennings (2005) also found that poor actions taken (or not taken) by the firms resulting from 'non-rational' behaviour of the founder-owner (s) in which the focus of this study was. Clearly, it was important to identify the causes for those problems because the high business failure rate brought about various negative implications for the respective countries and to the individual entrepreneurs themselves.

According to, (Minello, Scherer, & da Costa Alves, 2014), the failure and success of an organisation may be related to an entrepreneur's behaviour, internal, and external elements of the business A professional attitude of an entrepreneur adds quality to the future orientation of the business environment. Therefore, the right attitude allows proprietors the ability to creative leadership while occupying a place in the market (Minello et al., 2014).

In their study, Ucbasaran, et al., 2013). Ucbasaran et al. (2013) posits that, although a significant amount of businesses fails within the first 5 years of operation, entrepreneurship is well respected in a developing economy (indicated that business failure could sometimes be good for the society and economy because it opens doors to new business ventures and funded resources. Furthermore, Ucbasaran et al., (2013) contends that, failure can also lead to a wealth of knowledge if the entrepreneur chooses to capitalise on the knowledge. In this regard, how a leader perceives, learns from, or responds to failure speaks volume on whether he or she could sustain their business (Ucbasaran et al., 2013). According to (Whipple, 2012), some of the most creative individuals have encountered failure at one point in their lives, like, Michael Jordan, Ted, Turner, Walt Disney, and Thomas Edison have all experienced failure and great success. It is further said by, (Whipple, 2012), that, Michael Jordan missed 9,000 shots in his career and Edison failed over 1,000 times at successfully building the light bulb. Nevertheless, each of these creative individuals were risk takers. Every failure may teach a lesson (Whipple, 2012). While, failing can also lead to resilience, persistence, and tenacity (Ellis, 2012; Whipple 2012), to sustain the business in its future operations.

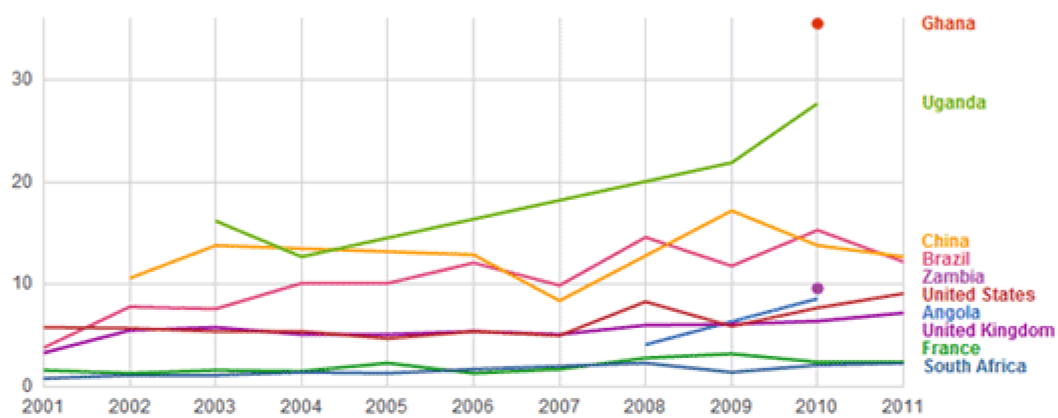
In this context, (Zacharakis, Meyer & DeCastro, 1999; Minello, 2010), postulates that, the success or failure of an organisation may be related not only to aspects of the manager's behaviour, but also to the elements internal to the organisation as well as elements of the external environment. In terms of aspects of the manager's behaviour, the results may be dependent on the manager's unique features and competencies. Thus in this case, (Fleury & Fleury, 2001), argues that, this activity is related to an entrepreneur's activities which are the pursuit of the best performance of the business based on his or her peculiar personal features and competencies. If the features and competencies are absent or inadequate, the organisational result will not be the one expected, and this may lead to the discontinuity of the business.

Business failure, according to Dotlich and Cairo (2003), Finkelstein (2007), Singh Corner and Pavlovich (2007) as discussed earlier, is connected to the manager's decisions and behaviors, and the way they conduct their enterprise. Therefore, the entrepreneurial features, which influence behavior and the competencies of the manager, appear to be very closely linked, and this reverberates on the organisation's behavior.

2.8 SMEs: African Perspective

There has been a noticeable increase in the widespread emergence of SMEs in Sub-Saharan Africa, as contained in the Sub-Saharan African Regional Report (2012), As Figure 3 illustrates, the percentage of established owned businesses in selected African countries in 2010 was highest in Ghana (40 percent) followed by Uganda 27 percent; that were both significantly higher than China and Brazil under 15 percent. While, countries that registered below 10 percent established business ownership (like South Africa and Angola) were comparable to France, the United Kingdom (UK) and the United States of America (USA). This suggests that, while established business ownership was relatively high for some African countries it was relatively average in others. In Figure 3 bellow, Ghana does not have a trend line but is represented by a dot as it has the highest percentage from the research results.

Figure 3 Established Business Ownership Rate

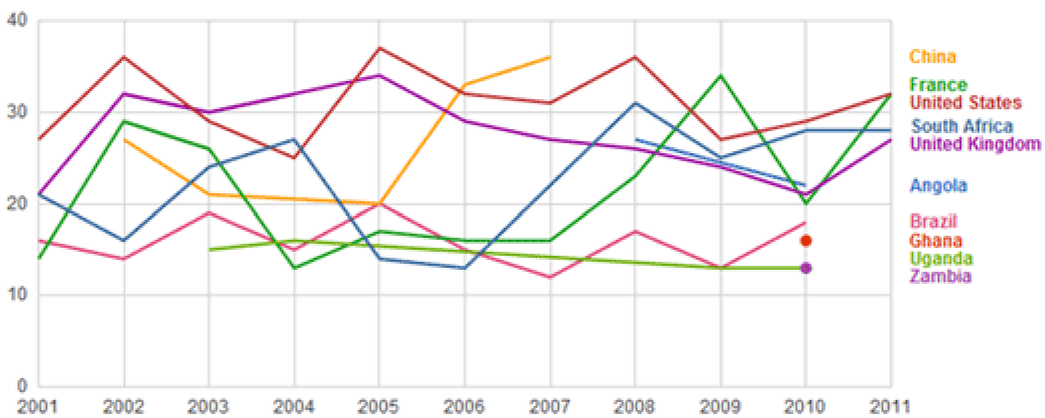


Source: Sub-Saharan African Regional Report (2012)

Established business rates are typically higher than early-stage entrepreneurial rates in factor-driven economies, while the gap narrows in the innovation driven economies; with some showing more established business owners than entrepreneurs. This gap is typically the case in all Sub Saharan Africa (SSA) countries, with the widest gaps showing in Angola (32% vs 5%), Botswana (28% vs 6%), Malawi (36% vs 11%) and Zambia (41% vs 4%). The economic implications are important, in that these countries exhibit high discontinuance rates where many nascent and new businesses do not reach maturity and hence do not contribute significantly to employment and sustainability of a business.

However, though there were many SMEs in African countries, start-up expectations for growth remained low. According to GEM African Report (2012), when respondents were asked in a 2010 study, whether they expected to be employing over five individuals in the next five years, over 80 percent of respondents from Zambia, Ghana and Uganda said they did not. While, respondents from start-ups in France, the UK and the USA showed greater expectations for their business' growth. This shows that while start-ups and SMEs were common in selected African countries, entrepreneurs' expectations of how far their business could go were markedly lower than they were for other countries. To understand this better a closer look at the challenges to SME growth as highlighted in the Sub-Saharan African Regional Report (2012) is shown in Figure 4.

Figure 4 Expectations for growth in next 5 years (%)



Source: Sub-Saharan African Regional Report (2012)

2.8.1 Government Policy towards SMEs in Africa

According to Doing Business Economy Report (2017), though there was a growing number of SMEs on the continent, the environment that these were born into and nurtured in varied greatly. Government's policy towards SMEs was one important factor to take into consideration when looking at the opportunities SMEs had for growth, leading to sustainability.

In any case, Government support differed significantly across the continent, as in some countries, Government created numerous barriers to SME development in the form of excessive regulation and red tape. Chad has been cited as one such example by Doing Business Economy Report (2017), which revealed that a high tax rate of 65 percent and especially difficult insolvency regulations that demanded 60 percent of the estate value and long processing times, business regulation in Chad made it difficult for SMEs to operate and make profit. Especially high insolvency costs made it incredibly complicated and costly for entrepreneurs to allow their business to fail without giving them a fatal blow that would prevent them from trying again. Similarly, Eritrea ranked 43rd in Africa due to the absence of building permits issued to the private sector and the difficulty to access credit was very high.

It is contended by Doing Business Economy Report (2017) that long procedures, delays and waiting times meant that it took 66 days to set up a business in Chad and 160 in the Republic of Congo. Furthermore, it was extremely costly to operate a business once it had been set up because of poor infrastructure. While problems of corruption, unreliable electricity and poor infrastructure meant that Nigeria ranked only 133rd in the world for ease of doing business, despite Government policy that attempted to encourage entrepreneurship. Doing Business Economy Report (Ibid), postulates that in 1999, the federal government in Nigeria implemented a Small and Medium Enterprises Equity Investment Scheme (SMEEIS) which aimed at encouraging a more productive SME sector. Nevertheless, the policy objectives had not yet been met due to poor implementation. Because of this, SMEs were restrained from tapping into the market potential resulting from the country's young, large and growing middle class and population, slowing down economic growth and employment creation in the country.

However, Doing Business Economy Report (2017) further says that, while countries like Chad, the Republic of Congo, Nigeria and Eritrea suffered from high levels of regulatory and institutional barriers with regards to SME growth and development, others like Mauritius, South Africa, Botswana, Ghana, Rwanda and Tanzania had made significant improvements in easing the cost of doing business in their countries. The World Bank Doing Business Report (2012) showed that over the last few years, an impressive 78 percent of African countries undertook meaningful governmental regulatory reform as a means of improving the business climate and encouraging investment. In the World Bank's Economy Rankings (2012), Botswana ranked first on the continent for resolving insolvency and featured well regarding recovery rate. South Africa ranked 2nd on the continent thanks to short processing times, high access to credit and the least amount of bureaucracy involved for obtaining construction permits. Likewise, Ghana, Rwanda and Tanzania had all made significant strides toward easing regulation and creating an enabling environment for business development and growth. The picture was thus clearly a mixed one across the continent.

Furthermore, the World Bank Economy Rankings (2012) contends that difficult regulatory environments, poor infrastructure and limited Government support all make entrepreneurship a challenge in some African countries. However, some success stories illustrate the potential of SMEs in Africa. For instance, Ruff n Tumble, a Nigerian clothing brand, started from the back of a car, but the company had since grown significantly into one of the biggest African clothing brands, meeting the demand for a growing African middle class' desire for quality African sourced clothing. Though Government support may have been limited in most countries, it did not always hold SMEs back. Nevertheless, entrepreneurs created new opportunities despite difficult regulatory environments and were not entirely constrained by them. (World Bank Economy Rankings 2012)

2.8.2 Challenges faced by SMEs in Africa

Besides the lack of support from their governments, SMEs in Africa also faced several challenges, and in this vein, the African Development Bank (2012) reported that only 20 percent of African SMEs had access to credit and that only 9 percent of the investments SMEs made were funded by a bank. These statistics stood in stark contrast to South America and the Caribbean where 44 percent of SMEs reported access to credit, and to Europe where 23 percent of SMEs' investments were financed through bank loans. The lack of credit access placed a heavy burden on entrepreneurs to raise large amounts of capital for business development themselves and made it hard for ideas to grow into enterprise. Improving access to credit was thus crucial if SMEs were to reach their potential and allow businesses to move from start-ups to established businesses with growth potential. Credit in most cases was also essential for creating an entrepreneurship spirit as it allowed businesses to fail and rebound rather than just fail. While it was common for a number of start-ups and small businesses to fail, and a climate that allowed failure allowed an entrepreneur to learn from that failure and start afresh. It was in such an environment that innovation and success could most thrive. In supporting that statement, Ernst & Young's survey on entrepreneurship (2012), found that most respondents were 'serial entrepreneurs' in that they had launched one or two other companies before achieving success.

Notwithstanding these difficulties, there were a number of indicators that suggested that the situation was improving, regards to access to credit, as the AfDB report (2012) found that a number of banks in East Africa had a significant amount of clients in the SME sector and that all banks in Kenya and Zambia had created departments aimed at SMEs; while 75 percent of Tanzania's banks offered the same service as over half of bank loans go out to SMEs. However, when lending to SMEs, banks favoured long standing clients and insist on a 'deposit first' policy. That made it difficult for SME owners without a credit history and without significant capital to access credit. The AfDB report (Ibid) further notes that though banks are increasingly recognising the importance of the sector, they should further support SME development by creating better lending facilities aimed at lower income clients.

According to the AfDB report (2012), turbulent business landscapes had called for greater scrutiny to identify survival toolkit for SMEs; given that the SMEs were very much vulnerable to the dramatic economic changes. Against this backdrop, understanding practices that may hamper business success was deemed timely. An alternative approach to understanding practices that lead to business success was by examining the inverse, that was, the behaviours associated with business failure. According to Gaskill et al. (1993), factors citing reasons for failure may have appeared as factors affecting success.

Longenecker et al., (1999) contends that this resulted in poor actions taken (or not taken) by the firm resulting from 'non-rational' behaviour of the founder-owner[s] in managing the business. More crucially, although the data showed that there were significant inter-country differences in SME failure rates [e.g. among SMEs, Australia's failure rate was reported to be 23 percent (Watson, 2003) while Malaysian figures were at least triple of that. According to Komuniti (2006), there was very limited research in terms of comparative research as the paper aimed to draw real life lessons from the founder-owners on the actions or inactions that might have led to business failure, and hence in turn, present similar and contrasting insights into how to prevent failure and/or improve the likelihood of business success from the two different cultural contexts.

To this end, the research argues that while Governments could certainly do more to facilitate and encourage local business development in African countries, access to credit for entrepreneurs remained the key problem for SME sustainability.

Nikolić et al. (2015) posits that much has been written and researched on SMEs success world-wide, although there are many studies on SMEs, few studies have given much attention to sustainability challenges experienced by these businesses in order to provide businesses owners and entrepreneurs with the right information and guidance to improve their businesses. SMEs operating in Africa, Zambia included face many challenges that deter their growth, Nikolić et al. (2015). This is supported by Kamunge et al. (2014) and Beck, Asili, Luc and Vojislav (2006), who observed that beside their positive role to development, SMEs face many obstacles that restrict their long-term survival.

2.8.3 SMEs failure in Sub-Saharan Africa

According to the Kenya National Bureau of Statistics (2007), the rate of business failure is alarming with only a few businesses surviving a few months to one year. It was further said by Adcorp (2014) that the mortality rate of SMEs among African countries remains very high with five out of seven new businesses failing in their first year. For instance, in Uganda one-third of new business start-ups do not go beyond one year of operation while in South Africa the failure rate is between 50% and 95% depending on the industry (Willemse, 2010). A study conducted by Yeboah (2015) also revealed that 75% of SMEs in South Africa do not become established businesses making the country to have the highest failure rate in the world. According to the World Bank (2012), Chad has also been named as a country with a failure rate of 65% and one of the most difficult countries to do business due to unfavourable regulatory frameworks. In Zambia, the failure rate is 65% as well

The World Bank (2012) posits that although the continent has shown significant improvements in business environment in the last ten years thereby attracting numerous businesses from different parts of world, it is still ranked by the World Bank as the most difficult region to do businesses for SMEs. Meanwhile, in many African countries, SMEs, find it difficult to do business due to unfavourable business environment arising from hostile legal requirements, high taxes, inflation, fluctuating and unreliable exchange rates; all making it difficult to make significant profits to survive (World Bank, 2006; Olawale & Garwe, 2010). In terms of ranking, Africa is at the bottom of regions like Eastern Europe, Central Asia, East Asia & Pacific, Middle East & North America, Latin America and South Asia.

According to Naicker (2006), problems experienced by SMEs can be categorised as follows:

i) Economic based problems – Success of SMEs is tied in with the local economic conditions as the SME sectors market growth is usually at the same rate as the macro economy as a whole, therefore, if there is an economic downturn, SMEs will usually also experience difficulty (Berry et al., 2002)

ii) Enterprise based problems - According to (Rogerson, 2004; Beaver, 2002; Williamson, 2000; Lighthelm et al., 2002; Watt, 2007), internal factors such as human resource problems encompassing poor staff planning, multi-functional management, high employee turnover rate, inadequate trained employees, low productivity and difficulties in recruiting quality staff are impediments to SME success in most African countries

iii) Industry related problems - In a study by Naicker (2006) and Haung and Brown (1999), market related factors that exerts the most negative influence on enterprise success are increased competition, limited market size, low demand, inefficient marketing, poor competitor understanding, poor location and market understanding and the inability to identify the target market (Naicker, 2006; Watt, 2007). While in South Africa SMEs are hampered by a structural problem in that South African SMEs, unlike SMEs in other developing countries, do not complement larger organisations with specialised products or services, but they compete with larger enterprises in the same product markets albeit for different consumer segments (Rogerson, 2004). As for SME owner-managers it is important to identify the most problematic areas in managing their small enterprise. Huang and Brown (1999) argue that identifying the problem areas, owner-managers can address problems through education, training and information gathering activities.

It is argued by (Berry et al., 2002), that the role of labour, labour markets and skills levels are the most important factors contributing to small enterprise growth. While managerial skills not only influence owners' perceptions regarding their business, but various literature sources acknowledge that a lack of managerial skills and training is an important cause of enterprise failure complimented by lack of experience and lack of organisational culture acting as an impediment to the establishment of SMEs. In this regard, (Watson, 2004; Naicker, 2006). O'Gorman (2001) argues that the owner managers' characteristics can also act as a barrier to growth in that the personality, managerial skills and style including the entrepreneur's and/or management's negative attitude towards change can negatively influence an enterprise (Leopoulos, 2006; Naicker, 2006).

In a study by Pretorius and Shaw (2004), South African bankers are less inclined to finance SMEs due to their perceived high level of risk and a weak expected return and this is emphasised by the South African micro enterprise surveys which list inaccessibility to finance as one of the primary external constrains faced by SMEs as confirmed by (St-Pierre and Bahri, 2006). Some of the factors that contribute to the complex financing problem are the insufficient knowledge of the SME entrepreneur; for example, their inability to draw up a business plan; the lenders inability to determine the SMEs credit risk attributed to their lack of enterprise information; and general communications issues leading to low levels of entrepreneurship and a high failure rate of South African SMEs (Kotze and Smit, 2008; Berry et al., 2002).

It is important as argued by (Kotze and Smit, 2008; Berry et al., 2002), that an effective and efficient process whereby all SME dimensions are evaluated when measuring the borrower's risk must be developed. The development of a more inclusive SME risk measurement framework will enable lenders to make rapid and objective decisions based on the actual business environment, while SME management cannot criticise the banking environment of over-valuating the risk. At present, few risk evaluation models exist that allows for an overall evaluation of SME risk. The lack of suitable risk models is emphasised by the banking sectors continued reliance on financial models where information is derived by way of financial statements, as this information is considered more objectives than information obtained from other sources.

It has been said that, Zimbabwe has witnessed a high growth in the number of business start-ups during the past twenty years, according to Gono (2005). SME sector in Zimbabwe contributes to the national economy in different ways which include employment creation, national economic development and adding value to the gross domestic product (GDP) of the country. A report by the Reserve Bank of Zimbabwe (2013) postulates that SMEs constitute 50% of the Zimbabwean GDP and 60% of the economy. Given the information base and productive resource endowment of Zimbabwe, the country is projected to be the leader in growth among the Sub-Saharan African countries towards 2020 (Zindiye et al., 2012). While, Ncube and Greenan (2004) estimated that there were about 609 SMEs in the manufacturing sector of Harare. Meanwhile, Machipisa (2008) argued that there are 10 000 SMEs in Zimbabwe which controls 65% of the total corporate purchasing power. According to Scholgl (2004), SMEs in Zimbabwe forms an important component of the economy.

Tsarwe (2014) points out that the future growth of the Zimbabwean economy has been anchored by policy makers on the establishment of growing SMEs in the face of business closures by the large companies due to the economic meltdown. In this regard the Government has been calling for support towards the SMEs in recognition of the potential benefits they can contribute to the economy. Meanwhile, the Zimbabwe Agenda for Sustainable Social and Economic Development (ZIMASSET) was launched in 2013 with a view to drive economic development anchored on, to a larger extent, the growth of SMEs and beneficiation of local resources.

According to the Zimbabwe Independent (23 November 2012). The Government of Zimbabwe has put efforts to improve the SMEs but with limited success. “Central Africa Building Society (CABS) and Old Mutual had agreed to avail a total of US$10 million, i.e. US$5 million each, towards SMEs Funding. The Government and other stakeholders such as the Non-Governmental Organisations (NGO) had invested resources and expertise to ensure success in SMEs. Although, Government support can do much in terms of the development of the SMEs, the bulk of the success of SMEs should be generated by the sector players. However, the sector has not contributed meaningfully to the country's GDP according to the findings done by the Asia-Pacific Economic Cooperation (APEC), World Bank (2012)

Arising from the general challenges SMEs face, there are also sustainability challenges they face and some of these are: From the literature reviewed, sustainability is not holistically undertaken by SMEs as can be seen from the general challenges faced by SMEs in the use of sustainability strategies.

2.9 SMEs in selected African Countries

2.9.1 SMEs in Zimbabwe

This part of the study shows the performance of SMEs in some selected countries in Africa in their operations. As argued by Kennedy and Hobohm (2012), the importance of the SMEs sector is different throughout the world as it differs from country to country in accordance with the level of development, pattern and rate of change in economic development.

The importance of SMEs in economic development came to light following the success stories of some East Asian and Western European countries such as Singapore, Taiwan, North Korea, Germany and Italy, Hallberg (2011:181).

Many donor agencies and development analysts have called for intensive research in the role of SMEs in industrial and economic development, according to (Havenga, 2010). After the failure of large companies to generate meaningful employment and industrial development, most governments in Africa have turned to SMEs as a solution. The SME sector is now regarded as a solution to most developmental problems in developing countries (Sibanda, 2012). According to Goriwondo (2011), SMEs play an important role in the revitalisation process of the economy in Zimbabwe. In most cases, it is accepted and acknowledged that SMEs serve as an instrument which is effective in employment creation as well as economic growth, which eventually leads to the reduction of poverty to the entrepreneurs and their employees.

In Zimbabwe, the SMEs contribution to the mainstream economic activities will help address the economic ills in the country and many citizens will improve their livelihood as SMEs play a very important role in the growth and development of any nation, Inter-American Development. (2002).

“It is, however, important to note that a strong institutional framework supporting the development of SMEs is already in place in Zimbabwe, as evidenced by such longstanding institutions as SEDCO, the United Nations Industrial Development Organisation (UNIDO), and the International Labour Organization (ILO), among several other institutions which are currently providing technical and financial assistance to the sector” Gono (2006:8). As they benefit, the nation will also benefit if their efforts are successful endeavours Goriwondo (2011:354).

Saravanan (2008:435) advised that SMEs are viewed as economic drivers employing a greater part of world employees but suffer from a myriad of operational problems compared with their counter parts in the larger formal organisations. In the current business environment SMEs are a bed rock for economic development. In Africa, 90% of the business operate as SMEs and offer more than 50% of employment as well as contributing 50% of the GDP. For example, the SMEs sector in South Africa comprises of 55% employment along with 22% of GDP, in Kenya SMEs contribute 18% of national GDP, while in Morocco the SMEs sector accounts for 93% of the industrial firms and 46% employment.

Generally, the SME sector is the sector of the economy that helps many countries of the world to reduce the economic decline. Ball et al, (2010:67) argue that almost every country that has achieved major economic growth had a concentrated drive to establish SMEs. China, South Korea and Malaysia are examples of economies which have used SMEs development as a catalyst for their economic development. Zimbabwe cannot be spared from this as it is struggling to deal with the massive economic decline that has been the principal characteristic of the last decade. What this means is that the SMEs in Zimbabwe remain the powerhouse of economic growth and improvement of the welfare of the general population. SMEs provide for the basis for growth. According to (Battersby 2003:87) the assumption is that when a country has SMEs it is a sign that there is development in that country. However, the situation on the ground is that most of these SMEs are not maturing to become big organisations. SMEs are mostly found in developing countries, but the assumption is that by now these countries should have improved in their economy but surprisingly in some there is actually a decrease in the economy for instance in Zimbabwe the economy is actually declining with the increase in the SMEs. Over the past few years, the SME sector has come out of its confines and has begun to raise and answer most of the major industrial development questions in many economies.

The success of this sector can be improved by addressing sectorial or regional and macro-economic factors as there was need to consider the wider policy framework for the development of the SME sector among the economies. According to Muriithi (2017), a study done by Katua, (2014; Zwinoira, 2015), contends that, SMEs contributions to Employment and GDP in Zimbabwe are; Contributions to Employment 15%, while to GDP is 40%

2.9.2 SMEs in Nigeria

As stated by Peterise (2003) and cited in Kadiri (2012), SMEs play a significant role as the mainstay of the economic activities in terms of employment generation, national growth, poverty reduction and economic development of global economies including Nigeria. In towns and cities, these businesses employ large percentage of the population. According to Peterise (2003) cited in Kadiri (2012), SMEs both in the formal and informal sectors employ over 60% of the labour force in Nigeria. As a result, 70% to 80% of daily necessities in the country are not high-tech products, but basic materials produced by SMEs with little or no automation. SMEs spring up in towns and cities almost daily; however, no sooner are they established than they fold up mostly within the first few years of operation. What is responsible for this? Several problems limit the growth, survival and hence effective contribution of SMEs to the economic growth of Nigeria.

According to Obitayo (2001), lack of a conducive and enabling macroeconomic policy environment among other problems remains the drawback to the survival, development and growth of SMEs. Nevertheless, an appreciation of the most important role of SMEs to the economy, their low survival capacity and need to enhance the entrepreneurial mind-set of Nigerians, encouraged successive Nigerian governments since independence in 1960 to intervene in providing subsidies and other support services for SMEs. Meanwhile, the growing concern about unemployment among the youths, especially of graduates of Universities and other tertiary institutions, and diminishing growth potentials in the economy have further drawn increased attention on the need to ensure the survival and growth of SMEs.

In Nigeria, the factors working against the development and growth of SMEs are quite numerous among which are the following:

(a) Financial Constraints - most of these enterprises cannot access loan on a long term and short-term basis as the problem of funding SMEs is not so much the sources of funds but accessibility. According to Adepoju (2003) and Osamwonyi (2010), factors inhibiting funds accessibility by the SMEs are the stringent conditions set by financial institutions, the lack of adequate collateral and credit information, and the cost of accessing funds.

(b) Lack of infrastructural facilities -the problem of infrastructure ranges from inadequate facilities like power supply, access road network, water supply and solid waste management. Businesses must provide expensive parallel infrastructures. Meanwhile, lack of infrastructural facilities is a serious impediment to the performance of SMEs. Of these problems, the problem of power supply has been the most critical in Nigeria. The epileptic power supply has seriously hindered the business environment in Nigeria. Consequently, and in most cases, most businesses have folded up or cannot operate as a result of erratic power supply. According to Olarenwaju (2001), most banks have hidden under this umbrella to blame their inability to fund SMEs on the poor state of infrastructure, economic climate and low performance of public utility.

(c) Poor management and low entrepreneurial skill base - technical problems, incompetence and lack of essential and required expertise in production, procurement, maintenance, marketing and finance have always led to funds misapplication, wrong and costly decision making. Also lack of trained manpower and low managerial and entrepreneurial skill base constitute a serious clog in the survival of SMEs. Rogers (2002) noted that inefficiency in overall business management and poor record keeping is the bane of most SMEs

(d) Lack of strategic planning - SMEs regrettably do not carry out proper strategic planning in their operation; however sound planning is a necessary input to a sound decision making.

(e) Poor marketing - entrepreneurs often blame their failure on inadequate sales. However, the real problem lies with ignorance of the need for marketing skills but not just inadequate sales. Quite often small business owners appear to be overly optimistic about sales. They don’t seem to know that the best of products still needs stimulants to be able to move out of warehouses and out of

retail stores. Many small businessmen in Nigeria see poor sales as isolated problems rather than a poorly developed and poorly coordinated marketing effort or lack of it.

(f) Unplanned business ownership - business management is so much concerned with administration and administrative skills and managerial ability become more and more important as one moves on the administrative ladder very often, entrepreneurs go into business without taking a realistic view of their strengths and weaknesses, let alone giving a careful consideration to the economic trends or business conditions in that sector of activity. Many business owners in Nigeria rely on their skills and talents and engage in purchasing, pricing, advertising, budgeting, and performing personnel and other management functions. They apparently always neglect the need for experience and training; but as the business grows, they begin to realise the need for training in these areas. Unfortunately, such realisation often comes late, and the business gets affected.

(g) Poor personnel management - the root of most employee problems in Nigeria is poor personnel management. Most proprietors are usually more concerned about production, sales and finance, to the detriment of personnel matters. Management usually, suspend personnel matters till crises set in. Meanwhile, such crises usually pose serious threats to the firm's survival if they are not promptly investigated.

(h) Deteriorating macroeconomic environment - majority of small business enterprises are grappling with the problem of uncertainty created by the macroeconomic instability and policy shifts. The harsh macroeconomic environment in Nigeria has adversely affected the performance of small business enterprises and hostile to their survival and growth. Government fiscal indiscipline impacts negatively on private investment and survival of small business enterprises as large public sector deficits fuel inflation, price variability, and exchange rate volatility. According to Muriithi (2017), a study done by Ariyo, (2011); Kolasiński, 2012), contends that, SMEs contributions to Employment and GDP in Nigeria are; Contributions to Employment 70%, while to GDP is 50%

2.9.3 SMEs in Ghana

Despite the important and far reaching roles SMEs play as well as their huge potential to initiate and facilitate sustainable economic growth in the country, micro-small businesses face a variety of challenges owning to the difficulty of absorbing large fixed costs, the absence of economies of scale and scope in key factors of production, and the higher unit cost of providing services to smaller businesses (Schmitz, 1982; Liedholm and Mead, 1987; Steel and Webster, 1990).

A cursory peruses of the micro, small and medium sized enterprise review the underlisted set of constraints that are hindering their growth and development. A brief discussion of each is presented below:

Lack of Capital - this was supported by Shafeek (2009) where he said; from a business viewpoint without adequate financing, the business will be unable to maintain and acquire facilities, attract and retain capable staff, produce and market a product, or do any of the other things necessary to run a successful operation, lack of capital seems to be the primary reason for business failure and is the greatest problem facing small and micro business owners.. In their book, "small business management and entrepreneurship" 2006, Stokes and Wilson (2006), stated among others that financial difficulties of SMEs arise, either because of an inability to raise sufficient funds to properly capitalise the business, or a mismanagement of the funds that do exist or a combination of both.. Stokes and Wilson (2006) go on to stress that many new owner managers, having received funds, misuse them; small businesses are notorious for their lack of proper financial controls and information. Access to finance remained a dominant constraint to micro-small businesses in Ghana. Micro-small businesses tend to face greater financial constraints than larger firms do.

The researchers further explain that, access to external funds may be difficult to achieve for new or young, small and micro businesses with no track record, especially for owners without personal assets to offer as security

Credit constraints pertaining to working capital and raw materials, were cited by respondents in Parker et al., 1995 survey (between 24% and 52%). Aryeetey et al. (1994), reported that 38% of the micro-small businesses surveyed mentioned credit as a constraint, in the case of Malawi, it accounted for 17.5% of the total sample. Daniels and Ngwira, (1993: 30-31). This stems from the fact that micro-small businesses have limited access to capital markets, locally and internationally, in part because of the perception of higher risk, informational barriers, and the higher costs of intermediation for smaller businesses. Across the world, entrepreneurs typically start businesses primarily through their own savings because of limited access to start-up capital, Mason, (1998), as a result, micro-small businesses often cannot obtain long-term finance in the form of debt and equity.

Human Resources Management - the root cause of either SME failure or poor performance is almost invariably a lack of management attention to strategic issues such as human resources management and the competence of the SME owner or manager is the ultimate determinant of survival or failure. Moreover, the early founder of the SME's personal competence in selecting the right business and running it will be crucial, as the firm is likely to be indistinguishable from the owner. Therefore, as the business develops, growth can be rapidly partial due to unwillingness or inability to draw others to help with the management of the agribusiness SME, Pasanen, (2006).

In addition, the management of people (human resources management) is particularly important as it includes not only the personnel issues of dealing with employees, but also of managing people outside of the organisation who are also critical to its success, such as key customers, suppliers, banks and investors, Stokes and Wilson (2006). There is an over-reliance on the single owner or manager of most small and micro business firms and reluctance to move away from this managerial tendency on the part of the SME owner/manager. As a result, this translates into poor human resources practices where no new qualified staff is hired or authority and responsibility delegated to other employees, Nieman, (2006).

Legal issues - In the case of Ghana, the cumbersome procedure for registering and commencing business are key issues often cited. High start-up costs for businesses, including licensing and registration requirements can impose excessive and unnecessary burdens on micro-small businesses. The high cost of settling legal claims and excessive delays in court proceedings adversely affect micro-small businesses operations. However, Aryeetey et al. (1994), found that this accounted for less than 1% of their sample. For now, the absence of antitrust legislation favours larger businesses, whilst the lack of protection for property rights limits micro-small businesses access to foreign technologies.

Information Technology - small and micro agribusiness firms in developing countries like South Africa are poor and as such have no access to information technology. Technological innovation has long been a chief contributor to progress in agribusiness and will continue to influence the growth and survival of the agribusiness SMEs, Baloyi (2010).. It is this lack of access to information technology that also bear a negative effect on the small and micro agribusiness firms' ability to survive and grow even in the Alice communal area (Baloyi, 2010).

Marketing - to have a good chance of survival, a small or micro agribusiness firm needs to answer the basic strategic questions: "what markets are we targeting, with what products?" A common weakness in the (agribusiness) SME owner or manager lies in their failure to understand key marketing issues (Stokes and Wilson, 2006). According Shafeek (2009), marketing is the one and only functional area that links the products or services of a business to its customers. He further says that, it is vitally important to ensure that this function is properly performed. Stokes and Wilson (Ibid), is of the belief that product or service concepts and standards often reflect only the perceptions of the owner, which may not be mirrored in the marketplace. He adds on to say, minor fluctuations in markets can topple a newly established small/micro firms, particularly where it is reliant on a small number of customers.

Business Plan - small and micro firms by nature avoid formal planning, and as such do not have proper business plans according to Nieman and Nieuwenhuizen (2009), a business plan is a written document that carefully explains the business, its management team, its products or services and its goals together with strategies for reaching goals. The business plan is a living document that forms part of the formal planning done by firms and serves as a tool for reducing the risk of venture failure, a benchmark for a firm's internal performance as well as a tool for accessing funds (Nieman and Nieuwenhuizen, 2009). A business plan as a living document needs to be constantly updated for it to increase the agribusiness SMEs' chances of growing and surviving in the market.

According to Muriithi (2017), a study done by Ghana Bank Doing Business (2013); World Bank, (2006); Abor & Quarterly, (2010); postulates that, SMEs contributions to Employment and GDP in Ghana are; Contributions to Employment 49%, while to GDP is 70%

2.9.4 SMEs in Kenya

Registration and Certificates - In Kenya, according to Wanjohi (2010) there has been complains regarding tedious registration and certification processes. Various bodies have their requirements which need money and time, and one option left to an entrepreneur is to evade the process, but this proves more expensive at the end because of penalty given. For instance, for an entrepreneur running chemical related business, a certificate is needed from the Ministry of Health or similar authority to show that the products or services offered have been analysed and found to be safe. The authorities may also require the product to conform to legal standards regarding composition.

Lack of Credit. - In some cases, even where credit is available, the entrepreneur may lack freedom of choice because the lending conditions may force the purchase of heavy, immovable equipment that can serve as collateral for the loan. Wanjohi and Mugure (2008) postulate that credit constraints operate in variety of ways in Kenya where undeveloped capital market forces entrepreneurs to rely on self-financing or borrowing from friends or relatives. Lack of access to credit is almost universally indicated as a key problem for SME's. This affects technology choice by limiting the number of alternatives that can be considered. Many SME's may use an inappropriate technology because it is the only one, they can afford Lack of access to long-term credit for small enterprises forces them to rely on high cost short term finance; thus, financial constraint remains a major challenge facing SME's in Kenya,

Inadequate Business skills - in Kenya Wanjohi and Mugure, (2008), avers that, the *juakali* informal sector has proved that it can be a factor that can boost economic growth in Kenya. In this sector, practical skills are being developed at low cost, and with financial support various types of small-scale technology could be developed for labour-intensive enterprises that could absorb hundreds of young job seekers. However, those who run the businesses in this sector lack adequate business skills mainly attributed to low levels of education. It is not enough to know how to produce a high-quality product. The producer must also know how to sell it effectively and how to control the financial side of the business and in doing that the entrepreneur must be skilled in business.

According to Muriithi (2017), a study done by Mwarari & Ngugi, (2013); says that, SMEs contributions to Employment and GDP in Kenya are; Contributions to Employment 80%, while to GDP is 40-50%

2.9.5 SMEs in South Africa

In South Africa, the high start-up costs for firms, including licensing and registration requirements, imposes excessive and unnecessary burdens on SMEs (Abor & Quartey, 2010). Dalberg (2010) stated that SMEs frequently lack the collateral and financial records, such as financial statements that are mandatory for loan applications from commercial banks or financial services providers, thereby affecting their ability to obtain funding. Abor and Quartey (2010), postulates that, the lack of managerial skills places significant constraints on SME development while regulatory constraints also pose serious challenges to SME development. Although wide-ranging structural reforms have led to some improvements, prospects for enterprise development remain to be addressed at firm-level. Dalberg, (Ibid) points out that this challenge is apparent in the fact that 75 per cent of applications for credit by new businesses are rejected, while only two per cent of new SMEs are able to access loans, and only two per cent of businesses seeking private equity are successful. Drodskie et al., (2012) found that numerous SMEs within the informal settlements of South Africa struggle to obtain capital and a guaranteed income. These SMEs end up with a poor credit record which leads to poor cash flow, often resulting in the SME entrepreneur not receiving the financing needed to start the business in the first place (Mbonyane & Ladzani, 2012).

Meanwhile, Franco and Haase (2010) link the challenge of financial capital with that of a lack of innovation which then affects SME development. The challenge of access to financial capital affects several areas within the sphere of business success, from the resource-based point of view, the survival and performance of a firm strongly depends on the ability to obtain distinctive capabilities that lead to competitive advantage (Ibid). Furthermore, crime and theft are ranked as the third highest obstacle to growth for business owners (Dalberg, 2010). According to the South African Police Service Crime statistics, although incidences of all major categories of crime have decreased, business related crime is on the increase (Olawale and Garwe, 2010). These crimes include robbery, break-ins and vandalism, and employees being injured or traumatised. This issue is of a serious nature and can and will impact negatively on the growth of the SME as the business incurs costs of improving security or repairing damage and compensating affected employees

(Mbonyane & Ladzani, 2012). According to Muriithi (2017), a study done by DTI, (2012); Willemse, (2010), (2007), posits that, SMEs contributions to Employment and GDP in South Africa are; Contributions to Employment 60%, while to GDP is 50-60%

2.9.6 SMEs in Malawi

Some of the challenges facing SMEs in rural Malawi are poor road network and lack of maintenance of roads which still are dusty roads. This scenario is affecting transportation of goods and services and there is poor waste management, which can result in an outbreak of diseases. The Malawi Confederation of Chambers of Commerce and Industry (MCCCI) report of 2017 says that SMEs continue to face challenges such as access to affordable capital, skills set and access to markets, among others. However, the report further says the government, through the Ministry of Industry, Trade and Tourism, is working on the SMEs policy which, when finalised, will offer guidelines on how to promote SMEs sustainability.

The Fin Scope MSME survey (2012), reveals that business owners venture into business just to supplement off farm income not as a result of responding to opportunities in the economic environment or with a strategy to see their businesses grow into sustainable ventures. As a result, most businesses are seasonal and tend to follow the cycle of death and resurrection any time there is need or a shortfall from agricultural income. The Fin Scope MSME survey (2012), which represents the single most comprehensive study done in the MSME sector in recent years, showed that 30% of small scale businesses are involved in the selling of agricultural products as most MSME are linked in some way to the agricultural sector while 23% are involved in general trading and vending. The concern to policy makers and the economy was the general finding that most MSMEs are necessity driven. The Fin Scope MSME survey (Ibid) further says that, resultantly, most business owners were found to be very much willing to abandon businesses and go into formal employment whenever that opportunity is available. Undoubtedly, this should be an area that requires addressing by state institutions and agencies involved in championing the growth and vibrancy of Malawi private sector. Rather than going into businesses as a temporary shelter waiting for employment opportunities, there is need to change the mindset towards venturing into businesses as the goal and formal employment as temporary. According to the Fin Scope MSME Survey (2012), SMEs contributions to Employment and GDP in Malawi are; Contributions to Employment 39%, while to GDP is 16%

2.9.7 SMEs in Botswana

The study by Morapedi (2014) contends that with the evolution of Botswana's SME landscape, there has been noticeable growth with an increasing number of SMEs as well as stronger existing SMEs. More opportunities have arisen in time, largely in the form of tenders or purchase orders. Fortunately, financial institutions and other lenders have supported this in the way of greater access to finance, financing these opportunities through such platforms as purchase order financing and supplier financing.

According to Morapedi (2014), it has long been established that SMEs serve as one of the key engines of growth within the Botswana economy; employing a considerable number of people across the country. SMEs continue to grow and evolve with the nation's economy. However, there are some challenges SMEs face in Botswana key among which are lack of finance; as the average SME does not have enough security or as it is more often termed, "collateral." Collateral is any asset that you own and promise to give to the lender if you cannot pay them back. This can be a house, a building, investments, savings or any other asset. In addition, poor financial knowledge, for example, on basic finance management, proves a real obstacle to a small business owner. This includes insight and skill on what to do when a payment is received, how to manage that money, and even how to invest to grow the business further.

However, Botswana's SMEs often depend a little too much on Government jobs / tenders. It all boils down to the proverbial eggs in one basket, and there appears to be more room for diversification to avoid high risk. Another factor to consider sees the fact that there has been reduced spending and fewer jobs in 2014. This brought pressure on the SMEs business owners not being able to honour obligations to banks. Morapedi (2014) avers that though the situation may often appear somewhat dire, the truth remains that opportunity for growth and success for SMEs also abounds. This is, of course, dependent on any number of factors from local economic climate to financial management, the business strategy and even leadership. With that in mind, some of the key tips Botswana's SMEs and entrepreneurs include bearing in mind that revenue earned from a single contract or job does not constitute profit; one needs to think of long term and sustainable business performance, and this requires constantly investing in the business itself.

As an engine room of growth and a key driver in the economy, Botswana's SMEs are certainly poised to be able to excel over time. Morapedi (2014) posits that every business faces challenges and opportunities to varying degrees, the key is to negotiate these accordingly to allow business the greatest potential for growth and success. The key is to ensure SMEs empower themselves with the knowledge and tools to be able to make that happen and remain sustainable. According to the *(Government Printer, Gaborone, April 1998)*, SMEs contributions to Employment and GDP in Botswana are; Contributions to Employment 55%, while to GDP is 50%

2.10 SME Sector in Zambia

In the early years of independence, economic transformational initiatives included the 1968/69 Mulungushi Economic Reforms, the Zambianisation program and the Matero Economic Reforms of 1969. According to Chalwe (2011), in the 1990s, the Government implemented the privatisation program which was aimed at transferring most state assets to the private sector in which Zambian citizens were also to participate. At independence, Zambia's economy was mainly dependent on copper mining that accounted for 90 per cent of its export earnings. Republic of Zambia (1996). The leadership was committed to the promotion of economic development and restructuring the economy. Chalwe (2011) contends that the government, therefore, undertook rapid nationalisation of the economy shortly after independence, paving the way for state-led development. With the change of government in 1991, macroeconomic policies changed in favour of a free market system in which the private sector, as opposed to government, was to play a central role in the economy.

Consequently, the post-1991 period saw the privatisation and liquidation of most of the previously state-owned enterprises, which had resulted in massive loss of jobs and stable sources of security for both individuals and families in urban areas. In a report by the Ministry of Commerce and Industry in 1994, a number of financial institutions were established to give loans to youths, women and the SMEs since Zambia's independence in 1964, however not much reduction in poverty and unemployment has been achieved. Since independence, the Zambian Government has embraced economic empowerment of citizens as an integral part of its national economic transformation program enshrined in its policies and strategies. GRZ, (2006) State intervention in the economy was set in motion with the 1968 Mulungushi Economic Reforms that allowed the government to acquire 51 per cent shares from private retail, transportation, and manufacturing firms. Republic of Zambia (1968). The Industrial Development Corporation (INDECO), a state industrial holding company, was created to spearhead industrialisation. Subsequently, the Matero Economic Reforms of 1969 resulted in the government purchasing 51 per cent shares from the mining companies, Anglo-American Corporation and Roan Selection Trust, leading to partial nationalisation of the copper mining industry (Republic of Zambia, 1969). Nationalisation enabled the state to control 80 per cent of the economy through parastatals involved in mining, energy, transport, tourism, finance, agriculture, trade, manufacturing and construction, Turok (1989,78) posits that, the state became the engine of growth, however, the nationalisation programmes in general, and import substitution in particular, proved very costly. Zambia failed to diversify the economy from copper mining and the import substitution strategy proved unsustainable, resulting in economic decline. There are many reasons for the poor economic performance. Firstly, the decline in world copper prices since 1974 contributed to economic decline causing reduced government expenditure on development, including import substitution industries, inability to import goods, especially, inputs into manufacturing; balance of payment problems; and inability to service external debt. Lack of savings by the government during periods of high copper prices to cushion the impact of any fall in copper prices worsened the economic situation. Turok (1989,78) argues that, instead of accumulating savings, the government increased expenditure on social and physical infrastructure, imported luxury goods, assisted parastatal and private companies ‘manufacturing profits’, and compensated workers with high wages, especially, mine workers. Secondly, extensive state intervention gave rise to bureaucratisation, corruption and uncertainty, discouraging productive private investment and foreign trade initiatives. Thirdly, import substitution industries proved inefficient and uncompetitive due to high input costs, high monopoly prices, and reliance on government subsidies. According to Judai (2002), Zambia has abundant natural resources, including land suitable for farming for the country to enhance development.

In order to ensure equity, ownership and control of the means of production by citizens and to redress these imbalances in the economy, the Government decided to be more deliberate by creating an economic empowerment policy which eventually led the enactment of the Citizens

Economic Empowerment Act (CEEC) number 9 of 2006. The Citizens Economic Empowerment Commission is a body corporate which was established by the CEEC Act whose mandate is to promote broad based and equitable economic empowerment of citizens that are or have been marginalized or disadvantaged and whose access to economic resources and development capacity has been constrained due to various factors such as race, sex, educational background, status and disability. CEEC is therefore the vehicle by which the Government would like to transform Zambia into a nation where citizens are playing a key role in economic activities with greater participation of targeted citizens, citizens influenced companies, citizens empowered companies, and citizens owned companies. Targeted citizens are Zambians who historically have been either marginalised or disadvantaged and have no access to economic resources or opportunities; Citizens Influenced Companies are companies that have allowed between 5% and 25% citizens' ownership participation; Citizens Empowered Companies and those companies in which citizens' ownership participation ranges from 25% to 50%; and Citizens Owned Companies are companies in which citizens' ownership participation is above 50%.

Unfortunately, all these programs meant for citizens' economic empowerment did not achieve the Government's intended outcomes due to various factors, such as limited absorptive business and entrepreneurial capacity among Zambians.

In 2013, the Government of the Republic of Zambia restructured the Citizen Economic Empowerment Commission (CEEC) a company mandated to give loans to identified SMEs and business organisations by focusing their fund disbursements on Clusters of identified economic activity groups. Loan recoveries among the recipients had been the biggest challenge for CEEC as most borrowers were not able to pay back because they were not entrepreneurs but business men and women whose main focus was in trading for quick returns without proper business skills that an entrepreneur should possess and as such be able to sustain the investment.

According to the Bank of Zambia report (2012), the Soweto branch of Stanbic Bank Zambia Limited, New Soweto market, Lusaka was opened on 31st August 2012. The central bank commended Stanbic Bank for opening the Trader Branch specifically designed with the Small and Medium Sized Enterprise (SME) sector in mind. The branch opening fully complemented the Bank of Zambia which had set Financial Inclusion as one of its key strategic objectives. The opening of the branch provided opportunities for the SMEs to access finance in your services which for a long time had been lacking in this sector.

SMEs provided sustainable economic growth through job creation, development of entrepreneurial skills and the potential to contribute significantly to export earnings. However, provision of finance to the SME sector in Zambia remained a challenge. A survey conducted by the World Bank on Enterprise Development in Zambia (2007) identified poor access to finance as a major impediment to investment and growth in Zambia. Only 16 percent of firms surveyed reported having a loan or line of credit from a financial institution, compared with 23 percent for the region and 35 percent for all countries surveyed. Therefore, while Zambia's cost of doing business index had progressively improved in recent years, access to finance continued to feature among the three key constraints to investment and growth. It was, nevertheless, gratifying to note that commercial banks in Zambia were slowly realising the importance of the SME sector. According to the central bank's report of 2012, by the end of December 2011, commercial banks' lending to SMEs was at 21 percent of total loans, an improvement from 17 percent in December 2010. That also represented an increase in lending to SMEs by 68.9 percent to K2, 322.5 million from K1, 375.0 million in 2010. Although that trend was impressive, much more needed to be done for the sector to meaningfully contribute to the growth of the country's economy. Provision of finance to the SMEs could be a leading conduit for transforming the Zambian economy by opening business opportunities as well as channeling resources more efficiently and effectively to the sectors that required it the most.

According to the Bank of Zambia Report (2012), the bank had continued to address various weaknesses in the Zambian financial system, among them being the low financial intermediation and limited access to finance. The Bank of Zambia encouraged banks in the country to explore new ways in which they could take banking services where they were needed the most and that mainly was to the unbanked. On its part, the Bank of Zambia had continued to implement measures to reduce the cost of borrowing. In the recent past, the Central Bank introduced the Policy Rate which was aimed at fostering transparency in the determination of lending rates. Under the new framework, all financial institutions were now required to realign the pricing of loans with reference to the Policy Rate. Furthermore, in January 2012, the Bank of Zambia introduced the new minimum capital requirements for commercial banks. The minimum primary capital was raised from K12 million to K104 million and K520 million for locally and foreign owned banks, respectively. This measure was intended to make commercial banks more resilient to financial instability and provided banks with strong balance sheets that would meaningfully support economic activities in the country. The Central Bank had noted that Stanbic Bank Zambia Limited was one of the first banks to reduce their lending rates in line with the objective of the Bank of Zambia policy rate, and that Stanbic fulfilled the new capital requirements well ahead of the time set for the exercise, which was before the end of May 2012.

In the same report, the central bank confirmed that, Stanbic bank had fully met the capital increase requirement well ahead of the deadline of 31st December 2012. The measures taken collectively by the Bank of Zambia and commercial banks provided enhanced scope for more financing at lower cost thereby facilitating further growth of the economy and the SME sector.

According to Muriithi (2017), a study done by Mbuta, (2007), posits that, SMEs contributions to Employment and GDP in Zambia are; Contributions to Employment 56%, while to GDP is 35%.

2.10.1 Legal and Policy Framework Governing the SME Sector in Zambia

Micro, Small and Medium Enterprise Development Policy, 2009 - The MSME Policy outlined the goals, objectives, strategies, and implementation framework for all MSME development efforts in Zambia. This was in order to create a national vision and leadership for deliberate development of the MSME sector. It was also meant to facilitate the creation and implementation of relevant and effective sector legislation and regulatory framework. The Policy had been under implementation since the year 2009.

The National Policy for MSME Development is the Micro, Small and Medium Enterprise Development Policy of 2009 while the key pieces of legislation governing MSME development were the Zambia Development Agency Act, No.11 of 2006 and the Citizens Economic Empowerment Act, No. 6 of 2009. These pieces of legislation together with specific programmes for MSME development were implemented through the Zambia Development Agency (ZDA) and the Citizens Economic Empowerment Commission (CEEC), respectively.

Meanwhile, Zambia Development Agency Act, No. 11 of 2006 - Section 5 of the Zambia Development Agency Act, No. 11 of 2006 provided, among other things, that the Agency was responsible for the following MSMEs related functions:

a. development of entrepreneurship skills and a business culture among citizens of Zambia;

b. promotion and facilitation of the development of micro and small business enterprises;

c. exploring ways of fostering business linkages, such as partnerships, joint ventures and strategic alliances, in Greenfield Investments; and

d. providing marketing support services to business enterprises.

While, the Citizens Economic Empowerment Act, No.9 of 2006 - The Citizens Economic Empowerment Act, No. 9 of 2006 was enacted to, in part, promote broad-based and effective ownership and meaningful of targeted citizens, citizen-empowered companies, citizen-influenced companies and citizens-owned companies in the economy. The MSMEs by their nature were classified the categories of citizen-influenced, citizen-empowered and citizens-owned companies. Considering this, more than 90 percent of the support under the Act was targeted at MSMEs.

Other Pieces of legislation

In addition to the pieces of legislation highlighted above, the following also governed the MSME sector in Zambia:

a. The Companies Act, No. 10 of 2017 - the Companies Act, No.10 of 2017 was administered by the Patents and Companies Registration Agency (PACRA). The old Act was repealed and replaced to make the law more responsive to the country's economic development. This was with the view to enhancing the Government policy on economic empowerment of citizens and strengthening the development of micro, small and medium enterprises.

b. Business Regulatory Review, Act No. 3 of 2014 - The *Business Regulatory Review Act, No. 3 of 2014* was aimed at creating a conducive business environment within which the private sector, particularly MSMEs could grow. The Act, which established the Business Regulatory Agency (BRA), stipulated certain principles to be adhered to in developing and implementing policies and the regulatory frameworks with a view to ensuring that these did not pose unnecessary burdens to business. Despite the above legal and policy frameworks, the implementation of measures for the development of the MSME sector had not been very effective. This was attributed, in part, to weak and fragmented coordination between government agencies responsible for MSME development and lack of a clear guidance on measures and programmes aimed at the development of the Sector.

In a study by Mapoma (1999) posited that in order to alleviate some of the operational problems several institutions had been set-up to give assistance to the micro and small-scale enterprises. Among them was the Village Industry Service (VIS). Village Industry Service (VIS) is an indigenous Zambian non-governmental Organisation (NGO) registered under the Societies Act of the Laws of Zambia. The head office was in Lusaka and regional offices were maintained in Chipata, Kasama, Mansa, Mongu and Livingstone. Village Industry Service (VIS) was created in 1976 with a purpose of fostering development in rural areas. Its mandate was to promote village and cottage industries that use simple machinery, equipment and raw materials. VIS area of emphasis is agro-based enterprises and the participation of women and youth.

The report contended that, VIS worked closely with other development agencies such as District Councils, various Government departments and Ministries, donors and financial institutions. VIS drew on this support and other resources to provide a package of services to entrepreneurs in both rural and peri-urban areas of Zambia and charges modest fees to defray operating costs.

In its operations, VIS was headed by a chairperson and assisted by a Management Committee. The line departments of VIS were two, namely the Projects Department and the Development and Training Department. The Projects Department identifies potential for VIS support, conducts feasibility studies, implements and monitors projects throughout the country and evaluated project activities. It also provided extension services and business counselling in collaboration with the Development and Training Department.

The Development and Training Department developed and conducted entrepreneurship-training programmes and provided a variety of other research, marketing and information services. The Administration and Accounting Section offered administrative support services. Village Industry Service had a Training Centre and offered a spacious facility for up to 40 persons. Both management and technical courses were conducted at the Centre. The organisation also had industrial "incubator" estates, which offered basic services and facilities to fledging entrepreneurs.

The estate based at Chinika had 40 workshops and a professional Textile Cutting Centre. Other industrial estates were found in Chipata, Livingstone and Mansa. The demand for NGO services had grown in all dimensions as they continued to provide support services to the small-scale sector and coping with these demands had forced the organisations to adjust and be flexible. People's participatory development and final empowerment of the end beneficiaries had become priority.

The VIS enjoyed a membership of over 3,500 clients, made up of individuals, family groups, cooperatives and small-scale enterprises. The resources available to the organisation included a mix of energetic talented people with various duties and experiences, but with exceptional dedication. The exchange of experiences with other agencies added to the richness of the NGO.

It was revealed that, material support from the donor community had been proof of the confidence that the donor community had in VIS as a strong relationship existed between the international donor community and VIS, and these included ILO for assistance in Improve Your Business and Best Practices Training Programme, UNDP for assisting with funds to establish funds credits to VIS clients, UNIDO for equipment and capital funds used in food processing units, and the North-Rhine Westphalia State of Germany, which funded one of the Mini Industrial Estates, whose funds were channeled through the Friedrich Ebert Stiftung. Linkages with research, institutions such as the National Council for Scientific Research and the Technology Development Advisory Unit had been necessary to design and adapt technologies that meet the VIS needs. Through these linkages 395 units were established in grain milling and another 100 units in oil pressing, just to give an example of a few. Generally, the sector continued to provide opportunities for self-employment and for raising household incomes and standards of living.

However certain issues needed to be addressed to make the sector even more viable, these include:

a. Lobbying for further tariff reduction on imported equipment and machinery from government.
b. High taxes to be paid by the sector.
c. Inaccessible commercial credit.
d. Lack of protection from unfair competition of foreign goods.
e. Lack of linkages with large industries.

f. Inadequate resources on the part of the promotional agencies to deal with a sector which has grown considerably over the past years.

As Zambia went towards the year 2000, the future looked challenging for the sector. With the new global economic policies, more and more people had taken to small scale enterprises to survive the harsh effects brought about by the Structural Adjustment Programme. The situation could be a blessing in disguise as it was a scenario ripe for small enterprise development. It was the entrepreneurial spirit prevailing at the moment, that needed to be captured and this potential tapped while at its peak.

In the region, institutional capacity building was the priority for promotional organisations. Meanwhile, collaboration and networking and sharing of knowledge and ideas with other development agencies in the region were to be strengthened to improve outreach efficiency and effectiveness.

In order to strengthen the sector, the emphasis on small scale industries was based on the following premises: -

a) Small scale industries, whether in the manufacturing, non-manufacturing or the informal sectors, generate more jobs per unit of investment than larger firms. Their indirect employment impact is greater because they draw more on domestic sources than the larger capital-intensive firms which rely heavily on imported inputs.
b) Small scale industries are highly instrumental in encouraging the development of local entrepreneurship and technical production skills.
c) The scale of production is more suited to the size of the local market and raw materials conditions.

In the study done by Mauzu (2000), several instruments had been employed by the Government to intervene in the SME sector, including legal instruments, annual and medium-term plans (e.g. annual budgets) and policy statements. According to Mauzu (Ibid) there were a number of organisations that had been established to provide various types of services to the MSE sector, and these include:

a) The Small Enterprise Development Board,

b) The Technology Development and Advisory Unit (TDAU) at the University of Zambia,
c) The National Council for Scientific Research,
d) The Village Industry Service, and
e) Several non-governmental organisations (NGOs).
f) Institutional Support Infrastructure
g) Small Enterprise Development Board (SEDB)

From 1964 to 1981, there was no special legal framework for promoting the small and micro business sector in Zambia. The Pioneer Industries (relief from income tax) Act of 1965 was intended to promote import substitution in light industries. The Industrial Development Act of 1977 which had been amended several times was also intended to promote import substitution industrialisation.

Despite these strengths, SIDO failed to achieve the desired results, due to some extent, the negative political interventions in its operations and this led to the repeal of the SIDO Act of 1981. It was replaced by the Small Enterprise Development [SED] Board Act of 1996.

Although the institutional industrial support infrastructure was available, its impact on the SMSE sector had been very minimal largely due to lack of proper linkages.

Various Acts and institutions embodying national industrial development policy had been introduced in Zambia. They included the following: -

a) Pioneer Industries (Relief from Income Tax) Act No. 55 of 1965 was intended to encourage, by way of relief from income tax, the establishment and development of new industrial and commercial enterprises in Zambia. The kind of enterprises which were declared pioneer industries included radio, wireless and electronic products manufacturing industry, wire rope manufacture; cigarette and tobacco manufacture, soap and detergent manufacture, footwear manufacture, match manufacture, fishnet manufacture, rubber products manufacture, and the metal fabrication industry;
b) Industrial Development Act No. 18 of 1977 which had been revised three times through the Investment Act 1986, Investment Act of 1991 and the Investment Act of 1993;

c) Control of Goods Act No. 41 of 1966 enabling the President to provide by regulation for the control of the distribution, disposal of any manufactured commodity and for the control of imports into Zambia;
d) Public Health Act which made it a duty for every local authority to take all lawful measures to prevent the occurrence or deal with the outbreak or prevalence of any infectious disease and safeguard and promote public health. Under the act, any factory or trade premises which was not kept clean and free from offensive smells constituted a nuisance;
e) Industrial Relations Act and other related legislation providing for the general regulation of contract of services;
f) Factories Act which provided for cleanliness, ventilation, lighting, sanitary conveniences and safety, especially relating to machinery, dangerous substances and fire precautions;
g) Zambia National Provident Fund which established a fund to which all employees of 18 years or more were supposed to be a member. The employer had to pay statutory contributions into the fund for each employee;
h) Environmental Protection Act, which obligated all enterprises to adhere to environmental protection regulations;
i) Small Industries Development Act of 1982 which was repealed in 1996 and was replaced by the Small Enterprises Development Act of 1996.

Mauzu (2000), further states that the Act introduced the protective legislation with the potential of impeding the operations of micro and small-scale enterprises and fell into two categories: those that were directed towards the protection of society and those that were directed towards regulating or controlling business practices. The regulations though introduced, were not enforced. If these protective and regulatory laws relating to public health, safety and control of business practices were enforced, most small-scale businesses would probably have had closed their operations. However, as the small and informal sectors provided a social safety-net for victims of structural adjustment processes, the enforcement of protective and regulatory laws had been relaxed to the point where some of them were just on paper. Moreover, the SED Act of 1996 exempted MSEs from some of the protective and regulatory laws. Due to these factors and exemptions, whenever

SMEs were faced with such challenges, none of them could survive their temerity, but to succumb and to some extent would close their businesses as they could no longer be sustainable.

The Zambian scenario which other SMEs in developing countries could relate to, include the failure of SME owners to access the needed resources and capital, this is according to Rex (2015), who posits that, theories and clutters on how SMEs could have survived could be given, but the real stories, Rex (Ibid) argues that, these factors directly affected the ability of SMEs to devote time to working on, rather than in the business and in turn constrained their ability to achieve growth objectives. Breaking out of this resource constraint cycle was proving difficult for many owners. Rex (2015), further argued that the lack of both internal and external capital to fund the growth of SMEs was a major constraint to remaining competitive and moving their business to the next level.

According to Olsen et, al (1993) in a study for NORAD on "Access and Opportunities: The need for support among small and micro scale entrepreneurs in Zambia" showed that legal constraints to micro and small scale industries were quite negligible as illustrated in **Error! Reference source not found.**.

Table 1: Problems Faced by Entrepreneurs (in percentage)

Problem	most strongly felt	second most strongly felt
Credit/finance	40.0	17.5
Raw materials/other inputs	27.5	22.5
Market limitations	10.0	2.5
Location/owning a plot	7.5	15.0
Transport	5.0	12.5
Payment from customers	5.0	10.0
Lack of training	2.5	7.5
Inflation	2.5	7.5
Regulations, tax,	0.5	7.5

Source: Olsen, et., al (1993). Access and opportunities: The need for support among small and micro scale entrepreneurs in Zambia.

Error! Reference source not found. has shown that constraints caused by a regulatory framework were not felt as serious problems by micro and small-scale entrepreneurs. In fact, many of them did not even know that protective and regulatory laws existed. Chisala (2014) avers that the key risks faced by SMEs in Zambia (in rank order) are: i) Inability of the owner to keep working, ii) Loss of competitive edge, iii) Loss of key people, iv) Lack of capital, and v) Financial collapse.

Clearly there is a vicious cycle in which a business owner-operator can become trapped. They lack resources and time to work on the business which is not only a barrier to growth but also one of the biggest risks for the survival of the business. Losing SMEs competitive edge is usually the result of spending too much time focusing on the day-to-day activities of the business rather than examining market needs in the medium and long term.

Bbenkele (2007) contends that negative perceptions emerged with banks being too conservative, uncooperative, and exploitative when dealing with SME lending, in South Africa He further says that, conservativeness was due to banks overemphasis of figures only in making decisions and requiring collateral for all types of loans. Respondents described commercial banks as uncooperative as banks were seen to be more interested in handing out forms for loan applications and were very quick at rejecting applications at the slightest mistake or problem. In one case, it was reported that the bank awarded a loan at prime plus 4 percent interest rate! This latter point is also reported by Harris (2004, where commercial banks are accused of exploiting and benefiting from SMEs.

Further, the study conducted by Bbenkele (2007), in South Africa seems to support the problems also faced by SMEs in Zambia. The results further show an interesting perspective and shed further insights into the perceptions SMEs have about commercial banks. SMEs from rural areas reported that “they feel nervous, scared, and uncertain of the outcomes, feel too small, bad and felt that commercial banks only favoured big corporations and that they were given less attention and poor services”. This suggests that the banks have a non-caring attitude towards the SMEs, and this does not help the building of a relationship. This makes SMEs feel that they are at the mercy of commercial banks and in the course of action they do things which do not promote trust building. This study has shown the extent to which SMEs in South Africa go through in attempting to access capital to sustain their businesses.

Technical Report GRZ (1997)

Some Legal Constraints on Small Scale Industrial Development and Proposals for Reforms in Zambia, United Nations Industrial Development Organisation (Vienna, 1997). Small Scale Industrial Development and Law Reform, the Critical Issues: Turner (1984). Report on the first National Workshop on "Policy Directions and Strategies in the Third Republic for the Small-Scale Sector in the 1990s", by Small Scale Industries Association of Zambia, (1992).

Through an Act of Parliament, Government established the Small Industries Development Organisation (SIDO) to promote the Micro, Small and Medium Enterprise sector. SIDO was established to cater for financing needs of small-scale companies as defined in the SID Act. In 1996, SID was transformed into Small Enterprises Development Board (SEDB) through the 1996 Small Enterprise Development (SED) Act and, in 2006 it was amalgamated into the Zambia Development Agency (ZDA Act No. 11 of 2006) as an MSE Division. These changes came about as a result of harmonising the SME sector economic challenges in the country.

According to the Commercial and Trade Policy (1994) after the Zambian economy was liberalised in 1991, private enterprise was encouraged as evidenced by the establishment of the policy in 1994, with pronouncements that government would: -

a) Devise a strategy, with the participation of the private sector, to encourage the growth of small enterprises;
b) Encourage local government to review their infrastructure services and licensing regulations to support small enterprises;
c) Provide legislation and incentives that promoted rapid growth of the MSME sector;
d) Decentralise business registration to enable the MSME sector to operate efficiently and have access to incentives; and

e) Review and harmonise all existing laws and regulations with a view to identifying disparities.

The SME sector in Zambia did not perform any better despite all the efforts by government, as government didn't implement the policies, and in view of this, the government revised the SID Act by replacing it with the SED Act in 1996. In recognition of the challenges still facing the MSME sector and with the view to enhance further development of the MSME sector, government revised the SID Act and replaced it with the Small Enterprises Development [SED] Act. All this effort by government was meant to support the SMEs, but despite these interventions, SMEs have continued not to be sustainable in Zambia. Among the salient features of the SED Act were the incentives provisions which included the following provisions:

a) Exemption from payment of tax on income for the first three to five years;
b) Operating a manufacturing enterprise for the first five years without a manufacturing license required for such an enterprise under any law;
c) Exemption from the payment of licensing fees required for such an enterprise under any law;
d) Exemption from Trading Licence for an enterprise registered under the SED Act;
e) Exemption from payment of tax on income received from rentals on buildings or premises for use by micro and small enterprises;
f) Exemption from the payment of rates on factory premises;
g) Exemption from payment of tax on income or interest payable by any financial institution providing loan, or other financial relief or facilities to registered micro and small enterprises carrying on manufacturing activities;
h) Such institutions would be allowed to maintain concessionary core liquid assets ratios and reserve requirements;
i) Expenditure incurred on training staff that specialised in micro and small-scale enterprise financing would be treated as tax deductible for tax purposes

2.11 Ineffective Behaviours as Challenges or Constraints to SMEs

Naudé (2018) opined that SMEs were recognised as being vital contributors to overcoming unemployment, creating economic participation and transforming an unequal society. Some surveys put SMEs as representing over 90% of enterprises in all economies, including South Africa. “High levels of government bureaucracy, a substantial tax burden and restrictive labour regulations contribute to unnecessary restrictions placed on SMEs and prevent them from being greater job creators than they currently are,”

The importance of small and medium-sized enterprises (SMEs) for economic development among the major world economies has long been recognised according to the Asian Social Science report (2009). SMEs were more responsive to market demands and, were perceived as an important means of job creation. However, irrespective of country, SMEs faced common problems which impaired according to *Asian Social Science* (2009) in their performance and survival rate report. Some statistics suggested that the failure rate of small businesses in their first five years was more than 50 percent (Reiss, 2006). In Australia, the SMEs failure rate was reported to be as high as 23 percent (Watson, 2003). In order to remedy this problem, the Australian government had organised various support mechanisms to increase SMEs success. These mechanisms included the formulation of policy related to innovation, new technology, managerial development, and business improvement and export skills for SMEs and their owners. Other forms of assistance included; access to information on government assistance programmes; encouraging firm innovation; encouraging networking amongst SMEs; and providing practical assistance and financial support to SMEs (Organisation for Economic Co-operation and Development, Report 2002).

Komuniti (2006) points out that, in Malaysia, even though there had been no comprehensive studies or accurate figures published so far, the estimated failure rate for SMEs was 60 percent. In order to curb the increasing number of SMEs failures, the Malaysian government had taken various measures, including the establishment of the SMEs bank in October 2005 to cater for the financial needs of SMEs. Other support programmes included; promoting and increasing production efficiency; enhancing quality and productivity through automation and modernisation of machinery; encouraging SMEs to undertake R&D, product development, and designing activities; and creating a more conducive business environment for SMEs (Central Bank of Malaysia, 2006).

Government assistance, while being useful, should not have been an absolute solution for reducing the rate of business failures as there were other important factors that an SME could have invoked to ensure continued prosperity. The factors are business owner as a unit of analysis and shortage of resources. Stokes and Blackburn (2002) suggested that focusing on the business owner as the unit of analysis could improve understanding of the experiences of entrepreneurs in managing the business to mitigate the likelihood of business failing. This was because often, when an organisation failed to achieve the desired outcome, the reason was related to the actions of the top management and/or the founder-owner (Longenecker et al., 1990).

Clearly, it was important to identify the causes for those problems because the high business failure rate brought about various negative implications for the respective countries and to the individual entrepreneurs themselves. At a macro level, business failure could severely affect the national economy. It also had major effects on the employment rate and national income. Ripsas (1998) argued that despite the potential of adding jobs faster than bigger firms, smaller firms also eliminated them faster when there was a relatively high failure rate. In an analysis of the multiplicative effect of business failure to a national economy, it has been argued that; Naples (1997, p. 521) "Business failures were not just blips on the screen of economic activity that were instantaneously counteracted by business formation. They destroyed jobs, and that independently contributed to economic decline. When a drop in autonomous spending led to business failures, the appropriate expenditure multiplier was substantially larger than standard models suggested.

Consequently, national income fell further, and unemployment increased more drastically." The most significant contributing factor to failure among SMEs was a shortage of resources (Chak, 1998). At a firm level, a history of business failure could hamper the entrepreneurs from obtaining loans or financial assistance the next time round because businesses needed to have a good track record to qualify for credit. By weakening the confidence of creditors in the business, failure could also impair the confidence of the consumers. That made efforts to rebuild the business even harder due to the bad image and reputation caused by business failure. At an individual level, business failure could be harmful to the psychological and physical health of the entrepreneurs and their family Blackman, (2003) because the experience of failure could cause emotional hazards to those who were the closest to the event; the entrepreneurs and their families. This information illustrates the extent of the SME business failures found during the study.

Realising the severe effects of business failure to the stability and health of a country's economy and to the individual entrepreneurs' themselves, it was crucial to identify behaviours that could be associated with business failure. According to Kiggundu, (2002), scholars had indicated that the reason for many small business failures were due to the lack of competencies among business owners as well as the lack of abilities and skills of those who held key positions in organisations. Longenecker et al., (1999), had opined that, others had also found evidence that 'non-rational' behaviours of the business owners or entrepreneurs themselves in managing the business contributed to entrepreneurial failure. Beaver & Jennings, (2005). Some had argued that if entrepreneurs were able to equip themselves with relevant abilities and skills, the negative impact of external factors on businesses could be minimised. Wasilczuk, (2000), had argued that if entrepreneurs were able to equip themselves with relevant abilities and skills, the negative impact of external factors on businesses could be minimised. Thus, this study investigated the ineffective behaviours of SME business owners in order to reduce the challenges of business failure.

According to Pusiran & Xiao (2013), there were behaviours perceived to be associated with business failure as highlighted in the Table below.

Table 2: Ineffective Behaviours Associated with Business Failure

Clusters of ineffective behaviours associated with business failure		Examples of behaviours
1.	Failure to have a clear business direction	Do not have specific plans and direction which have led the business to lose focus
2.	Failure to conduct research	• Failure to gauge the market demand • Failure to conduct research before proceeding with any investments • Failure to identify a strategic business location

Clusters of ineffective behaviours associated with business failure		Examples of behaviours
3.	Failure to select reliable business partner	Failure to select a business partner that is trustworthy and reliable
4.	Failure to select reliable supplier	Purchase stock from unreliable supplier that does not meet the standard required
5.	Failure to select competent staff	Failure to select competent people
6.	Lack organisational skills	• Inability to manage large number of employees • Inability to manage spending [inefficient financial management] • Failing to lead employees effectively
7.	Lack financial management skills	Inability to manage debt collection
8.	Poor selection of advisers	• Failure to establish good contact with the right people which resulted in loss of opportunity • Failure to secure a big project due to lack of contacts
9.	Lack of personal contacts	• Failure to establish good contact with the right people which resulted in loss of opportunity • Failure to secure a big project due to lack of contacts
10.	Failure to maintain close personal relationships with customers	Failure to maintain close relationship with customers
11.	Lack of ability to make good business judgment	• Failure to make timely decisions • Being unprepared that resulted in poor decision making

Clusters of ineffective behaviours associated with business failure		Examples of behaviours
12.	Failure to recognise and respond to opportunity	• Misread opportunity due to lack of awareness of the industry • Failure to grab high quality opportunities • Failure to act on opportunity • Spending too much time on analysis which results in loss of opportunity

Source: Pusiran & Xiao (2013).

Muriithi (2017) posited that small and medium enterprises (SMEs) are notably the engines that drive economic development. The businesses account for almost 90% of businesses in both leading and developing economies through job creations, employment, tax provision and contribution to Gross Domestic Product (GDP). However, in Africa, besides their critical and positive role, many SMEs face numerous challenges ranging from power shortage, lack of capital, poor management skills and competencies, and inadequate information and corruption. It is notable that most African governments give very little support to SMEs thereby neglecting a vital economic trigger and should form pillars of development.

Hyman et al (1993) argued that, although Zambia's deteriorating macro-economic situation had created a difficult environment for business, it also created opportunities for the emergence of small and micro enterprises. Government policy reforms affecting these firms were discussed, along with existing programmes for credit, training, technical assistance, and common-site facilities or business incubators. The current programmes were limited in scope relative to the potential demand, and qualitative improvements were needed. Time-phased options for assisting small and micro enterprises were an important component that government should continually pursue. Chiang (2009), asserts that, while African SMEs faced significant obstacles that could affect their development and growth, these varied from country to country. Some Countries like

Chad, the Republic of Congo, Nigeria and Eritrea suffered from high levels of regulatory and institutional barriers with regards to SME growth and development, World Bank Doing Business Report (2012). Governments in these countries made it increasingly difficult for local businesses to flourish through burdensome regulation that lengthened important procedures and raised the stakes of failure. However, that was not the case across the continent and a number of countries had since made significant improvements to their business regulation. Furthermore, while regulatory barriers to growth could be damaging to start-ups and small businesses, they do not discourage innovation or business development on a wide scale. Indeed, impressive innovation continued to emerge from countries where regulation was cumbersome. What did make SME growth and development especially difficult, however, was the lack of access to credit. According to the World Bank Doing Business Report (2012), Mauritius, South Africa, Botswana, Ghana, Rwanda and Tanzania had made significant improvements in easing the cost of doing business in their countries

World Bank Doing Business Report (2012), further says, although Zambia's deteriorating macro-economic situation had created a difficult environment for business, it also created opportunities for the emergence of small and micro enterprises.

2.12 Business Risk

SME owner-managers need to escalate the importance of risk identification and minimisation in their organisations or they can suffer catastrophic consequences if they are ill prepared for the outcome of a possible risk. This entails that entrepreneurs in SMEs need to be conversant with risk identification and analysis to manage risks from a diverse range of sources. Schultz (2001). By incorporating risk management into SMEs operations, SMEs are better equipped to exploit their resources, thereby enabling organisations to transform an expenditure activity into an activity that can yield a positive return (Kirytopoulos et al., 2001; Banham, 2004).

2.12.1 Exploiting Business Risk

Proclaiming the existence of a risk management strategy is insufficient, enterprises need to actively engage in risk management practices to address the convergence of major risks as experienced in the current economic climate where the credit crisis risk, fluctuating commodity prices, increased government debt, rising unemployment and declining consumer spending are impacting individually and combined, on enterprises. According to Plourd (2009), the importance of risk management is now escalated above issues such as long-term and short-term financing constrains The use of enterprise risk management (ERM) can be viewed as a business competency enabling managers to optimise opportunities associated with risks, Hofmann, (2009). ERM should apply basic risk management activities, embedding the risk champion's knowledge of exposures, across the entire scope of an enterprise's risks such as strategic risks, operational risks, financial risks and regulatory compliance risks. Engle, (2009), and should not be reduced to a process based solely on risk formula's, Bradford, (2009). According to Ntlhane, (1995). A structured risk management approach enables an enterprise to pursue its strategies aggressively and efficiently as management can anticipate the risk exposure of each activity engaged in, thus achieving more acceptable results at a reduced cost.

2.12.2 Risk Management for Small Business

Resulting from a study by Alquier and Lagasse (2006), they posit that risk and risk management is a major concern for all companies, especially small and medium sized enterprises which are particularly sensitive to business risk and competition. Watt (2007) contents that, in SMEs, the risk management function usually resides with the owner's assessment of threats and opportunities pertaining to the enterprise. Ntlhane (1995) avers that, although risk management principles are common to all types of enterprises, the owner-manager's risk perception and his attitude towards risk management influences the adequacy of the enterprise's risk management actions deployed. Implied in SME, risk management is the core principle that entrepreneurial or management focus should be focused at recognising future uncertainty, deliberating risks, possible manifestations and effects, and formulating plans to address these risks and reduce or eliminate its impact on the enterprise (Ntlhane, 1995). Watson (2004) says that, one of the skills required of entrepreneurs is the ability to identify and analyse risks to ensure that advantage is taken of calculated risks.

According to Watt (2007), SME owner-managers should take regard of the following steps in their risk management process:

i. Establishing the SMEs risk strategy

ii. Determining the SMEs risk appetite

iii. Identification and assessment of risk

iv. Prioritising and managing risks.

The fact that a risk is beyond the control of the owner manager, does not absolve the owner-manager from the need to anticipate the risk, and reducing the impact of the risk occurrence to achieve organisational goals. Owner managers should furthermore take cognisance of managerial risks that arise as a result of the owner managers own actions when planning and executing business strategies (Berkeley et al., 1991). South African SMEs owner managers should be educated in risk management principles, risk handling techniques available and risk control programmes that can be used, but care should be taken in the application of risk management principles, as although risk principles are common to all types of enterprises, the application thereof differs substantially between small and larger enterprises. (Ntlhane, 1995; Dupre, 2009), however, says that, many SMEs practice intuitive risk management when they assess the risk involved in decisions

2.12.3 Components of Risk in Small and Medium Enterprises (SMEs)

It is contended that, determining the components of total risk in SMEs is complex due to SMEs great heterogeneity as well as difficulty in separating property from management. St Pierre and Bahri (2006). Entrepreneurs have implied. St Pierre and Bahri (2006), inconsistent LeCornu et al., (1996), and in certain instances, unique, Naffziger et al., (1994) objectives that exerts both direct and indirect influences on management practices, rendering comparisons between SMEs difficult. Information derived by way of financial data analysis cannot yield all the dimensions of enterprise performance, as emphasised by St-Pierre and Bahri (2006). Strategic information such as quality, client satisfaction, and innovation reflect the enterprise's competitiveness and performance, but are not forthcoming in the income earned. Cumby and Conrod (2001) emphasises that long term sustainable financial performance is attributable to non-financial factors like client loyalty, employee satisfaction and internal processes. This view is affirmed by Ittner and Larcker (1998) who states that the investment in intangible assets, that is, client satisfaction, is not accommodated in the accounting data. The same argument applies to the risk of an enterprise that is difficult to understand if attention is solely directed at the financial statements. Through the incorporation of nonfinancial data, the problems associated with the manipulation of financial statements are reduced. By following a systematic approach and by considering both financial and non-financial information related to the organisation, an enhanced understanding of SME risks can be achieved (St-Pierre and Bahri, 2006).

2.12.4 Small and Medium Enterprises Inadequately Manage their risk

In SMEs, the control of risk exposure is construed reactively, holding disastrous consequences for the enterprise as losses are taken on while the enterprise is ill prepared to finance the loss. To limit the effect of risks on the enterprise, risks need to be managed or controlled once it has been identified. In most SMEs, risks are left unmanaged till it realises, only then spurring on action to address it. Through interviewing, Ntlhane (Ibid) confirms that SME owners and managers are not versed in the availability and use of risk reduction techniques (that is, risk elimination/avoidance, reduction, transfer or acceptance) to reduce the adverse effects of risks on the enterprise. According to Ntlhane, (1995), few SME owners and managers are risk aware and they focus their risk actions on “loss control” programmes in areas of fire, safety, security, health, and quality assurance. These “loss control” programmes are overseen either by the entrepreneur or other management along with their other duties; therefore, increasing the chance of mismanagement as adequate time is not spent on the risk function. As no structured risk identification is undertaken by SMEs, SMEs assume unaware or unplanned risk exposure to their limited financial resources. Control measures implemented to counter risk are ineffective as controls are reactive and non-automated (Ntlhane, 1995).

It can be gleaned from the interviewee results that entrepreneurs prefer avoiding risks, but they fail to consider that every risk action undertaken by them has an effect on the risk pattern. Thereby, although a specific risk is avoided, the probability or impact of other risks may change, and new and potentially serious risks can be created. The study by Ntlhane (1995) identified that entrepreneurial actions are centred on avoiding risk, rather than devising risk control methods. This impedes on the economic progress of a country as every business can be defined by its ability to take on greater risks. Apart from risk avoidance, the study identified risk transfer as the alternative risk technique used by SMEs, whereby insurance brokers were contracted to undertake all risk actions, that is, risk identification, risk assessment, risk control and risk financing.

Ntlhane, (Ibid) also posits that risk retention techniques whereby risks are financed by internal reserves such as current income is little known and rarely applied in SMEs. Ntlhane, (1995), further contends that the impediments to SME success are numerous and varied, and include inherent organisational obstacles such as poor managerial skills and education and training; industry-related problems such as the entrepreneur’s inability to understand market expectations, and poor market access; and economy-based obstacles such as interest rate fluctuations. Ntlhane, (1995) postulates that SME owner-managers are primarily responsible for the management of their enterprises’ activities. Studies conducted confirmed SME owner-managers’ ignorance pertaining to the risks their enterprises face from internal and external sources, including risks emanating from entrepreneurial actions. SME risk management techniques are primarily limited to risk avoidance actions, and to a lesser extent, risk transfer through insurance activities. Most risk activities tend to be construed reactively, thereby affecting the availability of enterprise resources in addressing these risks. By embedding a structured approach to enterprise risk management within SMEs, potential benefits such as cost reductions, reducing the over-management of risks and organisational alignment towards the SME’s mission and objectives can be realised.

2.12.5 Rationale for Developing a Strategic Risk Management Strategy

Strategic risk management enables SME owner-managers to objectively evaluate their actions, as entrepreneurs operate in a macro, micro and market environment that is affected by numerous internal and external influences which continuously change. According to Watson (2004), these ‘change factors’ enable an entrepreneur to identify opportunities and threats. It is therefore essential that an entrepreneur has the capability to evaluate decisions to determine the enterprise’s future strategy. One of the difficulties encountered in risk management is that most risk assessments are linked to a specific discipline which is not necessarily known by owner-managers. Furthermore, owner-managers may be able to identify the obvious risk, but their depth of risk knowledge may impede on their activities to identify indirect risks, or to take cognisance of the inter-connectness of risks (Watt, 2007). Watson (Ibid) emphasizes that owner-managers should develop a risk strategy to avoid, reduce or respond to potential risks. It is therefore essential that owner-managers are equipped with the necessary skills to compare risks and to identify appropriate risk strategies in adequately addressing these risks. Depending on the specific circumstances, owner-managers should engage in actions limiting the probability of risk occurrence, or if need be, to plan strategies that maximise the probability of recovery. Watt (2007) avers that by embedding a strategic risk management strategy in the SMEs processes, significant advantages can be achieved, such as:

i. It ensures that the SMEs activities are aligned to its mission and objectives, and not diverted by external influences.
ii. It ensures that organisational activities comply with industry best practices and that regulative compliance is achieved.
iii. It may provide legal protection if difficulties occur.
iv. It may result in cost savings by reducing insurance expenses.

Strategic risk management facilitates an effective risk approach by prioritising risks, thereby reducing surprises, and directing the focus on important risks. This aspect has the effect of reducing the possible over-management of insignificant risks. In the risk management process, management should be aware that risk actions should be tailored to the specific needs of the enterprise considering its resources, needs and opportunities that prevail. Watt (Ibid) posits that, although risk assessment should be a comprehensive function, guard should be taken into devising an excessive risk strategy. Given the size and managerial structure of SMEs, the process of establishing and using a strategic risk management function is relatively simple given the close relationship between owners, managers and operators of the enterprise. Watt (2007) contends that, compared to larger enterprises, it is easier for SME executive management to embed a risk management policy and to be routinely and actively involved in the application of the strategic risk management policy, especially if these activities are performance enhancing processes.

In a study conducted by Friedrich (2004) on South African SMEs, it is emphasised that personal initiative consisting of the owner's characteristics such as being a self-starter, having a proactive approach, specifically regarding risk management, and persistent actions, is a vital key to enterprise success. In addition to a proactive business approach, innovation and learning, goal setting and achievement orientation was linked to enterprise success. Where SME owners follow a reactive business approach including reactive risk management practices, the enterprise was more likely to fail.

Meanwhile, Beckett (2005) says SME owner managers need to be aware that through joint discussion of risk with SME employees, which include an effective feedback process and a risk valuation process, organisational trust is established. The way of conducting risk management, that is, the shape of the risk management process will depend on all the participants risk propensity as well as the situational control that is exercised at present. Therefore, risk tolerant participants may prefer an informal risk review process, while risk adverse participants will favour comprehensive contractual arrangements. Through experience, it has been gleaned that:

i. The creation of a positive organisational risk culture whereby all participants' concerns are understood, and experiences are shared, is facilitated through a constant evolving process of risk identification and the planning of containment strategies.
ii. According to Beckett (2005), through joint proactive identification of risks, and by employing holistic risk management practices, management can establish a positive environment to deal with all issues. Regardless of the risk propensity of the participants, a structured approach to risk management will assist in providing a goal orientated and consistent risk management process.

What makes SMEs different from other types of businesses? An SME typically is:

i. Managed in part or in whole by its owner(s)
ii. Independent, rather than a subsidiary or franchise
iii. Informal, without bureaucratic procedures and structures
iv. Dealing with day-to-day cash flow challenges and responding to short-term problems
v. Characterised by multi-tasking and flexibility
vi. Characterised by the importance of personal relationships

Challenges and opportunities

According to McKinsey Global Survey (2010), if an organisation's current business model is inherently unsustainable, becoming a truly sustainable business requires a complete makeover of the business model (e.g. from selling cars to offering car sharing and other mobility services). This can present a major challenge due to the differences between the old and the new model and the respective skills, resources and infrastructure needed. A new business model can also offer major opportunities by entering or even creating new markets and reaching new customer groups. Among the many ways that sustainability has been defined, the simplest and most fundamental is: "the ability to sustain" or, put another way, "the capacity to endure."

In order to augment other theories in business sustainability, the researcher has introduced a new theory called, the Fist Theory to relate to the SME collaboration within the sector

2.13 Sustainability Implementation

Ahmed and Sundaram (2012), postulates that, organisations face various challenges when trying to implement change initiatives to become sustainable. If organisations are unable to overcome a challenge, this might result in the failure of the initiative. Some authors (e.g. Epstein and Buhovac, 2010; Vom Brocke et al., 2012; and Giunipero et al., 2012) have studied and identified the most common challenges or barriers organisations face when implementing sustainability initiatives.

Growing interest in sustainability has been found in both academia and industry, Linton et al., (2007). Many researchers have investigated the implementation of sustainability initiatives through different perspectives, namely: Human aspect (Robinson et al., 2006; Vora, 2013); Sustainability Indices/Reporting (Tan et al., 2010; Ahmed and Sundaram, 2012); Project Management (Silvius and Nedeski, 2011; Silvius et al., 2012; Agyekum-Mensah et al., 2012); and Operations (Thies et al., 2012; Uddin and Rahman, 2012; Tan et al., 2008). Many organisations are committed to transforming their business processes and have taken sustainability initiatives. However, many of them have yet failed to achieve the anticipated goals, Ahmed and Sundaram, (2012). Every sustainability project involves changes in the organisation, from the most basic ones (e.g. replacing disposal plastic cups with individual ceramic mugs) up to drastic changes in the way in which a company operates. However, according to Burnes (2003), a large percentage of these change initiatives fail due to different factors that may include the lack of management support, lack of proper communication, lack of stakeholder engagement, among others.

Other factors suggested by Ahmed and Sundaram (2012) as possible reasons for sustainability initiatives to fail is that existing roadmaps, frameworks and systems do not comprehensively support a sustainable business transformation nor do they allow decision makers to explore interrelationships and influences between the sustainability dimensions. Thus, the sustainability concept continues to be applied unsystematically, practicing organisations experience huge difficulties in realising their goals of achieving a full sustainability status. This is due to a lack of understanding and support for the design, development and implementation processes, and a lack of proper procedural and technological support for decision making for sustainability management.

2.13.1 What is a Business Sustainability Plan?

A business sustainability plan according to Constellation New Energy, Inc. (2019), is simply something an organisation develops to achieve goals that create financial, societal and environmental sustainability. A business impacts communities and resources, so taking these steps to sustainability is in the best interests of the environment, the business owner and the consumer.

Steps to Sustainability for Small and Medium Enterprise Businesses

Step 1: Learn about Sustainability

The first step in creating a small business sustainability plan is learning what exactly, sustainability is all about.

> Knowledge is power. They say, use your resources wisely! There are many guides from Constellation New Energy, Inc. (2019) that offer suggestions on sustainability as well as renewable and sustainable energy. An SME may use them as a starting off point.
>
> Profits, people and planet. Internalise the idea that sustainability within your business means managing your triple bottom line: your financial, social and environmental impacts, obligations and opportunities.
>
> Going green vs. going sustainable. An SME may be wondering, what is a green business? Green products and services directly reduce the environmental impact when compared to other products and services - sustainability is a broader concept. It’s about the long-term, multifaceted impacts and implications of products and services. An SME can use green language in their small business sustainability plan and campaign using green goals to measure their total sustainability success.
>
> Out with the old way of thinking. Forget the outdated “take-make-waste” worldview and adopt the “borrow-use-return” model. It’s all about a perspective shift. The key is to see the business, the self, the economy and the household as connected with-instead of separate from-the environment.

Step 2: Assess Areas of Improvement

If the government and major corporations can find ways to improve sustainability, so can your small business! It just takes some research.

Learn the laws. From local development laws to self-regulation in your industry to international treaties, many standards are already on the books in terms of sustainable practices. The Zambia Environmental Management Agency's website is a good place to start in the research.

Check your compliance. At a minimum, an SME's business should be in total compliance with any laws or standards already in place. Research cost-effective ways to improve compliance, such as through pollution-prevention techniques and innovation.

Assess global issues. SMEs should research issues such as global warming, energy and fuel crises, and ecosystem decline to see whether your practices are a contributing factor. This will guide what small business sustainability goals you set in terms of improvement.

Step 3: Find Opportunities

Start embracing the entrepreneurial spirit of innovation and asking yourself the hard questions: check out these opportunities for creating the best small business sustainability plan possible.

Innovate. The SME success in implementing sustainable business practices is directly related to innovation. If an SME wants to meaningfully reduce waste and energy consumption, they need to innovate, whether they are a start-up or a thriving business. From problem solving to finding cheaper and better ways of doing things, innovation ranges from simple changes to implementation of complex new technologies.

Get employee input. An SME should bring in employee ideas and support; employees would take responsibility for things like energy efficiency and come up with solutions that would help an SME implement and improve sustainability.

Self-reflect. An SME should ask themselves a few questions, and would find numerous opportunities for improvement: What strengths does my business bring to the table that can play a unique role in sustainability? Does my company create an overabundance of waste? Do the companies i work with create mass amounts of waste?

Step 4: Create a Vision

Your vision for sustainability is all about what makes you and your business tick.

Find your company's passion. What is the SME's company passionate about? Choose from a few environmental issues (e.g., global warming, air pollution, waste disposal, water pollution, urban sprawl), and focus on where you can have a meaningful impact.

Be specific about your small business's vision. An SME should create a separate vision for each section of their small business, from those on the front lines to those working behind the scenes in different departments.

Define your sustainability model's terms. An SME should be sure to define a few words that describe their business's specific sustainability model. This would help them give their employees the ability to take ownership of SME's overall vision.

Step 5: Implement Changes

The final of the five steps to sustainability is an exciting one. Implementation!

Communicate clearly. An SME should adequately communicate their new sustainability plan across their entire company. Educate their employees to ensure successful implementation, and make sure everyone is involved.

Change policies. An SME should ensure that, their current policies align with their sustainability plan. If not, create new ones that are specific to different departments and employees.

Review performance. Create specific, measurable and attainable written goals, and develop metrics on how to track the success of your changes. This could be as simple as comparing a previous energy bills under the old policies with a new one that comes after the SME has implemented changes.

Get feedback. An SME should have their employees in the company report back to them on any difficulties they encounter in implementing changes to policies, so that the business owner can troubleshoot how to fix them while still staying true to the sustainability model. This would help the business owner to identify opportunities for more small business sustainability.

Hart (2010) avers that, after an SME has taken the five steps to sustainability, they must make sure that they can substantiate their sustainability claims before going public with the environmental advantages of their products or services. The SME can avoid making unqualified claims by following any standards set by the government and general principles that apply to environmental issues. The SME will learn how consumers will interpret their claims and how to support and qualify the claims without being misleading. Then they can be ready to let people know about their small business sustainability plan. The financial, societal, environmental and public relations rewards are sure to follow!

2.13.2 Challenges to Implementing Sustainability Initiatives

Table 3 highlights challenges faced in implementing sustainability initiatives as pointed out by some authors.

Table 3: Challenges to Implementing Sustainability Initiatives

References	Challenges
Epstein and Buhovac (2010)	Setting clear and measurable goals Dealing with financial incentive pressures Comprehending Stakeholder reactions
Vom Brocke et al. (2012)	How to consider sustainability aspects in the management of an organisation’s processes.

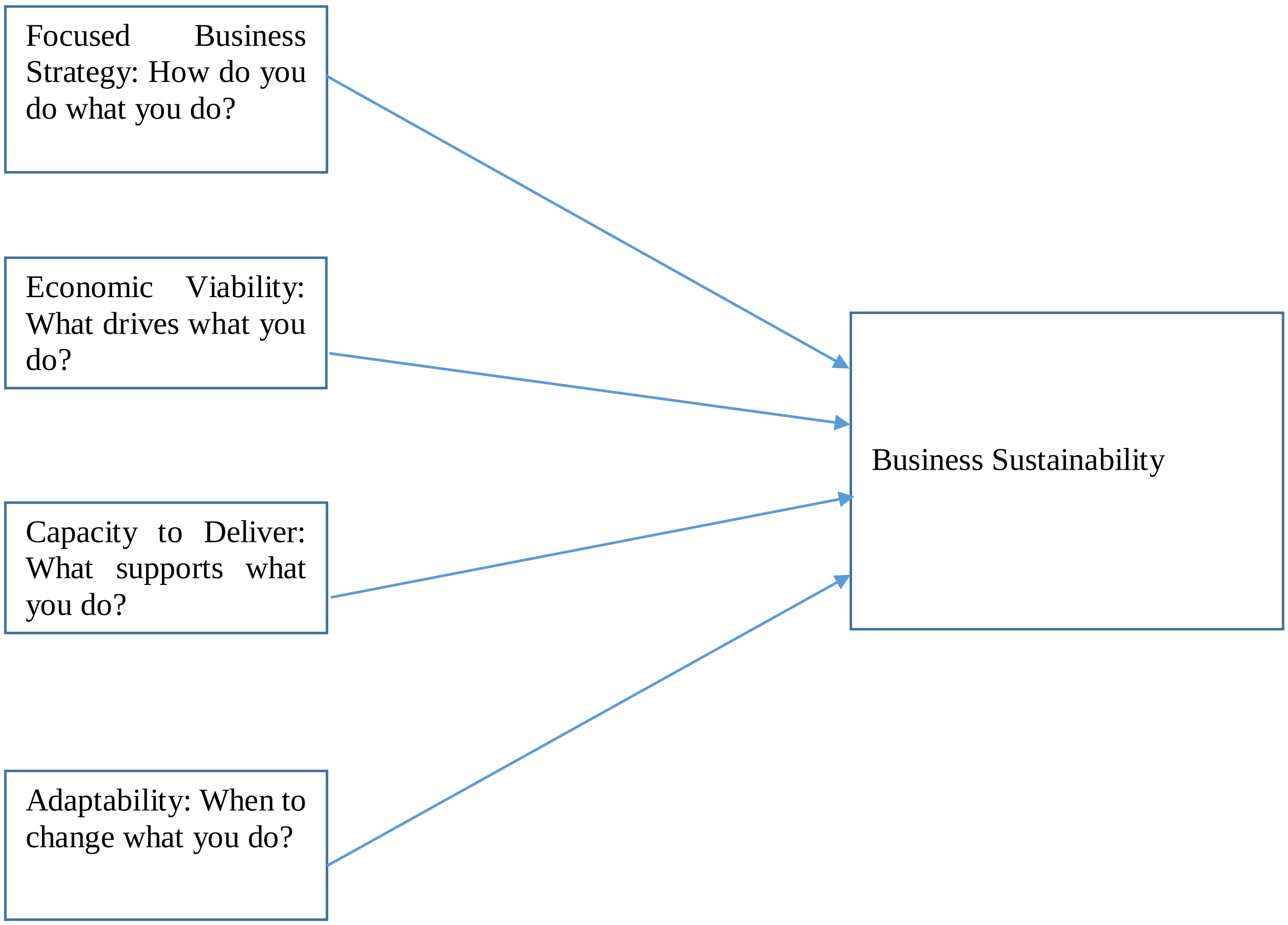
References	Challenges
	Lack of consensus at the Chief Executive Officer level
Giunipero et al. (2012)	Costs of sustainability and economic conditions; Lack of sustainability standards and appropriate regulations Misalignment of short term and long-term strategic goals. Existing roadmaps, frameworks and systems do not comprehensively support sustainable business transformation
Ahmed and Sundaram (2012)	Existing systems do not allow decision makers to explore interrelationships and influences between the sustainability dimensions Sustainability concept continues to be applied unsystematically. Selecting the right sustainability Indicators
Poveda and Lipsett (2014)	Define the proper measurement method Align indicators to goals and objectives

Source: Ahmed and Sundaram (2012)

2.14 Conceptual Framework

Meanwhile, Burnes (2003), asserts that, currently, many companies are adopting sustainability practices in all their organisational levels, operations and business processes as a whole. Regardless of this, many organisations have yet failed to reach the sustainability level they wished at the beginning of the implementation project. Motivational factors related to this phenomenon can be related to social aspects, regulatory aspects, customer requirements, among others. Burnes (2003), further says that, between 40 to 70% of the sustainability initiatives fail. One reason for this may be that most sustainability initiatives focus in one specific department, or area, of the organisation. In this case, many sustainability initiatives do not consider that organisational departments and functions work along and interact with other departments or functions through end-to-end processes (i.e. systemic view). Therefore, a more refined analysis would consider the whole process interaction to evaluate the full status of the sustainability implementation. Experience suggests that when developing the research questions, it is very beneficial to also diagram the problem or topic. This is often called a conceptual or theoretical framework. According to Miles and Huberman (1994), “A conceptual framework explains, either graphically or in narrative form (both are much preferred), the main things to be studied - the key factors, constructs or variables and the presumed relationships among them”

Figure 5 Conceptual Framework



Source: Community Wealth Partners (2019)

The conceptual model guided the framing of questions to get data for the study. These are;

1. To what extent are SMEs sustainable?
2. What factors cause challenges to SME business sustainability?
3. Are there any contributions Government makes to SME sustainability?
4. What solutions can assist the SMEs become sustainable?

From these questions, solutions to assist SMEs to become sustainable were found through the research findings and further research was also derived from them.

CHAPTER 3: STUDY METHODOLOGY

3.0 Introduction

This chapter explains the design and methods used for the study. It outlines the research design, research population, sampling design and sample size, data collection, variables and methods of data analysis used. It vividly indicates the roadmap on how the study was carried out including the organisation of the research work. It also shows how the inquiry in the lack of business sustainability was going to be achieved among the SMEs in Zambia. The research hypothesis is that, SMEs in Zambia are not sustainable

3.1 Methodology

The research method is a strategy of enquiry, which moves from the underlying assumptions to research design, and data collection (Myers, 2009). Although there are other distinctions in the research methods, the most common classification of research methods is into qualitative and quantitative. At one level, qualitative and quantitative refer to distinctions about the nature of knowledge: how one understands the world and the ultimate purpose of the research. On another level of discourse, the terms refer to research methods, that is, the way in which data are collected and analysed, and the type of generalisations and representations derived from the data.

Myers (2009) posits that quantitative research methods were originally developed in the natural sciences to study natural phenomena, while qualitative research methods were developed in the social sciences to enable researchers to study social and cultural phenomena. Both quantitative and qualitative research studies are conducted in academia. Neither of these methods is intrinsically better than the other; the suitability of which needs to be decided by the context, purpose and nature of the research study in question. Some researchers prefer to use mixed methods approach by taking advantage of the differences between quantitative and qualitative methods and combine these two methods for use in a single research project depending on the kind of study and its methodological foundation. This study used the mixed method approach in order to understand the phenomenon in its natural setting. According to Brysman and Burgess (1999), qualitative research is naturalistic; it attempts to study the everyday life of different groups of people and communities in their natural setting; it is particularly useful to study educational settings and processes. "…. qualitative research involves an interpretive, naturalistic approach to its subject matter; it attempts to make sense of, or to interpret, phenomena in terms of the meaning people bring to them". (p. 45).

According to Domegan and Fleming (2007), "Qualitative research aims to explore and to discover issues about the problem on hand, because very little is known about the problem. There is usually uncertainty about dimensions and characteristics of the problem. It uses 'soft' data and gets 'rich' data". (p. 24). Myers (2009) points out that qualitative research is designed to help researchers understand people, and the social and cultural contexts within which they live. Such studies allow the complexities and differences of worlds-under-study to be explored and represented (Philip, 1998). In qualitative research, different knowledge claims, enquiry strategies, and data collection methods and analysis are employed (Creswell, 2003). Qualitative data sources include observation and participant observation (fieldwork), interviews and questionnaires, documents and texts, and the researcher's impressions and reactions (Myers, 2009). Data is derived from direct observation of behaviours, from interviews, from written opinions, or from public documents (Sprinthall, Schmutte, and Surois, 1991). Written descriptions of people, events, opinions, attitudes and environments, or combinations of these can also be sources of data.

The basic distinction between qualitative and quantitative research is the form of data collection, analysis and presentation. While quantitative research presents statistical results represented by numerical or statistical data, qualitative research presents data as descriptive narration with words and attempts to understand phenomena in "natural settings". This means that qualitative researchers study things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them (Denzin and Lincoln, 2000). On the other hand, quantitative research makes use of questionnaires, surveys and experiments to gather data that is revised and tabulated in numbers, which allows the data to be characterised using statistical analysis (Hittleman and Simon, 1997). Quantitative researchers measure variables on a sample of subjects and express the relationship between variables using effect statistics such as correlations, relative frequencies, or differences between means; their focus is to a large extent on the testing of theory.

This study used a mixed method (i.e. used both quantitative and qualitative) approach for purposes of triangulating the results to ensure validity and reliability.

3.2 Research Onion as Framework

The research onion framework in this study was used in explaining the research methodology (Saunders & Lewis, 2012). The approach taken in using the research onion framework was to go from the outer layer to the inner layer of the research onion. The outermost layer is the research philosophy and the philosophy taken for this research is a pragmatist research philosophy. The decision to adopt the pragmatist research philosophy was based on the rationale that SME business sustainability should be a fact by socially constructed views on the SME sector with insights from the result of the study. In addition, the pragmatist research philosophy could yield better research results with the opportunity of using a mix of different methods in the research. The alternative to the pragmatist research philosophy is the use of the interpretivist research philosophy or the positivist research philosophy which are the major philosophies used in the conduct of research, but these did not fit with the requirements of the research.

3.2.1 Pragmatism

The pragmatism research philosophy is relatively 'new' compared to other research philosophies, but the pragmatism research philosophy has become a contending philosophy that researchers have considered as an alternative. The pragmatism research philosophy stands in the middle between the positivist research philosophy and the interpretivist research philosophy with pragmatism focused on identifying solutions to the issues using theories and frameworks. This relates to a practicality view on how the philosophy contributes to addressing the research objectives.

Pragmatism is a philosophical movement begun during the latter decades of the 19th century by the American philosopher Charles Sanders Pierce. This entered the research arena when Pierce introduced a “triadic scheme” to scientific research. Essentially this scheme dealt with the world at three levels: the observed object; the working scientist; and the signs the scientist used to understand, describe, and explain the world. Pragmatism of today had completely transformed from the original theory, as it argues that the most important determinant of the research philosophy adopted is the research question, arguing that it is possible to work within both positivist and interpretivist positions. It applies a practical approach, integrating different perspectives to help collect and interpret data (Saunders *et al.*, 2012). This method suited the study as the research question was addressed, which was derived from the research objectives, as it looked at the SMEs sustainability in their business practices.

Pragmatism is described as a deconstructive paradigm that debunks concepts such as "truth" and "reality" and focuses instead on "what works" as the truth regarding the research questions under Pragmatic approach was adopted for this research which entailed the formulation of the objectives of the study, design of the method for data collection, selecting sample size, collecting data, processing and analysing data and reporting the findings. According to Kothari and Garg (2014), pragmatism rejects the either or choices associated with paradigm wars, advocates for the use of mixed method in research, and acknowledges that the values of the researcher play a large role in the interpretation of results". While discussing about pragmatic approach Tashakkori and Teddlie (1998) suggested "*Study what interests and is of value to you, study it in the different ways that you deem appropriate, and utilise the results in ways that can bring about positive consequences within your value system".* (p. 41). From this quote, it can be inferred that pragmatism encourages the researchers to consider the research questions to be more important than either the method they use or the paradigm that underlies the research question.

3.3 Research Approach

The next layer in the research onion is the research approach and a deductive approach is taken as this is in line with the pragmatist research philosophy. The deductive research approach provides a comprehension of different understanding of business sustainability actions by means of empirical data. For this research, the deductive research approach provided the observations that are needed in forming the views for the outcomes to address the research objectives. This is through the execution of primary research with the use of a structured questionnaire in order to build the understanding of the observations in addressing the research issues.

The alternative research approach considered for the research is the inductive research approach. While it is possible to utilise an inductive research approach for the pragmatist research philosophy, the decision was to utilise a deductive research approach given the linkage to an approach that is based on objectivity in the assessment of the observations. This contrasts with the use of an inductive research approach which would have relied on subjectivity in the evaluation of the observations to support the results of the research.

3.4 Research Strategy

The strategy for this research is the case study approach with the use of a survey questionnaire. In this research strategy, the research is geared towards a single contextual setting. The company case study research strategy supports an enriched understanding of the case organisation focused on (Blumberg, Cooper & Schindler, 2008). The case study organisation for the research is in line with the research issues and observations focused on how these relate and apply to the organisational setting and situation. The case study approach provides a focus for the research with the efforts to address the research issues centred on the impacts of these research issues on the case study organisation. This provides stronger relevance in terms of the applicability of the research results and the impact that the consideration of the results could have on a specific organisation. This would be different to the application of results if a more general approach was taken with no specific case study organisation considered for the study.

3.5 Research Choice

The next layer of the research onion is the research choice. A mixed method is utilised with the use of a qualitative approach and a quantitative approach taken as the research methods applied in the study to be consistent with the pragmatist research philosophy. The quantitative research is consistent with the deductive research approach. This was achieved using primary research with structured questionnaires forming the basis for the interaction with primary research respondents. The respondents for the primary research were individuals with knowledge of the SME business activities. The mixed method approach provided a more robust set of results with the triangulation achieved between the combination of the qualitative research approach and the quantitative research approach. This makes the research wider in scope in that more research activities are included, this ensures that the research has a more in-depth evaluation of the results and more robust findings from the combination of the qualitative research and quantitative research approaches.

3.6 Research Design

Research design is the general plan of how one goes about answering the research questions (Creswell, 2003). The study used a descriptive research design involving both quantitative and qualitative data i.e. survey questionnaire for quantitative and Focus Group Discussions (FDGs) for qualitative. Descriptive research is defined as a research method that describes the characteristics of the population or phenomenon that is being studied. This methodology focused more on what's of the research subject rather than the *why's* of the research subject. Bryman and Bell (2003) and Creswell (2003) describe descriptive research as primarily focusing on describing the nature of a demographic segment, without focusing on why a certain phenomenon occurs. In other words, it describes the subject of the research, without covering why it happens.

The data collection for descriptive research presents a number of advantages since the data collected is both qualitative and quantitative; giving a holistic understanding of a research topic.

3.7 Mixed Method Research

The dominance of the positivist paradigm and quantitative research in the Information Systems domain was criticised by various researchers (Mingers, 2001; Orlikowski and Baroudi, 1991; Robey, 1996). Mixed methods could be argued to be the contemporary approach to solving real world problems in academic research. Morse (2003) posits that mixed method design as the incorporation of various qualitative or quantitative strategies within a single project which may have either a qualitative or quantitative theoretical drive. The advantages of solving a research problem using mixed research have been touted for over twenty-five years (Denzin, 1978; Jick, 1979). By examining the research problem using various methodologies, a comprehensive understanding of the phenomenon being studied could be developed and the weaknesses associated with the methodologies could be strengthened. Robey (1996) argues research using the same assumptions and research methods can easily be challenged; however, a research problem which is described and examined from multiple perspectives and approaches can withstand opposition. Basically, the mixed method approach involved the usage of more than one methodology for gathering data.

3.8 Survey Research

This study used a Survey research approach and a survey as a data collection tool was used to enlist responses from SMEs. Survey research is used: "to answer questions that have been raised, to solve problems that have been posed or observed, to assess needs and set goals, to determine whether or not specific objectives have been met, to establish baselines against which future comparisons can be made, to analyse trends across time, and generally, to describe what exists, in what amount, and in what context." (Isaac & Michael, 1997, p. 136) Kraemer (1991) identified three distinguishing characteristics of survey research. First, survey research is used to quantitatively describe specific aspects of a given population. These aspects often involve examining the relationships among variables. Second, the data required for survey research are collected from people and are, therefore, subjective. Finally, survey research uses a selected portion of the population from which the findings can later be generalised back to the population. In survey research, independent and dependent variables are used to define the scope of study but cannot be explicitly controlled by the researcher. In contrast to survey research, a survey is simply a data collection tool for carrying out survey research. Pinsonneault and Kraemer (1993) defined a survey as a "means for gathering information about the characteristics, actions, or opinions of a large group of people" (p. 77). Surveys can also be used to assess needs, evaluate demand, and examine impact (Salant & Dillman, 1994). The term survey instrument is often used to distinguish the survey tool from the survey research that it is designed to support.

Surveys have several strengths as they can obtain information from large samples of the population. Surveys are also well suited to gathering demographic data that describe the composition of the sample (McIntyre, 1999); and are inclusive in the types and number of variables that can be studied, require minimal investment to develop and administer, and are relatively easy for generalising (Bell, 1996). Additionally, surveys can also elicit information about attitudes that are otherwise difficult to measure using observational techniques (McIntyre, 1999). It is important to note, however, that surveys only provide estimates for the true population, not exact measurements (Salant & Dillman, 1994). On the other hand, surveys have some weaknesses. According to Pinsonnault and Kraemer (1993), surveys are generally unsuitable where an understanding of the historical context of phenomena is required. Bell (1996) observed that biases may occur, either in the lack of response from intended participants or in the nature and accuracy of the responses that are received. Other sources of error include intentional misreporting of behaviors by respondents to confound the survey results or to hide inappropriate behavior. Finally, respondents may have difficulty assessing their own behaviour or have poor recall of the circumstances surrounding their behavior.

3.9 Focus Group Discussions (FDGs)

According to Saunders *et. al.* (2012), Focus group is a group interview composed of a small number of participants, facilitated by a 'moderator', in which the topic is defined clearly and precisely and there is a focus on enabling and recording interactive discussion between participants. Focus Group Interview is a method for collecting data whereby selected participants discuss their reactions and feelings about a product, service, situation or concept, under the guidance of a group leader (Jill Collis *et al.*, 2009). Focus groups are used to gather data relating to the feelings and opinions of a group of people who were involved in a common situation or discussing the same phenomenon.

Focus groups combine interviewing and observation but allows for fresh data to be generated through the interaction of the group. They can be used in an interpretive methodology but were also used by positivists before or after conducting a survey. FDGs are useful for a number of purposes, such as to: (i) develop knowledge of a new phenomenon; (ii) generate propositions from the issues that emerge, (iii) Develop questions for a survey, and (iv) Obtain feedback on the findings of research in which the focus group members participated

According to Morgan (1998) FDGs stimulated participants to voice their own opinions and helped produce 'data and insights that were less accessible without the interaction found in a group' (p.12). Focus group results were sometimes nothing more than the opinions of a small group of people and offer little in the way of deep insights or illumination of the issues under study. To be credible as a data collection technique, focus groups must be properly managed.

This method was used in this study because of the need to contextualise the SME sector by listening to other group members' views. To this end, two focus group discussion interviews of ten people each were conducted in the Mazabuka and Kafue District Business Associations respectively.

3.10 Techniques, Procedures and Research Instruments

The final layer in the research onion relates to the techniques and procedures taken. In this study, both secondary research and primary research were utilised. The secondary research entailed the use of relevant academic literature, and related reports, this was in order to seek convergence and validation, the study used three different data sources and methods; this was through primary data, secondary data and focus group discussion. The purpose of triangulating was to provide a confluence of evidence to uphold credibility. Validating findings across data sets reduced the impact of potential bias by examining information collected through different methods

a) Primary data

A semi-structured questionnaire was used to collect the primary data. This was the key research instrument used in the research. Cooper and Schindler (2006), suppose that the use of a structured questionnaire greatly enhanced uniformity of responses. Thus, respondents provided their inputs through the questionnaire provided.

The structured questionnaire focused on the business sustainability actions of SME businesses and how these fit with the principles and objectives of the SME sector. The structured questionnaire was designed so that it would be answered by the respondents easily as these were close-ended questions. This was an advantage in the research as it ensured that the questions were easily and consistently understood by the respondents with the tabulation of the results also easily achieved through the design of the questionnaire.

Interviews were also known for being very effective in giving a human face to the problem at hand. Furthermore, given that the strategy of inquiry was a case study, the study endeavoured to seek for opinions or impressions pertaining to the performance of the SME sector. Through interviews, there was also the scope to ask additional questions in order to collect detailed information. In some instances, the interviewer assisted the participants to understand the question whereas the same aid acted as a motivation source hence contributing to the reliability and validation of the data collected.

b) Secondary data

Document analysis was used as a secondary data source. According to Bowen (2009), document analysis was construed as a social research method and was an important research tool and was an invaluable part in the scheme of triangulation. The main reason why the study used document analysis was that it was proven to be an efficient and effective way of gathering data in earlier studies. It provided background information and broad coverage of data and was therefore helpful in contextualising one's research within its subject or field. It also contained data that no longer could be observed, provided details that informants had forgotten, and could track change and development. Bowen (Ibid) further posits that document analysis pointed to questions that were desirable to be asked or pointed to situations that required a closer examination, thus made the use of document analysis fundamental to ensuring that the research was critical and comprehensive.

3.11 Population of the Study

The District Business Associations (DBAs) and the general SMEs in Lusaka were initially the targeted population for this study. However, due to the dysfunctional District Business Associations (DBAs) the target population changed to Mazabuka District Business Association, Kafue District Business Association and Lusaka Central Business District.

A target population is the specific set of individuals or objects about which information is desired. Kothari (2004) defines a population as a well-defined set of people, elements, services and events, group of things or households under investigation.

According to PACRA (2018), Lusaka District SME population was 10, 000 businesses registered as of June 2018, while Mazabuka District Business Association at the time of the study had about 50 active members and the Kafue District Business Association had 20 members most of whom were not even paid up members. Though Lusaka District had a high population, most of the SMEs did not have operational bases from which they could be found. Therefore, the actual target population was; Lusaka Central Business District 70 respondents; but only 42 filled the questionnaires and Mazabuka District Business Association; 50 but only 17 were able to fill in the questionnaires and Kafue District Business Association; 20 but only 10 filled in the questionnaires. The respondents were all purposely chosen as the only method possible in picking them. The original 120 number of respondents were picked out of the history of the Associations' Membership given to the researcher by the Zambia Chamber of Small and Medium Business Association the mother body of the District Business Associations in Zambia, which showed an average number of 100 members per DBA as being active.

According to Saunders et al., (2012), target population represent specific segment within a wider population that are best positioned to serve as a primary data source for the research. In this study, the total population targeted was 120. The research population was a big challenge to determine as the original plan could not be actualised due to the non-activeness of District Business Associations in the target locations as follows: respondents were to be drawn from three District Business Associations and these were, Kabwe, Mazabuka and a Women Entrepreneurship Group, and a Youth Group in Lusaka. The study would have involved 30 respondents per each group (120 members), and these would have been selected and divided according to their business types i.e. poultry, cross boarder trading, general trading and other business categories and make a representative number of each group.

3.11.1 Research Sampling

This study used cluster sampling using a random sampling method. As noted already, the District Business Associations (DBAs) and the general SMEs in Lusaka were initially the targeted population for this study. However, due to the dysfunctional District Business Associations (DBAs), the target population was purposively changed to Mazabuka District Business Association, Kafue District Business Association and Lusaka Central Business District. Respondents were then randomly sampled from these three Business Associations. It must be noted that although these areas were determined based on judgement (as they were the only Business Associations functional), the selection of ultimate units or respondents was randomised. According to International Labour Organisation-ILO (2009). Further, ILO (Ibid), states that researchers use two major sampling techniques: probability sampling and nonprobability sampling. With probability sampling, a researcher can specify the probability of an element's (participant's) being included in the sample. With nonprobability sampling, there is no way of estimating the probability of an element's being included in a sample. If the researcher's interest is in generalising the findings derived from the sample to the general population, then probability sampling is far more useful and precise. Probability sampling is also referred to as random sampling or representative sampling. When random sampling is used, each element in the population has an equal chance of being selected (simple random sampling). The sample is referred to as representative because the characteristics of a properly drawn sample represent the parent population in all ways. The word random describes the procedure used to select elements from a population (ILO, 2009). For this study, every second SME or association member from the three District Associations of Lusaka, Mazabuka and Kafue was randomly chosen.

In 2017 a pilot study of the data collection tools was done in the Kafue District Business Association some 50 kilometres from the Lusaka central business district to some members who were not part of the study. Brown (2006) summarises the advantages of piloting in the following points:

a) Makes the research of any type and size manageable;

b) Significantly saves the costs of the research;

c) Results in more accurate research findings;

d) Provides an opportunity to process the information in a more efficient way;

e) Accelerates the speed of primary data collection.

The survey questionnaire was piloted after the initial development of questions to test out the clarity of the questions and to ensure that the questions were consistently understood. Some potential respondents were provided the initial questionnaire to receive the feedback on the questions developed. From the results of the pilot, the questionnaire was revised thereby incorporating the feedback of the people who provided the comments from the research pilot.

3.12 Sample Size

According to Saunders et al., (2009), a sample is simply a subset of the population. The concept of sample arises from the inability of the researchers to test all the individuals in a given population. The sample must be representative of the population from which it was drawn, and it must have good size to warrant statistical analysis. The main function of the sample is to allow the researchers to conduct the study to individuals from the population so that the results of their study can be used to derive conclusions that will apply to the entire population.

Brown, (2006) asserts that, in determining a sampling size, the number of individuals from the sampling frame who will participate in the primary data collection process should be taken into consideration. The following observations need to be considered when determining sample size:

a) The magnitude of sampling error can be diminished by increasing the sample size.

b) There are greater sample size requirements in survey-based studies than in experimental studies.

c) Large initial sample size has to be provisioned for mailed questionnaires, because the percentage of responses can be as low as 20 to 30 per cent.

d) The most important factors in determining the sample size include subject availability and cost factors.

In this study, the sample size was 69 respondents drawn from the three business sites, which was 57.5% of the target population of 120.

The respondents were in three categories namely; Mazabuka District Business Association, Kafue District Business Association and the general entrepreneurs in Lusaka District. This was meant to ensure that perspectives on operations did not become one-sided, a phenomenon which was common amongst SMEs doing business in different sectors and categories of business. The categorisation was purposively tailor-made to eliminate bias, and instinctively ensured a balanced view of how the existing SMEs conducted their business

Table 4: The breakdown of respondents

Town	District Business Association	Lusaka Business District
Lusaka	-	42
Mazabuka	17	-
Kafue	10	-
Total	69	

3.13 Data analysis

Saunders et al., (2012) asserts that there are differences between qualitative data analysis and quantitative data analysis. In qualitative researches using interviews, focus groups, experiments data analysis involves identifying common patterns within the responses and critically analysing them in order to achieve research aims and objectives. Data analysis for quantitative studies, on the other hand, involves critical analysis and interpretation of figures and numbers, and attempts to find rationale behind the emergence of main findings. Comparisons of primary research findings to the findings of the literature review are critically important for both types of studies – qualitative and quantitative. Triangulation is a technique used by qualitative researchers to check and establish validity in their studies by analysing a research question from several perspectives (Guion et al., 2011). Guion et al. (2009) agrees that if the conclusions from each of the methods are similar, validity is established. Carlson (2010) believes that if the researcher can verify the various data sets with each other, the understandings and conclusions drawn from them are likely to be truthful.

This study used both quantitative and qualitative data analysis methods. The findings were triangulated from the two methods where applicable.

The Statistical Package for the Social Sciences (SPSS) version 22 was used to analyse quantitatively analyse the data from the structured questionnaire. Descriptive statistics were mainly used to quantitatively describe the important features of the variables using frequencies, percentages, tables and graphs. Inferential statistics were also used where applicable in the form of cross tabulations, factor analysis and chi-square tests. The results were presented in tables, pie charts or bar charts for easy interpretation of findings.

Qualitative data from the Focus Group Discussions was analysed using content/thematic analysis to draw out the key themes from participants on the research questions.

3.14 Research Ethics

As the research involves primary research, research ethics were applied extensively to ensure that the research results are robust and relevant. The research ethics principles that were utilised include informed consent, anonymity and confidentiality. For informed consent, this involved providing the primary research respondents with an understanding of the research objectives and enabling the potential respondents to opt in or out of participating in the primary research, Christensen, et., al (2011). For anonymity, the details of the participants to the primary research are not included and are not linked to any of the primary research results (Blumberg, et, al, 2008). Finally, for confidentiality, the research results are only shared with those who have a stake in the results and are part of the research in a specific capacity.

3.15 Research Reliability and Validity

The reliability of the research is based on the execution of the test instrument which is the survey questionnaire. This was piloted across several potential respondents to ensure that the understanding of the questionnaire was consistent across different respondents. The questionnaire was revised in order to address the issues in the questions that were not easily understood or not similarly understood by the respondents in the pilot of the questionnaire. As the revised questionnaire was consistently understood by the potential respondents, this was deemed to provide a reliable response across the set of questions included in the questionnaire.

The questionnaire was also considered for validity. In order to minimise the issues in relation to the test validity, the questionnaire was designed as a close-ended questionnaire thereby limiting the responses of the respondents to a positive response, a negative response, or no response to the question posed. Given that the questions were close-ended questions; the validity of the questionnaire was accepted as a result of this approach as the basis of the responses was the perspectives of the respondents.

3.16 Study Methodology Limitations

Some difficulties were encountered in the data collection exercise as all the District Business Associations were dysfunctional at the time of data gathering causing the researcher to change the target sites with others that were not envisaged, but even those accessed had few paid up members, thus making the targeted number of respondents fall short of numbers desired. In Lusaka, the respondents were picked at random and some of them took longer to return the questionnaires, while others were suspicious of the researcher's motives for the study, hence declined to take part in the study. The other shortcoming was the filling in of the questionnaires as some respondents didn't complete all the forms with required information and the desired sample size of 120 respondents was not realised as only 69 respondents were able to complete the forms. Since some variables were not answered, reliability of results may not represent the actual picture of the study. Finally, the use of the convenience sampling method could have some biases.

CHAPTER 4: RESULTS AND DISCUSSION

This chapter focuses on the presentation and analysis of data obtained from documents, and the in-depth interviews held. The presentation has three main parts. The first part gives demographic information, while the second part gives the description of the business and the third part gives business start-up information. Out of the 120 questionnaires distributed, only 69 were returned filled though some of the questionnaires were partially filled. This gave a 57.5% result

4.0 Section A: Demographic Information

Respondents' Distribution by Geographic Location

Out of the 69 respondents, 24 (34.8%) were from Lusaka-General, 18 (26.1%) from Lusaka-Women, 17 (24.6%) from Mazabuka District Business Association, and 10 (14.5%) from Kafue District Business Association. However, more than half of the respondents (60.9%) are from Lusaka District.

Table 5: Respondents' distribution by location

S/No.	District	Frequency	Percentage (%)	Cumulative Percentage (%)
1	Lusaka- General	24	34.8	34.8
2	Lusaka- Women	18	26.1	60.9
3	Mazabuka	17	24.6	85.5
4	Kafue	10	14.5	100.0
	Total	69	100.0	

The majority of the respondents were male; 40 respondents (58%) were male while 29 respondents (42%) were female.

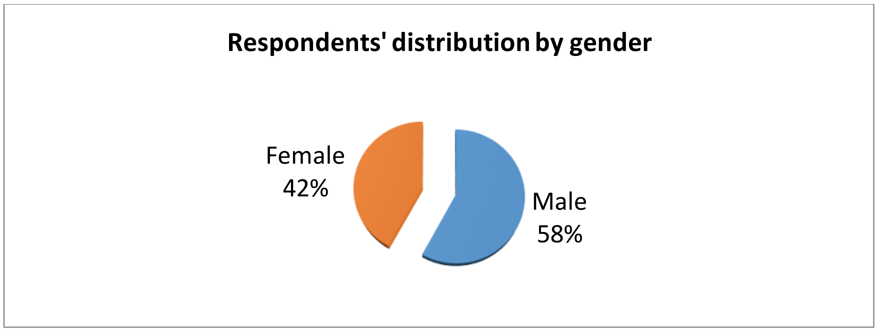


Figure 6 Respondents' distribution by Sex

Interestingly, gender bias in the SMEs sampled shows a high number of male entrepreneurs as opposed to females. According to Aterido et al (2013), this pattern is also confirmed by their studies done in other Sub-Saharan African countries as fewer women were able to access finance compared to their male counterparts. This question was used to sample the prevalence of women in business. Team (2014), says women entrepreneurs in Africa have historically had more limited business networks than men.

Zewde & Associates (2002) posits that women were active participants in the MSME sector throughout the world, especially as those running informal enterprises. Their research has shown that women entrepreneurs faced socio-cultural, educational, and technical constraints or barriers to starting and growing their own enterprises.

With regard to the respondents' age cohort distribution, the age cohort '30-39' relatively constituted the highest distribution at 29%, followed by the '40-49' at 27.5% while the '70 and above' constituted the lowest distribution at 1.4%.

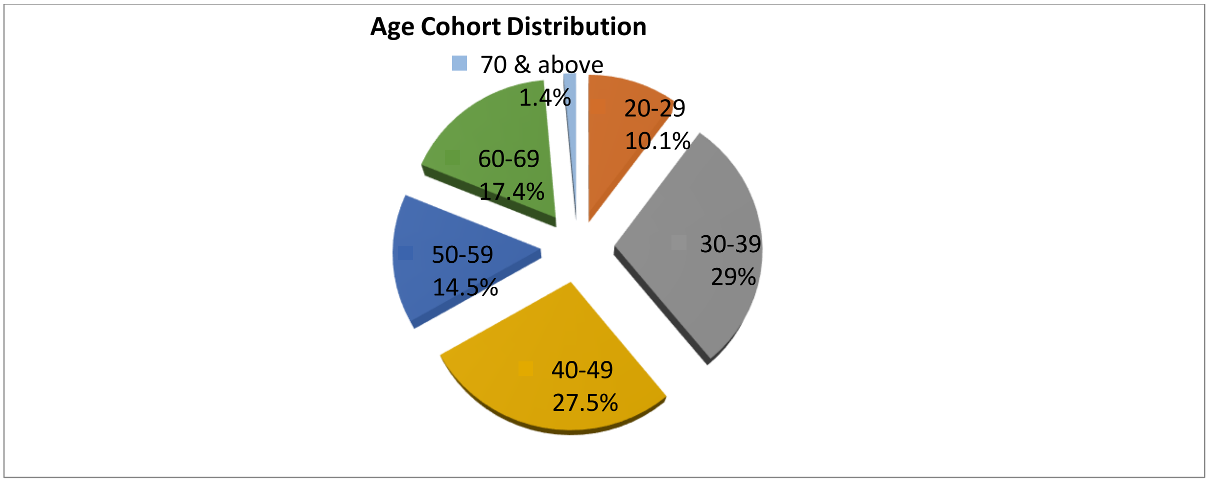


Figure 7 Respondents' distribution by Age

Out of the results of the study population, the age group 30-39 consistituted a highest distribution, showing a desire for young people to undertake business ventures. These data signifies SMEs willingness in this age range to be their own bosses while the age above 70 was the least. The age distribution shows a combined total of 56.5 percent of still young persons engaged in business activities in the Lusaka Central Business District. The lack of employment among the youth may have caused a big number to go into business ventures as can be seen from these statistcs. Participants in the study gave varied reasons for the non-sustainability of SMEs in Zambia. The reasons included the following: "Most empowerment programmes aimed at supporting SMEs through youths and women groups are mainly for political expedience and as loans/funds are given on political lines"- Participant from Mazabuka FDG.

As literature shows, even the government has been targeting youth economic empowerment. The young people of the ages 15-35 years constituted about one-third (36.7 percent) of the total population of Zambia (CS0, 2010). This segment of the population represents a significant proportion that requires well targeted development programmes and policy interventions. For this reason, the Zambian Government had given priority to youth issues as sustainable socio-economic development would only be realised if adequate investment was made in youth development. Hence, the development of the National Plan of Action for the 2015 National Youth Policy which provided a roadmap on how to meet the socio-economic needs of youth in general. However, youths were not a homogeneous group; thus, some interventions were designed to meet specific needs of youth segmented by age, gender, locality and vulnerability.

Out of the total 69 respondents, 26 (37.7%) have High School as their highest level of education, 24(34.8%) have attained College, 10 respondents (14.5%) have attained University, four respondents each (5.8%) have attained Primary School and ‘Other’ education level respectively, while only one respondent (1.4%) has not been to school.

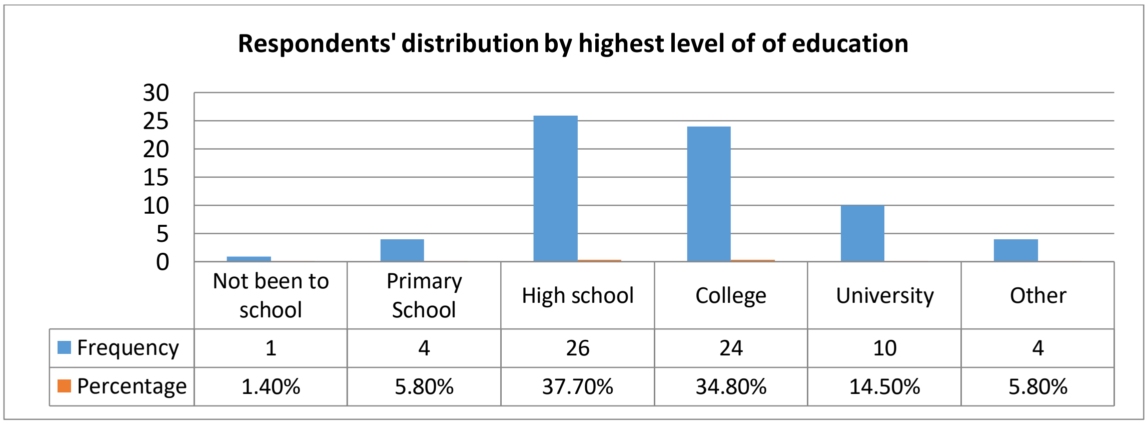


Figure 8 Respondents’ distribution by Age

This section of the questionnaire required respondents to give information on their academic level attained and the highest level of education was high school, while those with College education closely followed and only a small number had attained University level education. Interestingly, fewer participants had attained Primary School education and other education levels and one respondent hadn’t been to school at all. This distribution of education levels may be significant in terms of the understanding of business strategies and their application in the day to day operation of a business. This hinges on business sustainability which is the purpose of this study.

As shown in the literature, subsequent Governments of Zambia from the Kaunda government to the Lungu government, SMEs have been supported through various legal frameworks and interventions but to no avail as their businesses have continued to fail and one fact found by this study could be the low level of education. At the time of this study, this statement could not be supported by any known research in Zambia.

According to Patricof (2015), across all industries, the majority of start-ups would fail within their first several years. Some didn't make it right away, while others enjoyed a few moments of success before failing, but the fact remained that any new venture was more likely to fail. ZDA (2015) confirms that government through the Zambia Development Agency had established a number of programmes to support SMEs to provide specialised services to the sector. However, the impact of these support programmes had been minimal largely due to weak linkages between them and the MSME sector. This literature finding didn't also link business failure to level of education.

4.1 Description of Business

Most of the respondents (48) representing 69.7% owned only one business, followed by 10 respondents (14.5%) who owned three businesses, five (7.2%) owned two businesses, while only one respondent (1.4%) owned five or more businesses. No respondent owned four businesses, and five respondents (7.2%) did not state the number of businesses they owned.

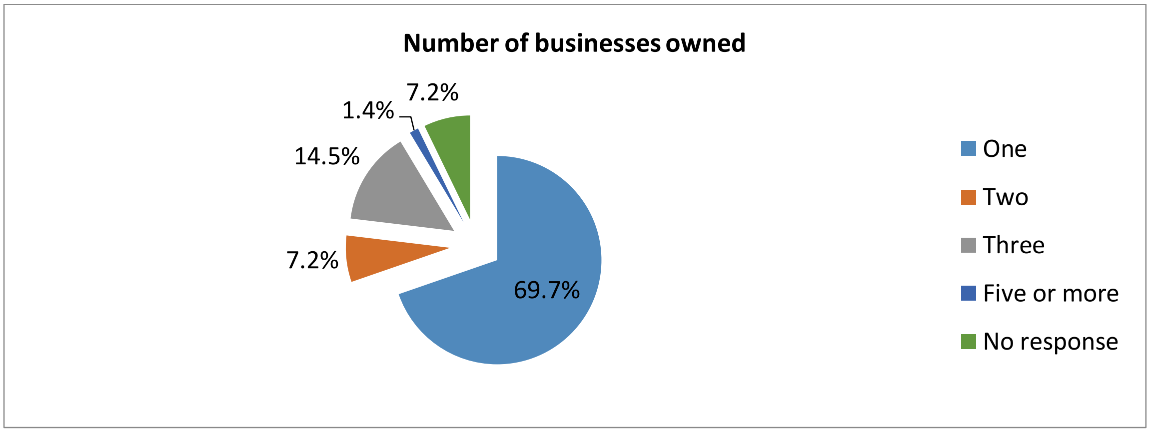
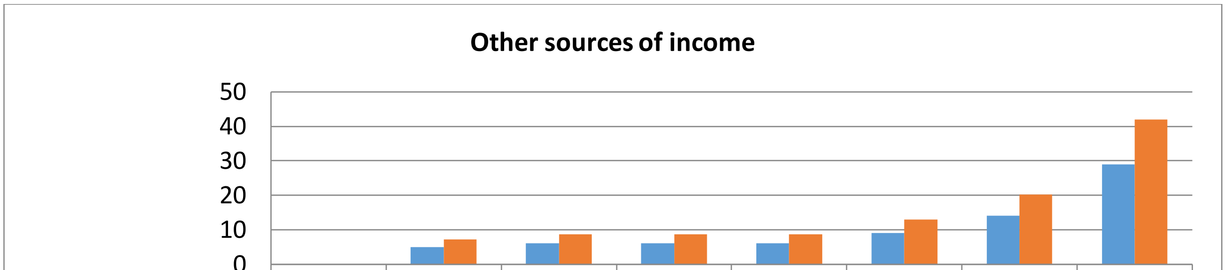


Figure 9 Number of businesses owned by respondents

The highest number of those interviewed indicated that they owned only one business followed by those who owned three business. A small number of respondents owned two businesses while the other respondents did not give any response to the question. This question's objective was to determine as to whether the respondents had enough time to manage their businesses. The possibility of a person's inability to manage three business was most likely as the business dynamics could dictate challenges that may be difficult to manage, hence causing business failure.

In terms of other sources of income, 29 respondents (42%) mentioned 'Other businesses', 14 (20.3%) mentioned 'Spouse', 9 (13%) 'Another job', six respondents each (8.7%) mentioned 'Other sources', 'sub-letting premises', and 'Pension' respectively, while five respondents (7.2) mentioned 'Family members'. However, no respondent at all mentioned 'Grant' as other source of income.



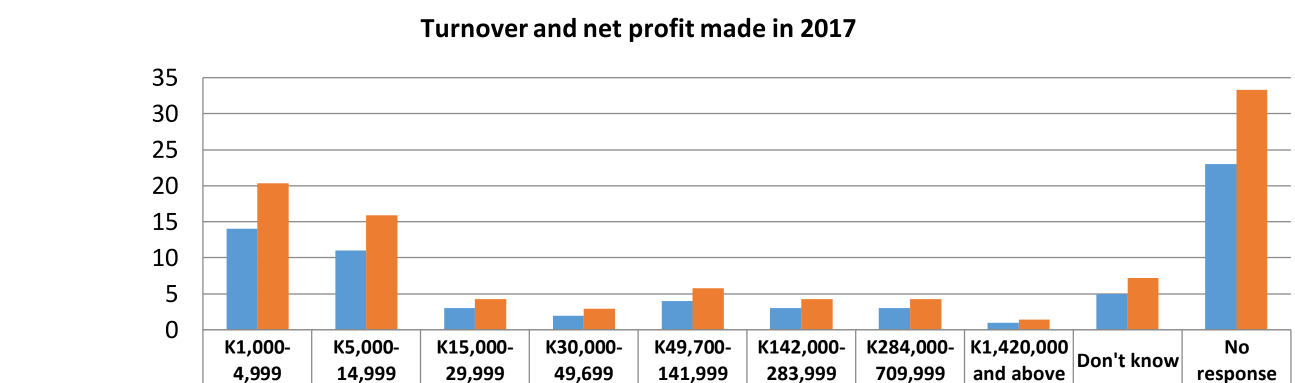
	Grant	Family members	Pension	Subletting premises	Other sources	Another job	Spouse	Other businesses
No. of respondents	0	5	6	6	6	9	14	29
Percentage	0	7.2	8.7	8.7	8.7	13	20.3	42

Figure: 10 other source of income

This section of the questionnaire required respondents to give information on other sources of income to support their businesses. The highest number of the participants said they got income from other businesses, while no respondents got any funds from grants. Some mentioned getting some income from their spouses and others said they had another job, while others mentioned other sources such as sub-letting premises and from their pension. Out of the total number of respondents, only five got funds from family members. This question wanted to find out whether the respondents were using other sources of funds in running their businesses, other than using their internally generated funds. The highest number that got money from other businesses confirms the possibility of those with more than one business which may cause business failure of some of their businesses due to their inability to spend adequate time on all the businesses. Literature assets that, according to Gaskill et., al (1993), through a study of SME Owners in Malaysia and Australia proved that, there were a strong link to Medium Size Enterprise (SME) founder-owners in Australia and Malaysia on what they felt were ineffective behaviours and competencies that were strongly associated with their experiences of difficulties or failures in their management of their businesses.

Profits Made in 2017.

Respondents were asked to state their ‘turn over and net profit’ bracket. Figure 11 shows that more respondents (14) representing 20.3% were under the K1,000 – K4,999 ‘turnover and net profit’ bracket followed by 11 respondents (15.9%) under the K5,000-K14,999 ‘turnover and net profit’ bracket, four respondents (5.8%) were under the K49,700-K141,999 ‘turnover and net profit’ bracket, while three respondents each (4.3%) were under the K15,000-K29,999, K142,000-K283,999 and K284,000-K709,999 ‘turnover and net profit’ bracket respectively. Further, two respondents (2.9%) were under the K30, 000-K49, 699 ‘turnover and net profit’ bracket, only one respondent (1.4%) was under the ‘K1, 420,000 and above turnover and net profit’, while five respondents (7.2%) did not know and 23 respondents (33.3%) did not respond.



	K1,000-4,999	K5,000-14,999	K15,000-29,999	K30,000-49,699	K49,700-141,999	K142,000-283,999	K284,000-709,999	K1,420,000 and above	Don't know	No response
No. of respondents	14	11	3	2	4	3	3	1	5	23
Percentage	20.3	15.9	4.3	2.9	5.8	4.3	4.3	1.4	7.2	33.3

Figure 11: Turnover and net profit made in 2017

The total number of no responses to this question was the highest response rate of those who answered the questionnaire but did not want to reveal their annual turnover for 2017. The next highest responses were representing the lowest annual turnover for the same period. As can be seen, most of the responses show low levels of income and the unwillingness to reveal their company performance.

This question was linked to the profitability of the SMEs businesses. More and more SMEs looked to government for some support, but government assistance, while being useful, should not be an absolute solution for reducing the rate of business failures as there were other important factors that an SME could have invoked to ensure continued prosperity. Stokes and Blackburn (2002), suggested that focusing on the business owner as the unit of analysis would improve understanding of the experiences of entrepreneurs in managing the business to mitigate the likelihood of business failing. This was because more often than not, when an organisation failed to achieve the desired outcomes, the reason was related to the actions of the top management and/or the founder-owner Longenecker *et al*., (1999). This statement confirms the high rate of no responses to the question and the low rate of turnover on how much turnover was generated in 2017. These results address objective number one of this study, which says "*To what extent are SMEs sustainable?*" Thorough the respondents' not revealing their financial performance results, it shows that their businesses did not perform well in 2017.

The majority of respondents (52.2%) indicated that 'they and other people' were responsible for the day to day operations of the business, 27 respondents (39.1%) stated that they ran the operations alone, while only four respondents (5.8%) said other people ran the day to day operations of their business; of which three respondents said their family members ran the business while one said their spouse did.

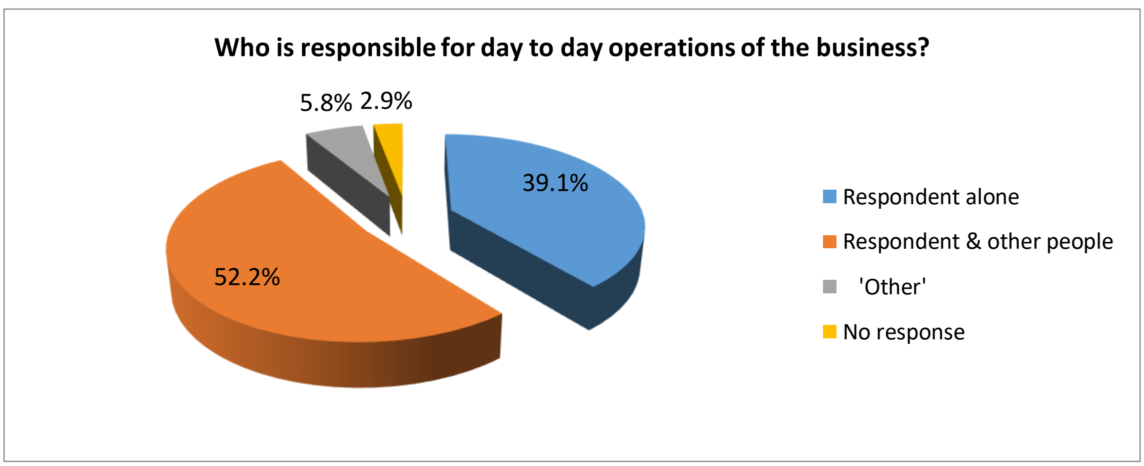


Figure 12: Responsibility for the day to day operations of the business

In response to the question, a range of responses were elicited that showed how the SMEs managed their businesses and most of the respondents indicated that they and other people were responsible for the day to day running of their businesses. This means that they had employees they worked with in managing their business. The second highest number of the respondents ran their businesses individually. Out of the total participants, a small number said other people ran their business and only one said their spouse ran their business. This question addressed the question "why are there sustainability challenges?" As can be seen, the second highest number of responses indicates that some business owners do not take part in managing their business operations. Looking at the results from the focused group discussions where respondents said, "*Banks will say we have funding for SMEs", but when we go there, there are a lot of strings attached. In a group of 40 SMEs maybe only three or four will meet those requirements"* – Participant from Mazabuka FDG. The reasons for the banks reluctance to lend funds to the SMEs may be partly due to their inability to spend more time to manage their businesses. This has also been proved by the high number of respondents who declined to give financial performance details for 2017.

Types of Business

When asked what type of business they were in as shown in **Error! Reference source not found.**, 17 respondents (24.6%) indicated that they were in General Trading, six respondents (8.7%) said they were in Construction, five respondents (7.2%) each said they were in Services like Car Wash/Transport and Skilled Services respectively, while three respondents sold Recycled Materials. Further, only two respondents (2.9%) were in Value addition. However, more respondents indicated that they were in 'Other' business type; and this included Farming (five respondents), Poultry (four respondents), Saloon (three respondents), while one respondent each indicated the following business types: Training, Lending, Supermarket, Rentals, Manufacturing Coffee, Insurance, Automotive Repairs, Phones & Accessories, supplying Beef/Animals, and DSTV Connections

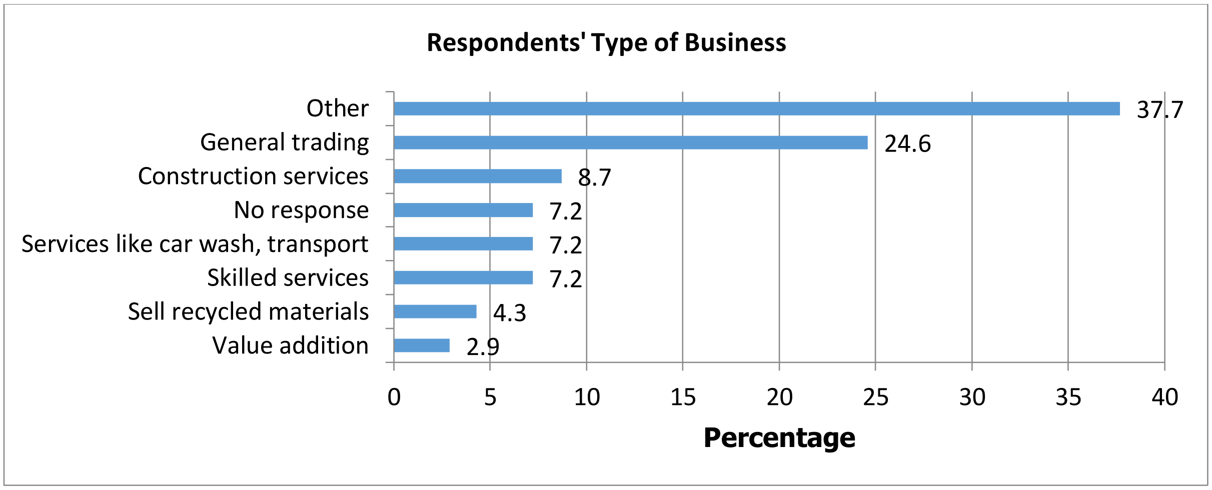


Figure 13: Type of business

The second highest number of participants indicated that their businesses were in 'general trading' meaning that they traded in anything they felt could sell, while the next highest number of those who answered this question were in the Construction sector and another small number said they were in Car Wash or Transport business. However, more respondents said they were in 'Other' types of business which were not covered in the study. This distribution of business types shows lack of specialisation and consistence, thus confirming question number three which says "*Why are there sustainability challenges*?" when entrepreneurs involve themselves in many business types, they may expose themselves to possible business failure as managing different types of enterprise risk demands good knowledge of each sector one operated in.

From this statement "We cannot sustain ourselves financially. When you look at the banks, the banks are only interested in me banking with them not me getting money from them because they have very high interest rates" – Participant from Mazabuka FDG. This statement from a participant in Mazabuka supports the high number of participants that involved themselves in any type of business if they could make a sell and confirms why banks may have been reluctant to lend to the SME sector, because of lacking business focus.

Business Premises

In terms of where their business operated from, **Error! Reference source not found.** shows that 24 respondents (34.8%) operate from home, 18 respondents operate from a business park, nine respondents (13%) from a Stall in a designated area/market, while three respondents (4.3%) operate on the Street/pavement. Further, 10 respondents (14.5%) said they operate from 'other' places. The 'other' places included at a Filling Station, from a Farm (four respondents), on a Construction site, in a garage, from the industrial area, and from the principal's place.

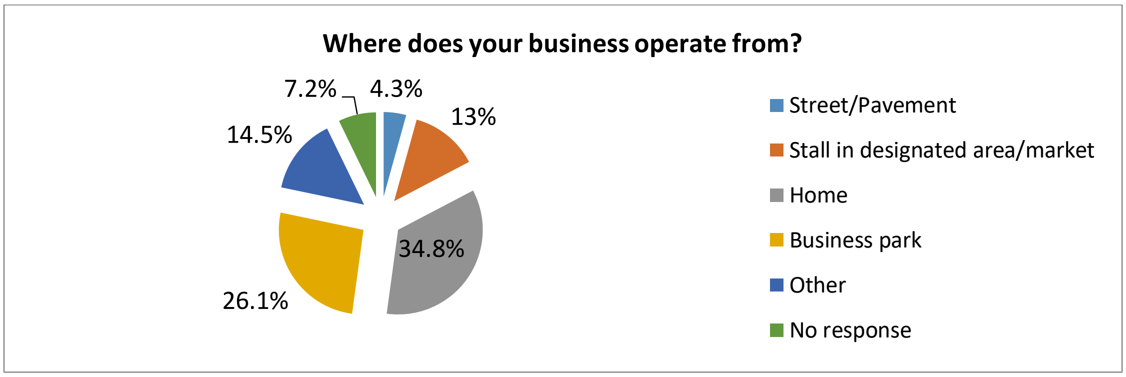


Figure 14: Place of business operation

Of the 69 participants who responded to this question, 24 reported that they were conducting business from their homes, while 18 operated from a business park and 9 operated from a market Stall. While 10 operated from "other" places a small number of 4 participants operated from the Streets. This question is aligned to the study question number two which says, "*What business sustainability challenges do SMEs face?"* Here we see the lack of the participants' ability to rent operating space for customers to be able to reach them easily and this statement says it all. *"I am into poultry and i also keep pigs. The main problem i have is finding the market for my chickens and pigs"* – Participants from Kafue FDG

Generally, more respondents (33.3%) got to their place of work by 'own car', followed by 26.1% who work where they lived, then 21.7 % who use a 'minibus' while 14.5 % stated that they walk to their place of work.

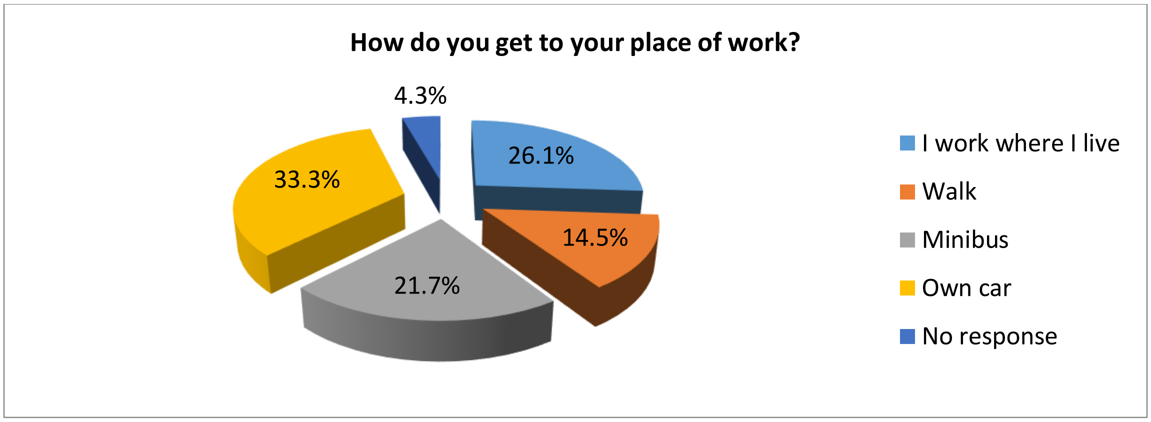


Figure 15: Mode of getting to place of work

Interestingly, 23 of the respondents say they get to work using their own cars when in **Error! Reference source not found.** almost the same number (i.e. 24 of the participants) said they operated from their homes. This type of response shows lack of seriousness in answering to questions and can be summed up by this statement "SMEs *in Zambia learn to walk; they walk a bit and then fall; and once they fall, they do not wake up. For those that manage to stand up again, they will always stagger like a drunken person"* – Participant from Kafue FDG. The number of those who work where they lived was 18 participants meaning that, the 33.3 percent response rate for using own car to go for work is put into question. Most respondents (56.5%) rent their business premises as opposed to 23.2 % who owned them. Further, 8.7% stated that they pay no rent, and 4.3% indicated 'other' ownership type, while 7.2% did not indicate.

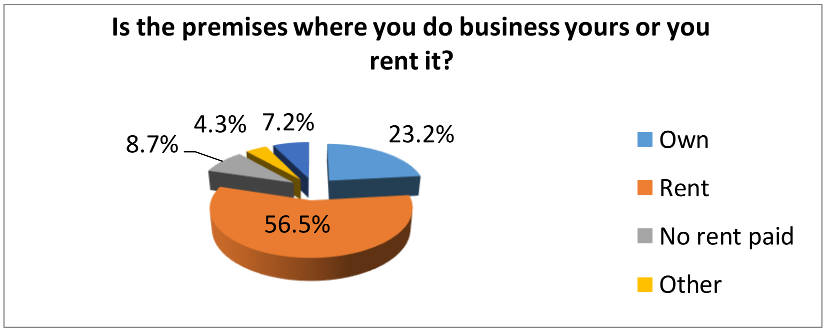


Figure 16: Ownership of business premises

A minority of participants though answered other questions in the questionnaire did not indicate anything on this question, while almost 40 participants said they rent their business premises as opposed to 16 participants who own the business premises. Of interest were 6 of the respondents who pay no rent and 3 said "other" ownership type. In order to put this scenario into perspective we can refer to figure 6 where about 24 of the respondents did not indicate their annual turnover for 2017, while 14 of the respondents fell in the lowest bracket of the turnover for 2017. The respondents who don't pay rent may be subject to some speculation as nobody can determine their source of accommodation space for their business operations. This type of uncertainty for the SMEs may cause suspicions to some stakeholders, who includes financial institutions. Of the39 respondents who said they were renting, only 35 stated their rent amounts. The average rent amount was K2, 783; while the lowest rent amount was K120 and the highest was K16, 000. The distribution of the rent amounts is shown in **Error! Reference source not found.**

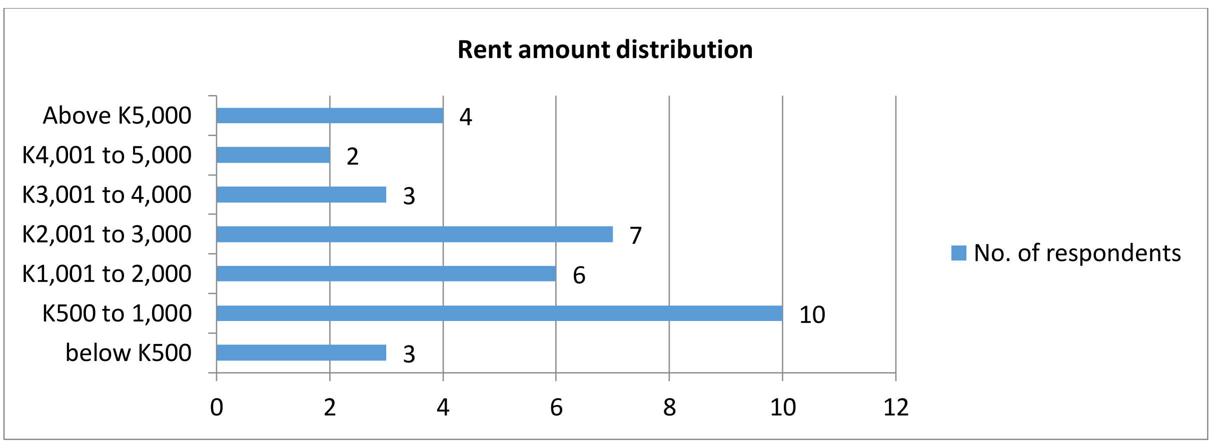


Figure 17: Rent per month

Four of the 39 respondents who said, they were renting their trading premises did not state how much was their rentals per month while one respondent paid an amount below the lowest rentals and the other one paid far much higher than all participants. Since more than half of the participants were renting their business premises, this may mean that, they have fixed abode, and this is a good sign for business continuity. This scenario relates to objective number one which says, "*To review the success of SMES in entrepreneurship"* We may deduce that, these SMEs were stable in their business operations.

Number of Days Spent on Business

More respondents (37.7%) spent six days on their business followed by 23.2% who spent seven days, 14.5% of the respondents spent five days, while 2.9% spent only a day.

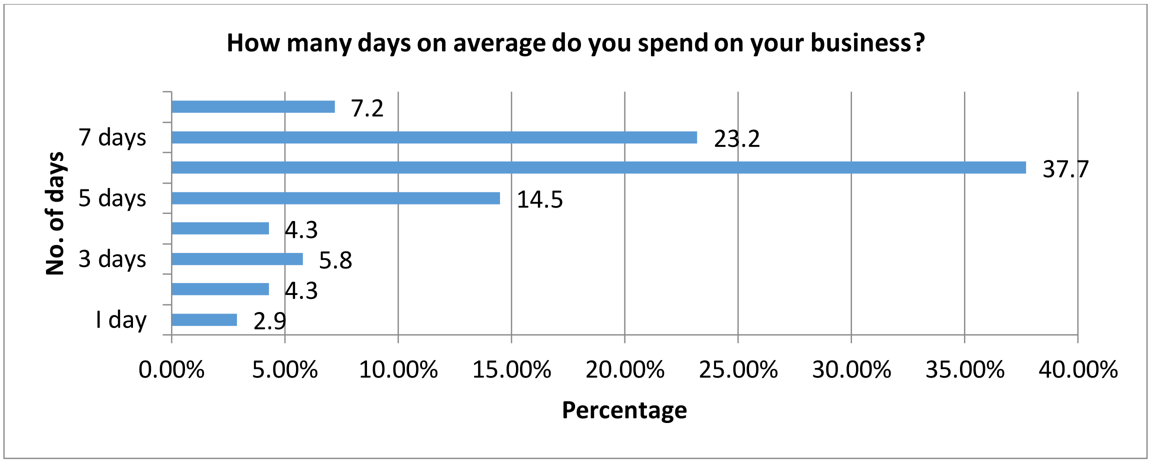


Figure 18: Number of days spent on business

Just over half of those who answered this question reported that, they spent six days on their business followed by those who spent seven days and then five days, and only two respondents spent a day at their business. The good attendance to the business by most of the respondents didn't reflect in the turnover of 2017, as 33.3 percent didn't indicate how much they realised, and the other 20.3 percent were in the lowest turnover range. This scenario may signify lack of business sustainability despite more time being spent doing business. This situation seeks answers to question number two, which says, "*What business sustainability challenges do SMEs face?*"

According to Kiggundu (2002), some scholars have indicated that the reason for many small business failures were due to the lack of competencies among business owners as well as the lack of abilities and skills of those who held key positions in organisations. Longenecker et al., (1999), asserts that others had also found evidence that 'non-rational' behaviours of the business owners or entrepreneurs themselves in managing the business contributed to entrepreneurial failure. Beaver & Jennings (2005) argued that if entrepreneurs were able to equip themselves with relevant abilities and skills, the negative impact of external factors on businesses could be minimised. These situations are due to different cultures in Asia and the Western Countries.

What Businesses Have

Almost 60% of the respondents have a cell phone, 43.5% indicated that they have a business plan, while 40.6 % each have a bank account and ITPIN registration number respectively. Only 29% have a VAT registration number and very few (5.8%) have a training plan.

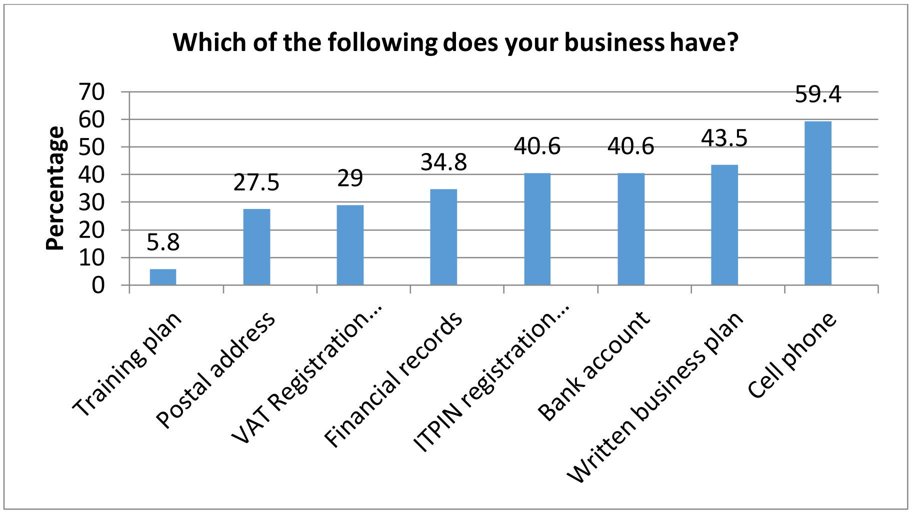


Figure 19: What businesses have

The findings show that very few respondents (only 5.8%) had training plans. This shows that respondents' little interest in acquiring key skills and competencies that are necessary for SME sustainability. Similarly, only 34.8% (less than half of the respondents) had financial records. No business can sustainably operate without financial records. However, on the positive side, more than half of the respondents (almost 60%) had cell phones; an indication that respondents are aware of the importance communication plays in business. Kiggundu (2002) and Beaver & Jennings (2005) allude to prior research which indicated that one of the significant reasons for most SME failures were the lack of entrepreneurial competencies among the main founder-owners.

However, as shown in Figure 20. A cross tabulation of what business had by district shows that businesses from Kafue district apparently seem to be doing comparatively better than those from Lusaka and Mazabuka in terms of having Business plans (90%), Bank accounts (60%), VAT Registration (60%), and Financial records (50%). This could be due to a high level of compliance to business requirements.

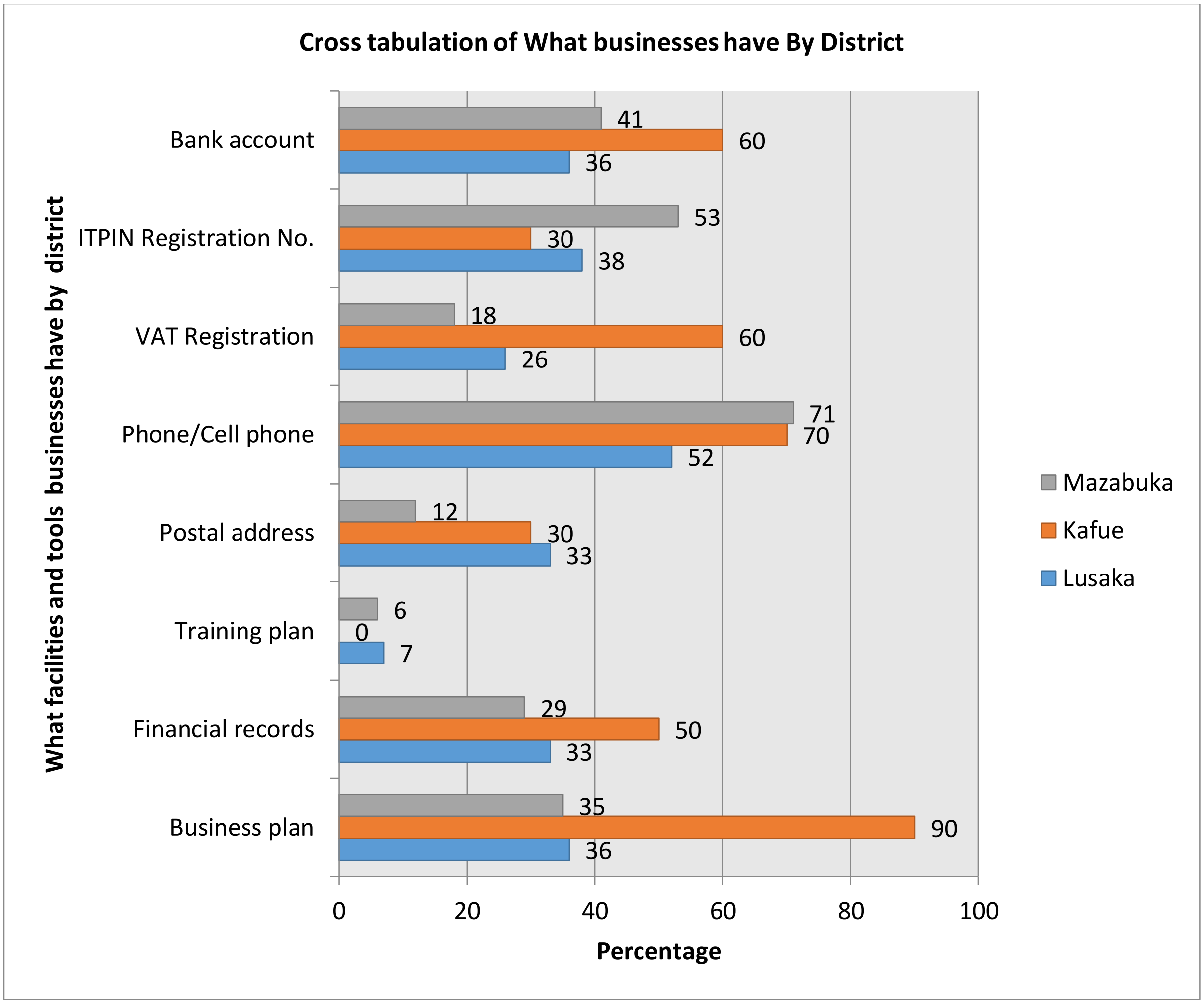


Figure 20: What Facilities and Tools Businesses have by District?

A One-Way Analysis of variance (ANOVA) on what businesses had showed that only 'Business plan' was statistically significant with a p-value of 0.013

Table 6: One Way Analysis of Variance (ANOVA) on what businesses have

Variable	p-value
Business plan	0.013*
Financial records	0.407
Training plan	0.307
Postal address	0.354
Phone/Cell phone	0.401
VAT Registration number	0.063
ITPIN Registration number	0.661
Bank account	0.577

Note: $p<0.05$ is statistically significant*

Strong evidence of using business plans was found after the inferential tests were done. This finding is significant for the SMEs using this planning tool as it may assist them to access bank loans.

What Respondents Used in their Businesses

In terms of what respondents used in their businesses, **Error! Reference source not found.** shows that Cell phones were mostly used (72.5%), followed by email (39.1%) then Computer/laptop (34.8%) and Cash Register (24.6%). The least used by respondents is a fax machine at 2.9%.

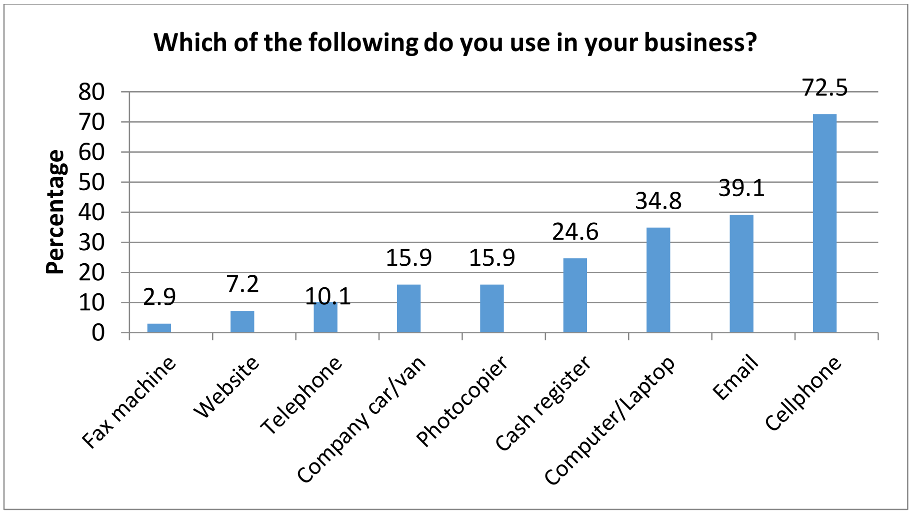


Figure 21: What businesses use

Only a small number of 2 of the respondents indicated that they used a fax machine in their business, while 50 participants said they used a Cell phone and 27 participants had email accounts and 24 used a computer or a laptop. Of interest and due to every business requirement by the Zambia Revenue Authority to pay tax, was the use of a Cash Register which had about 17 of the respondents. This compliance level in the use of the Cash Register was a good sign in doing business by most SMEs. This may create trust by some financial institutions as SMEs transactions would be easily traceable for cash accountability, and so, by doing this SMEs could also show stability in their business activities as they had nothing to hide. This may be some form of guarantee for business sustainability.

A One-Way Analysis of variance (ANOVA) on what respondents used in their businesses showed that all the things used were not statistically significant.

Table 7: One Way Analysis of Variance (ANOVA) on what respondents used in their businesses

Variable	p-value
Company car/van	0.366
Telephone	0.215
Cell phone	0.283
Fax machine	0.287

Photocopier	0.426
Computer Laptop	0.711
Email	0.428
Website	0.966
Cash register	0.508

Note: $p<0.05$ is statistically significant*

The statistical tests show no significance on all the things used by respondents in their businesses.

4.2 Business Start Up

Respondents were asked to state when they started business and only 58 out of the interviewed 69 responded to this question. Figure 22 shows that of those who responded, the majority of the businesses (32.8%) started in 2016-2017, followed by 17.2% of businesses that started in 2014-2015, and then 13.8% that started in 2010-2011.

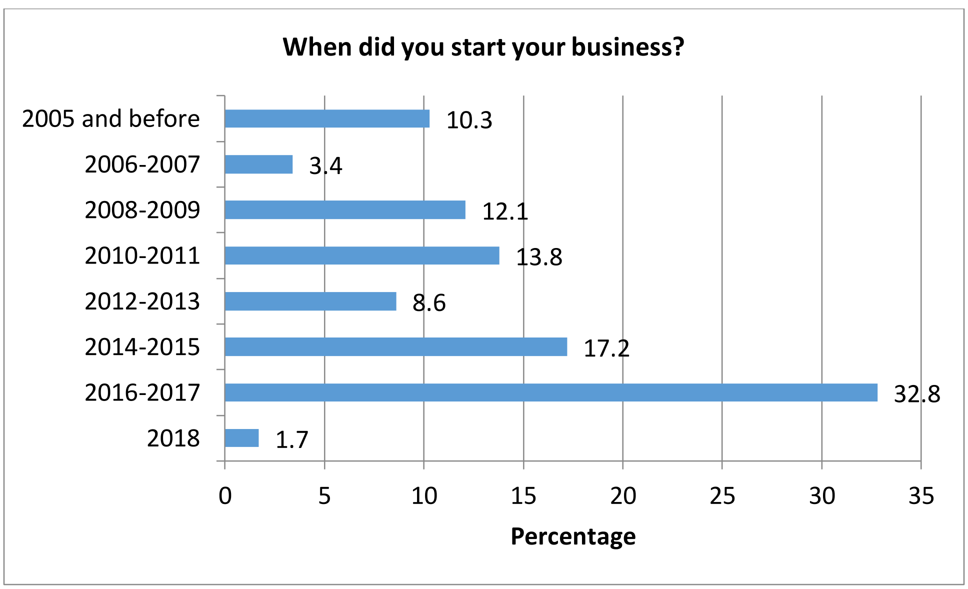


Figure 22: Year of start of business

This section of the questionnaire required respondents to give information on when they started their business. Of the 58 of the respondents who answered this question, 23 started business in 2016-2017, followed by 12 that started in 2014-2015. The remaining 10 started in 2010-2011. These statistics cover all the sites of the study and they show new businesses being the highest and this may suggest high business failure as those that have been in business longer have the smallest percentage. Figure 6 may sum up this statement as 23 of the respondents didn't show their 2017 annual turnover and 14 who indicated their turnover were in the lowest brackets. According to Patricof (2015), across all industries, the majority of start-ups would fail within their first several years. Some failed right away, while others enjoyed a few fleeting moments of success before the business failed, but the fact remained the same that any new venture was more likely to fail.

Gaskill et al suggests that an alternative approach to understanding practices that lead to business success was by examining the inverse, that was, the behaviours associated with business failure. This was because factors citing reasons for failure would appear as factors affecting success.

This study, therefore, aimed at understanding the behaviours that were associated with business failure as identified by Kiggundu (2002), on SME business owners in Australia and Malaysia, that it was extremely difficult to obtain feedback from entrepreneurs who had experienced business failure. Kiggundu (2002); Beaver & Jennings (2005), allude to prior research which indicated that two significant reasons for most SME failures were; the lack of entrepreneurial competencies among the main founder-owners, poor actions taken (or not taken) by the firms resulting from 'non-rational' behaviour of the founder-owner (s) in which the focus of this study was. Some statistics suggested that the failure rate of small businesses in their first five years was more than 50 percent Reiss (2006). According to Watson (2006), in Australia, the SME failure rate was reported to be as high as 23percent. In order to remedy this problem, the Australian government had organised various support mechanisms to increase SME success.

Reasons for Starting Business

According to the reasons stated for starting business (Fig 23), most respondents indicated that they 'saw an opportunity' (43.5%) and 'had a passion' (40.6%) as reasons for starting their business, while 27.5% gave 'to be their own boss' as the reason, 13% said they started business because they were unemployed and 11.6% each mentioned ‘to get richer’ and ‘losing a job’ as reasons respectively. Only a paltry 1.4% inherited, and 15.9% gave ‘other reasons’. The other reasons included ‘retired from active employment’, ‘make extra money for school’, ‘to raise money for university’, ‘delay in getting salary’, ‘to earn extra income/ to increase monthly income’, ‘to diversify’ and ‘got divorced’.

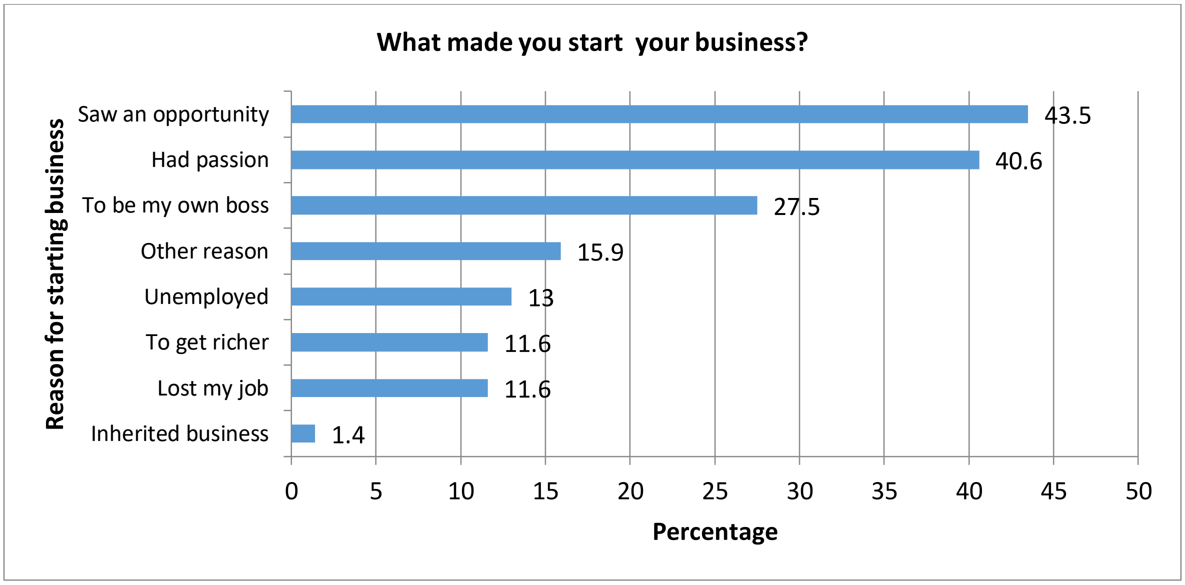


Figure 23: Reasons for starting business

As shown in Figure 24, a cross-tabulation of the reasons for starting business by location or district still showed that ‘Saw an opportunity’, ‘Had passion’ and ‘To be my own boss’ were still the main reasons for staring business in the three districts of Lusaka, Kafue and Mazabuka.

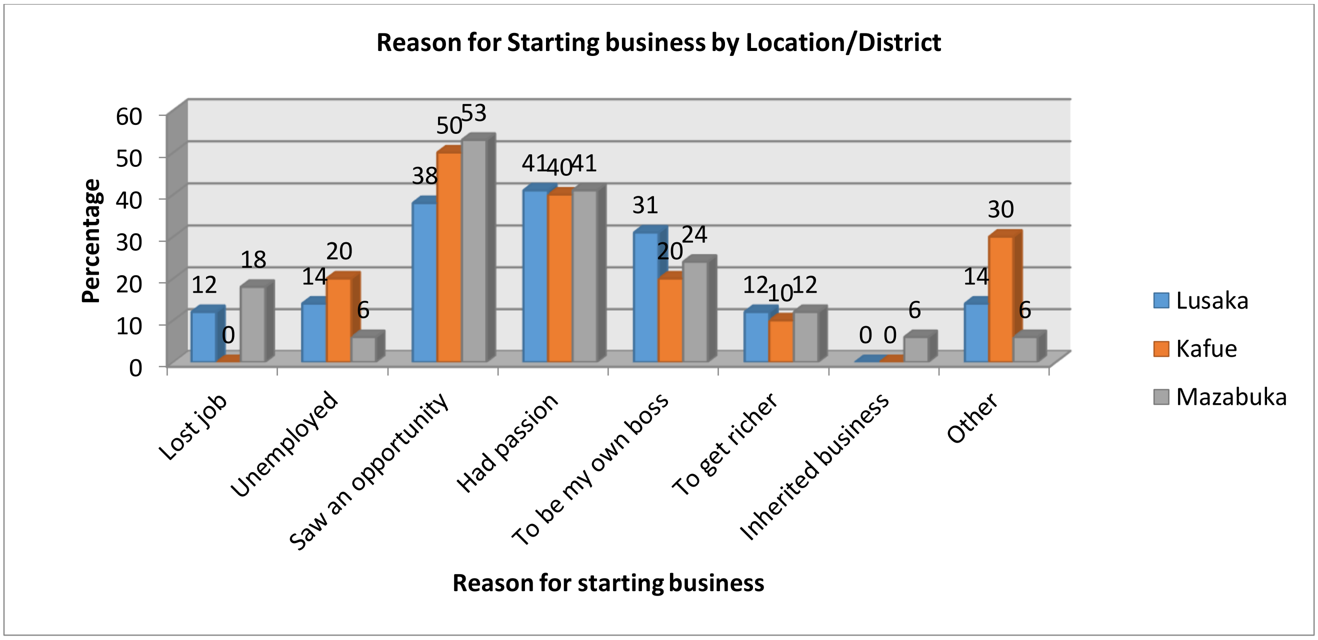


Figure 24: Reasons for starting business by location

A One-Way Analysis of variance (ANOVA) on the reasons given by respondents for starting business showed on the reasons for starting business however showed that all the reasons given were not statistically significant.

Table 8: One Way Analysis of Variance (ANOVA) on respondents' reasons for starting business

Variable	p-value
Lost job	0.201
Unemployed	0.204
Saw an opportunity	0.215
Had passion	0.208
To be my own boss	0.200
To get richer	0.205
Inherited business	0.205
Other	0.209

Note: p<0.05 is statistically significant*

However, a factor analysis of all the reasons given for starting business shows that ‘lost a job’, ‘unemployed’, saw an opportunity’, and ‘had passion’ were the ‘strong’ reasons for starting a business as they all had Eigen values of greater than 1 as shown in Table 9; these reasons accounted for a cumulative percentage of 65%.

Factor Analysis Communalities

Q19. What made you start business?	Initial
Lost job	1.000
Unemployed	1.000
Saw an Opportunity	1.000
Had Passion	1.000
To be My Own Boss	1.000
To Get Richer	1.000
Inherited Business	1.000
Other	1.000

Extraction Method: Principal Component Analysis.

Table 9: Reasons for Starting Business Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.750	21.879	21.879	1.694	21.175	21.175
2	1.371	17.138	39.017	1.350	16.881	38.056
3	1.070	13.379	52.397	1.124	14.045	52.101
4	1.020	12.751	65.148	1.044	13.047	65.148
5	.875	10.933	76.081			
6	.717	8.962	85.043			
7	.622	7.769	92.812			
8	.575	7.188	100.000			

Extraction Method: Principal Component Analysis.

The overall response to this question was good as it showed good reasons for starting a business, while 1.4 percent of the respondents had inherited the businesses which they were running. According to John Birchall (2014), SMEs account for 70 percent of Ghana's gross domestic product (GDP) and 92 percent of its businesses. They also made up 91 percent of formalised businesses in South Africa and 70 percent of the manufacturing sector in Nigeria, processing equals value added tax receipts and more opportunity for government to spend on the quality of life of its citizens. They were the growing engine of innovation, the application of technology, diversification and the development of previously underperforming sectors of economies. Despite this high interest in starting a business, challenges in sustaining the businesses were issues that SMEs did not pay much attention to and even if they did, they lacked consistence in this critical area of business management. For those SMEs who belonged to an Association, their other focus other than fund sourcing should be learning and applying sustainability strategies in their business activities.

There were no significant differences when respondents were asked to state whether they started their business alone, with others, or they inherited. **Error! Reference source not found.** shows that most of the respondents - 43 (62.3%) started their business alone while 20 respondents (29%) started with others. Only one respondent (1.4%) took over/inherited their business whereas 7.2% did not specify.

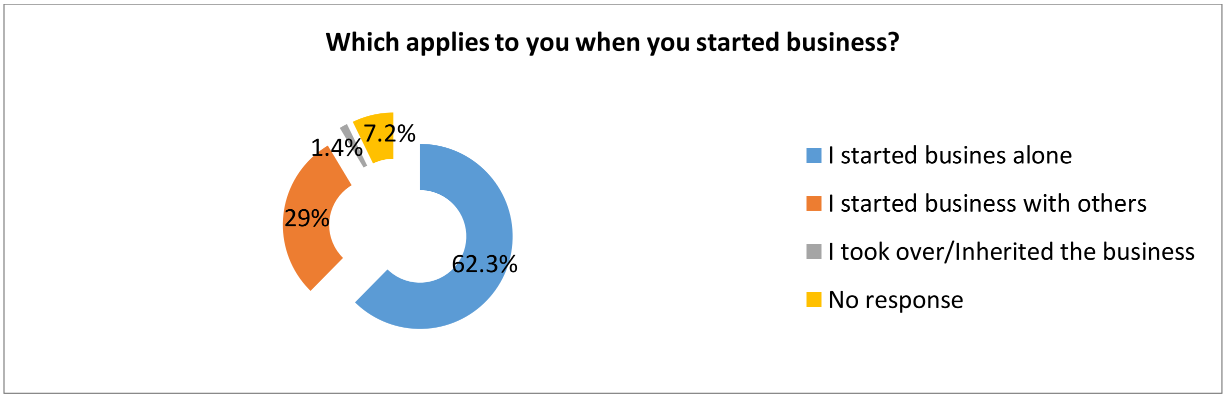


Figure 25: Start of Business

From the chart, only a small number of respondents didn't specify who they started the business with while the majority 43 participants said they started the business alone. This supports the statements in Figure 24 which shows that most the respondents indicated that they 'saw an opportunity' in starting the business and 'a passion' showed 28 participants as reasons for starting their businesses. The findings from these questions shows a willingness for the SMEs to take some calculated risks by starting a business alone and thus, there should be much support from the government for the businesses to be sustained. Stokes & Blackburn (2002) says, government assistance, while being useful, should not be seen as an absolute solution for reducing the rate of business failures, as there were other important factors that an SM can invoke to ensure continued prosperity. Stokes and Blackburn (2002), also suggests that focusing on the business owner as the unit of analysis would improve understanding of the experiences of entrepreneurs in managing the business to mitigate the likelihood of business failing. This was because more often than not, when an organisation failed to achieve the desired outcomes, the reason was related to the actions of the top management and/or the founder-owner Longenecker *et al*., (1999).

Mc. Kinsey (2010) argues that the challenge for SMEs was to remain focused on sustainability within a dynamic context, as creating a sustainability policy was not enough; objectives must be clear, employees and management must show commitment through consistent actions and, little by little, a set of values and habits transcending the individuals of the organisation could emerge. This was even more critical for SMEs, since time dedicated to the education of sustainability was limited. To optimise their activities, SMEs sought to establish a culture of sustainability that created a cycle, which reinforced sustainable habits and values in the workplace. Mc. Kinsey (2010), says promotion of sustainability involved all employees in the organisation - not just a few strikes, executive scandals and boycotts by environmental activists.

Experience in running a business

In terms of experience in running business, 27 respondents (39.1%) learnt to run business from others, 26 (37.7%) learned on their own, 11(15.9%) had experience from their previous job, and two respondents (2.9%) had 'other' experience which included 'no experience' and the other learnt from National Council for Construction on road construction and tendering.

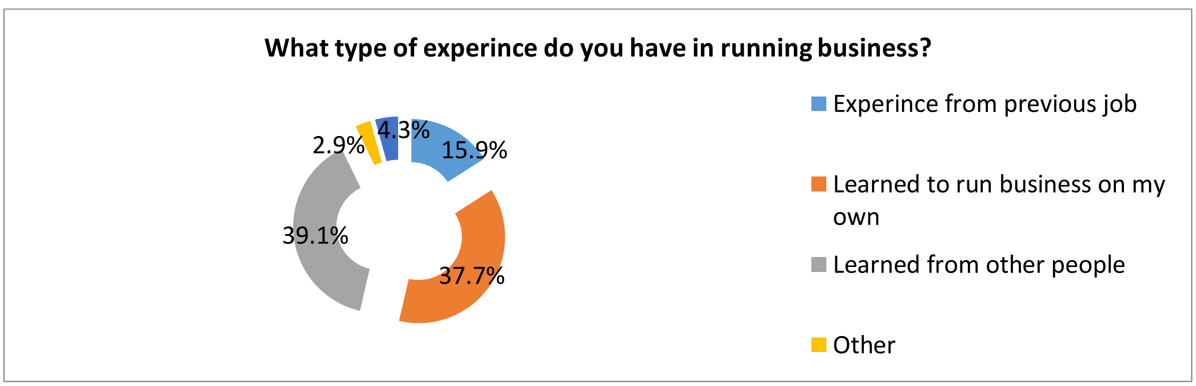


Figure 26: Experience in running business

In response to one of the items in question 19, most of those surveyed indicated that they learned how to run business on their own, while 27 participants learned from others and 11 learned from experience from their previous jobs. Out of all the respondents, two had 'other' experience which included 'no experience' at all. The high number of self-taught SMEs in running business might give credence to the reasons for the high business failure rate as shown in Australia, as prior research indicated that two significant reasons for most SME failures were; the lack of entrepreneurial competencies among the main founder-owners Kiggundu, (2002); Beaver & Jennings (2005), found that poor actions taken (or not taken) by the firms resulting from 'non-rational' behaviour of the founder-owner (s) in which the focus of this study was. "*A lot of people are hesitant to venture into SMEs because they do not want to take risks but would rather go into formal employment"* – Participant from Kafue. FDG...

Problems faced in starting business.

The most mentioned problem that respondents faced when starting their business is 'Sourcing capital' which was mentioned by more than half of the respondents (53.6%), followed by 'too many competitors' (30.4%), 'transport to buy stock' at 29%, 'finding right people to employ' at 24.6% and then 'pricing the product/service' (21.7%). The least mentioned problems were crime/theft by staff (7.2%) and crime from outside (4.3%). **Error! Reference source not found.** 27 shows all the problems mentioned by respondents at start of business.

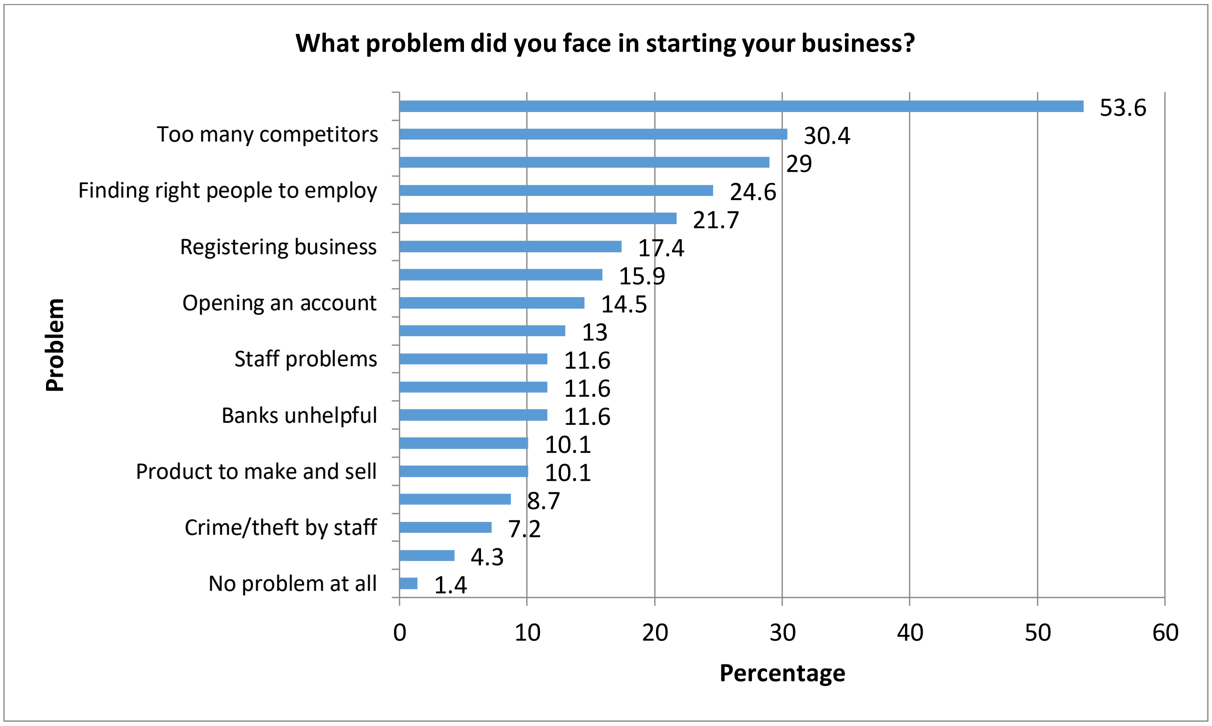


Figure 27: Problems faced in starting business

Sourcing capital' which was mentioned by more than half of the respondents (53.6%), followed by 'too many competitors' (30.4%), 'transport to buy stock' at 29%, 'finding right people to employ' at 24.6% and then 'pricing the product/service' (21.7%).As shown in Figure 28, a cross-tabulation of the problems faced when starting business by location or district shows that in Lusaka the main problem faced was 'Sourcing capital' (48%), followed by 'Too many competitors' (31%), and then 'Transport to buy stock' (26%). For Kafue district, the main problems faced were 'Sourcing capital' (60%), followed by 'Pricing the product or service', 'Too many competitors' and 'transport to buy stock' (at 50% each respectively), and then 'Communicating the product or service' (40%); while in Mazabuka district the main problem was 'Sourcing capital' (65%), followed by 'Product to make or sell' (35%), and then 'Finding right people to employ' (29%).

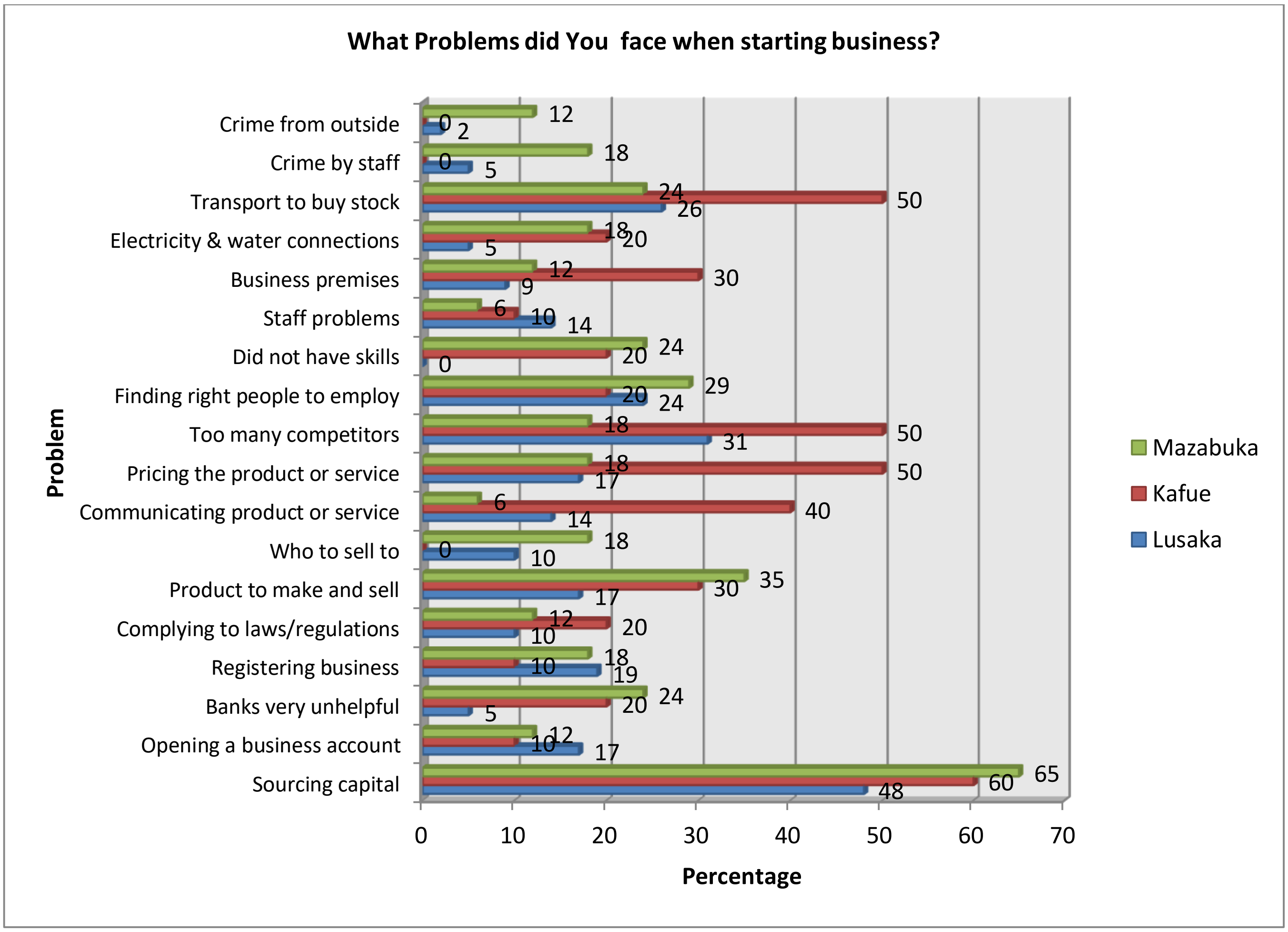


Figure 28: Problems faced in starting business by location

A One-Way Analysis of Variance (ANOVA) on the problems respondents faced when starting business showed that all the problems stated were not statistically significant

Table 10: One Way Analysis of Variance (ANOVA) on the problems respondents faced when starting business

Variable	p-value
Sourcing capital	0.579
Opening a business account	0.587
Banks very unhelpful	0.571
Registering business	0.587
Complying to laws/regulations	0.579
Product to make and sell	0.575
Who to sell to	0.582
Communicating product/service to consumers	0.585
Pricing the product/service	0.576
Too many competitors	0.588
Finding right people to employ	0.583
Did not have skills	0.568
Staff problems	0.589
Business premises	0.580
Electricity and water connections	0.576
Transport to buy stock	0.585
Crime by staff	0.578

Variable	p-value
Crime from outside	0.579
No problem at all	0.583

Note: $p<0.05$ is statistically significant*

However, a factor analysis of all the problems respondents faced when starting business shows that sourcing capital, opening a bank account, banks being unhelpful, registering a business, complying to laws or regulations, product to make or sell, who to sell to, and ‘communicating the product or service’ were the ‘strong’ problems faced when starting a business as they all had Eigen values of greater than 1 as shown in Table 11; these reasons accounted for a cumulative percentage of 74.8%.

All these factors or main problems faced greatly affect business sustainability negatively. It can therefore be inferred that it is very unlikely for SMEs to be sustainable where respondents faced such ‘strong’ problems like sourcing capital, opening a bank account, banks being unhelpful, registering a business, complying to laws or regulations, product to make or sell, who to sell to, and ‘communicating the product or service’ when they started business.

Factor Analysis Communalities

Q22 What problems did you face in starting your business?	Initial
Sourcing Capital	1.000
Opening Account Prob	1.000
Banks Unhelpful Prob	1.000
Registering Business Prob	1.000
Complying to Laws Regulations Prob	1.000
Product to Make and Sell Prob	1.000
Who to Sell To	1.000
Communicating Product Prob	1.000
Pricing the Product Service	1.000
Too Many Competitors Prob	1.000
Finding Right People Prob	1.000
Did Not Have Skills Prob	1.000
Staff Prob	1.000
Business Premises Prob	1.000
Electricity and Water Prob	1.000
Transport to Buy Stock	1.000
Crime by Staff	1.000
Crime from Outside	1.000

Extraction Method: Principal Component Analysis.

Table 11: Factor Analysis for Problems faced When Starting Business-Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.297	18.319	18.319	2.060	11.442	11.442
2	2.284	12.688	31.007	1.949	10.827	22.269
3	1.733	9.628	40.635	1.921	10.672	32.941
4	1.545	8.584	49.220	1.796	9.976	42.917
5	1.385	7.696	56.915	1.609	8.939	51.856
6	1.178	6.542	63.458	1.464	8.136	59.992
7	1.028	5.711	69.169	1.403	7.792	67.784
8	1.006	5.587	74.756	1.255	6.972	74.756
9	.785	4.359	79.115			
10	.745	4.138	83.253			
11	.601	3.337	86.590			
12	.552	3.065	89.655			
13	.511	2.842	92.497			
14	.402	2.231	94.728			
15	.307	1.704	96.432			
16	.279	1.552	97.984			
17	.204	1.134	99.117			
18	.159	.883	100.000			

Extraction Method: Principal Component Analysis.

Activities Internally and Those Outsourced

This question shows the activities that respondents did within their businesses and those they outsourced. Mainly, 'Marketing activities', 'Book-keeping' and 'Complaints handling' were done within while 'ICT/Internet' and 'Legal services were outsourced. Note: there were an unusual high number of 'no responses'

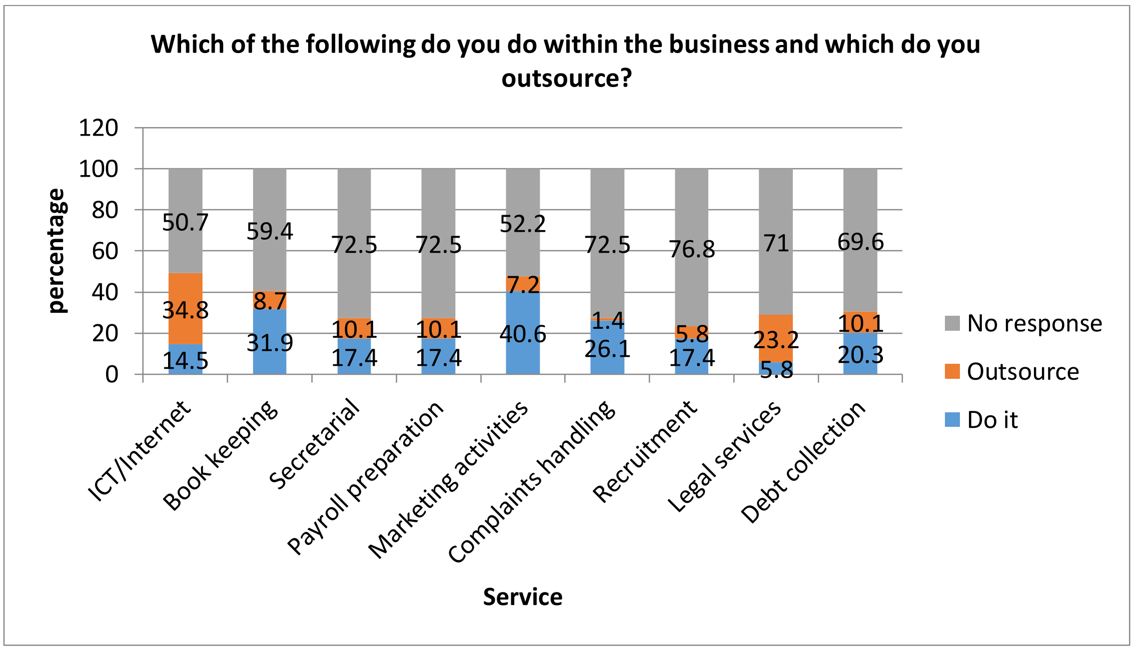


Figure 29: Services done within the business and those outsourced

The most striking result to emerge from the data collected is that, 'no response' to all line items was given by more than half of the respondents, while marketing activities, bookkeeping and complaints handling were done in-house but ICT or Internet and legal services were all outsourced. These results overall, shows that the businesses surveyed lacked application of many business tools that could enhance business proficiency and, in this case, the likelihood of business failure may be high. *"A lot of people are hesitant to venture into SMEs because they do not want to take risks but would rather go into formal employment"* – Participant from Kafue. FDG... Beaver and Jennings (2005) noted that in attempting to understand business failure, business owners were extremely unwilling to report on the true reasons for their problems, especially if they were personal limitations. They further argued that the use of surveys drove dissonant responses. As such, this study used a combination of in-depth and semi-structured interviews to collect data whereby founder-owners were asked to recall and discuss the challenging events they had experienced in managing their business that had affected their business negatively.

Blackman (2003), argues that, as a result, efforts to rebuild the business were even made harder due to the bad image and reputation caused by business failure. At an individual level, business failure could be harmful to the psychological and physical health of the entrepreneurs and their families. Blackman, (2003), posits that the experience of failing could also cause emotional hazards to those who were the closest to the event, the entrepreneurs and their families. Realising the severe effects of business failure to the stability and health of a country's economy and to the individual entrepreneurs' themselves, it was crucial to identify behaviours that could be associated with business failure, hence the undertaking of this study.

4.3 Business Performance and Entrepreneurial Orientation

More respondents (49.3%) indicated that their businesses grew in 2017 while 15.9% said it remained the same. Further, 14.5% of respondents each said 'business was in early stage' and that 'business was getting smaller' respectively while 1.4% did not know.

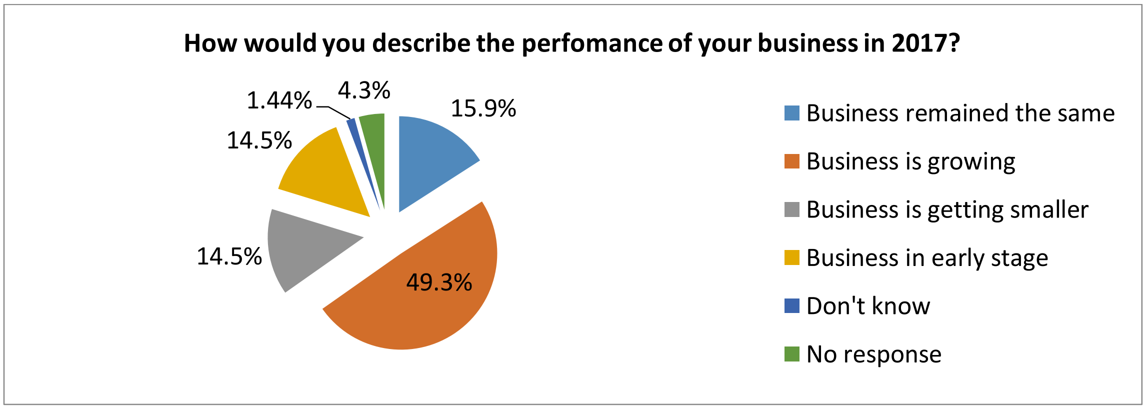


Figure 30: Business Performance in 2017

The overall response to this question was very positive as 34 of the participants said their businesses grew in 2017, while 11 of the respondents said their businesses didn't grow during the same period but remained the same. Out of all the respondents, 10 of them said their business shrank in 2017. This scenario shows that, there are challenges in the operations of the SMEs as summed up in this statement. "*We have very good ideas through the Zambia Development Agency but unfortunately they are not effective in coordinating activities of SMEs or supporting SMEs. They mostly look at big businesses especially the Chinese that are coming in"* – Participant from Kafue FDG. Accordingly, Komuniti (2006) drew real life lessons from the founder-owners on the actions or inactions that might have led to business failure, and hence in turn, presented similar and contrasting insights into how to prevent failure and/or improve the likelihood of business success from the two different cultural contexts, Australia and Malaysia.

According to Gaskill et al (1993), through a study of SME Owners in Malaysia and Australia, proved that there was a strong link to Small and Medium Size Enterprises (SMEs) founder-owners in Australia and Malaysia on what they felt were ineffective behaviours and competencies that were strongly associated with their experiences of difficulties or failures in their operations.

Similarly, as shown below in terms of describing the successes of their business, more respondents (43.5%) said it was 'struggling but surviving' as opposed to 24.6% who indicated that business was doing well. Further, 10.1% stated that business was 'struggling/in trouble but surviving' and 7.2% of respondents each said 'business was doing very well' and that business was 'in state of failure and might close' respectively.

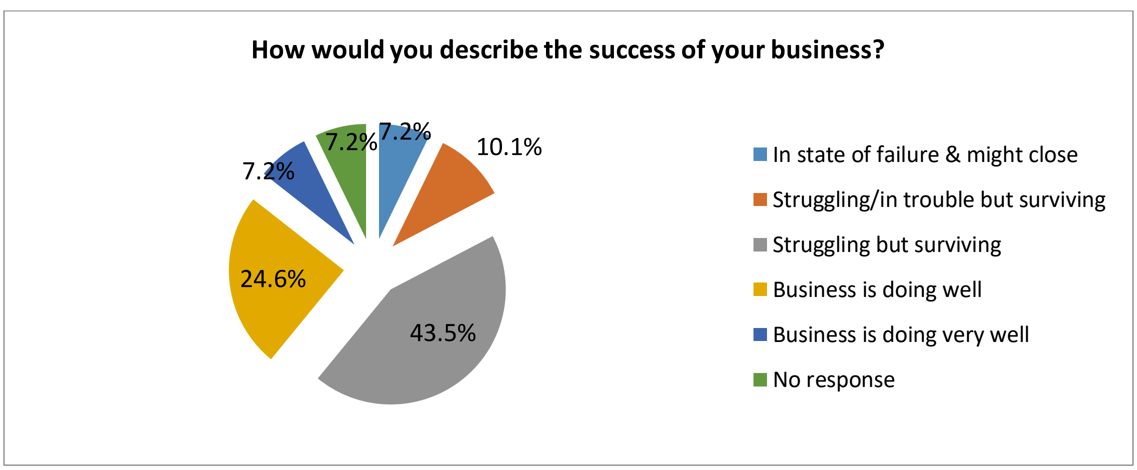


Figure 31: Describing the success of the business

Findings show that 45.5% of the participants said that their businesses were ‘struggling but surviving’; 10% stated that business was ‘struggling or in trouble but surviving’, and 7.2% said their ‘business was in a state of failure’. Cumulatively, this translates into 60% of respondents indicating that their business was not successful or was failing compared to a cumulative percentage of about only 32% whose business was successful (i.e. 24.6% who said business was doing well plus 7.2 % who said business was doing very well). It generally follows that the businesses of most respondents were not sustainable.

However, when comparing Figure and Figure, one sees some inconsistencies as in Figure there were a high number of 34 of the participants saying their businesses grew in 2017 and only 10 of them said their businesses shrank in 2017. Data from both Figure and Figure show the way SMEs manage information which may have a bearing on their business sustainability. Therefore, SMEs should keep correct records as some inconsistence has shown in the two data sets.

Respondents Views on Business Statements

Respondents were asked to agree or disagree to a number of statements or state that they did not know as shown in Figure. In terms of agreeing, 47.8% agreed to the statement ‘Am happy with what i have achieved in business’, 37.7% said they ‘have the same opportunities like other people’, 40.6% said they were sure ‘business will do better next year in 2019’, 52.2% were ‘prepared to take calculated risks’, 62.3% said ‘networking with other people is important’, while only 2.9% agreed that they were thinking of getting out of their business sector.

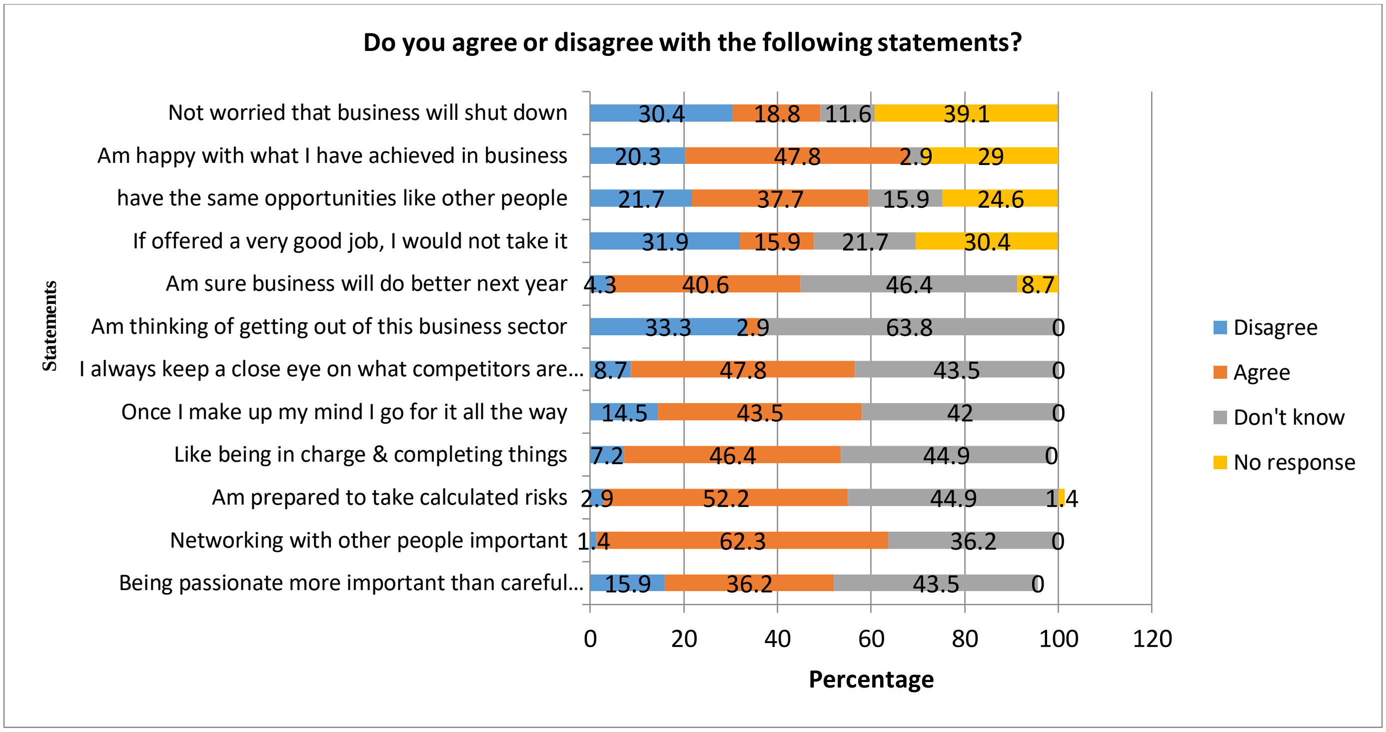


Figure 32: Respondents' views on certain business statements

Over half of those surveyed reported that, they were happy with what they had achieved in business while a small number of the respondents said they were contemplating quitting their business. This relates with what a respondent in Kafue said, "*A lot of people are hesitant to venture into SMEs because they do not want to take risks but would rather go into formal employment"* – Participant from Kafue. FDG...

About 28 of the participants expressed the belief that business would be better in 2019, while 36 of the participants were willing to take some business risks for them to continue in business and 43 said networking with others was the way to go in running their businesses. There was willingness from almost all the respondents to remain in business despite the difficulties they were encountering in running their businesses.

Biggest Obstacle to Business

Respondents were asked to state their single biggest obstacle to business. As shown in Figure, the most single biggest obstacle to business is 'access to funds'(30.4%), followed by 'business premises' (14.5%) and then 'competition'. The least mentioned obstacles to business are 'cost of finance' (2.9%), 'Council by-laws' (2.9%) and 'time to manage business' (1.4%).

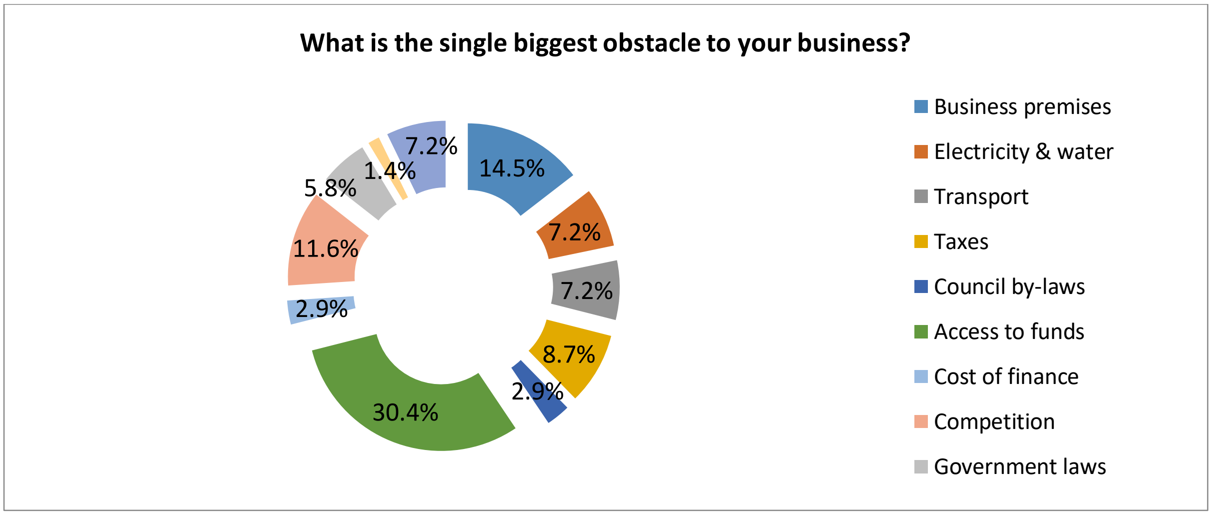


Figure 33: Biggest obstacle to business

These problems under Figure 33 are like the problems faced at business start-up. Respondents were asked to state their single biggest obstacle to business. The most single biggest obstacle to business is 'access to funds' (30.4%), followed by 'business premises' (14.5%) and then 'competition'. This is again indicative of the fact that SMEs cannot be sustainable where accessing funds is the biggest obstacle. Although competition may be health in business, for SMEs completion may lead to business failure. Similarly, if SMEs have the challenge of finding suitable business premises, they may not be sustainable.

A cross tabulation of location and single biggest obstacle shows that the biggest obstacle to business for the 18 Lusaka women respondents was competition, followed by Access to funds which had 15 participants, then transport and taxes had 8 respondents respectively; of the total 24 respondents from Lusaka General, the biggest obstacle was business premises followed by Access to funds 14 participants and then Government laws 7 participants. Further, of the 10 Kafue respondents, the biggest obstacle to business was Access to funds 4 respondents followed by taxes, 3 respondents; while for Mazabuka of the 17 respondents, the biggest obstacle to business was Access to funds 8 participants followed by Access to premises and Electricity and Water were 3 respectively.

In terms of the respondent's Sex, for the 40 males the biggest obstacle was Access to funds 15 of them said, followed by Business Premises 7 of them and then Electricity and Water 4 of them, while for the 29 females the biggest obstacle to business was Access to Funds and Competition of whom were 6 respectively followed by taxes 5 of them. It can be said that all the surveyed participants were affected by Access to Funds as a major obstacle to their business growth. This was also said from the FGDs in both Mazabuka and Kafue District Business Associations.

"Banks will say we have funding for SMEs. But when we go there, there are a lot of strings attached. In a group of 40 SMEs maybe only three or four will meet those requirements" – Participant from Mazabuka

"I am just a Carpenter with little education. I approached a bank to try and get a loan. I was asked if i had an audited account! I do not even have an account and i do not even know what an audited account is" – Participant from Kafue FDG.

Beaver and Jennings (2005), note that in attempting to understand business failure, business owners were extremely unwilling to report on the true reasons for their problems, especially if they were personal limitations. They further argued that the use of surveys drove dissonant responses. As such, this study used a combination of in-depth and semi-structured interviews to collect data whereby founder-owners were asked to recall and discuss the challenging events they had experienced in managing their business that had affected their business negatively.

4.4 Customers

In terms of who the respondents' clients were, most respondents (72.5%) mentioned community members followed by small businesses and large companies (24.6%) as shown in Figure 3. Among the 8.7% mentioned as 'other clients' were mixed clients, everyone, guesthouses and NGOs.

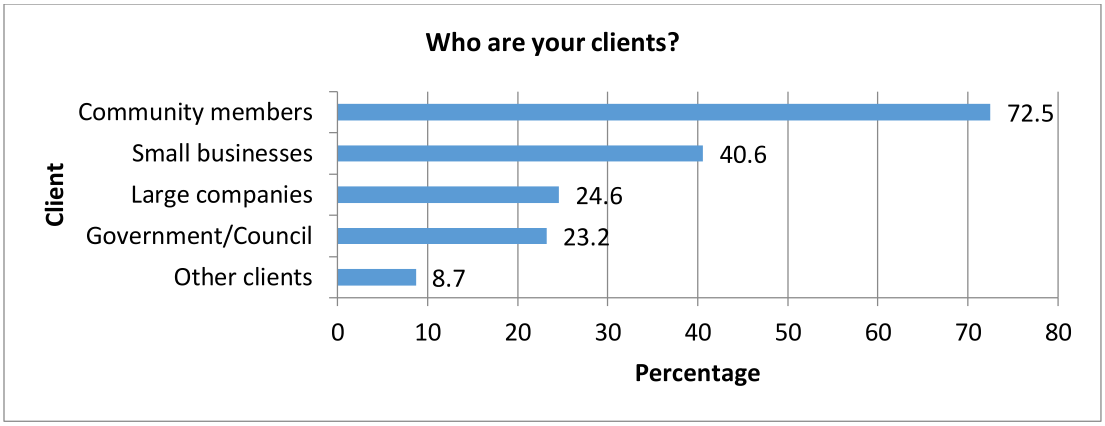


Figure 34: Type of clients

When the participants were asked who their clients were, most of them said their clients were mostly members of the community, while 17 of them mentioned large and small companies and the other 6 said a variety of clients. This scenario shows that most of the SMEs don't have segmented markets thereby, may not be able to tailor make their product offerings. This situation may cause unnecessary competition because of lack of customer segmentation and if the business is in a poor location it may also contribute to low sales and thus low returns.

A cross tabulation of location/district by type of client that 'community members' are the main client for all the three districts. Generally, small businesses are the second largest client that cuts across all the three districts. However, large companies are also a main client for Kafue compared to the other districts.

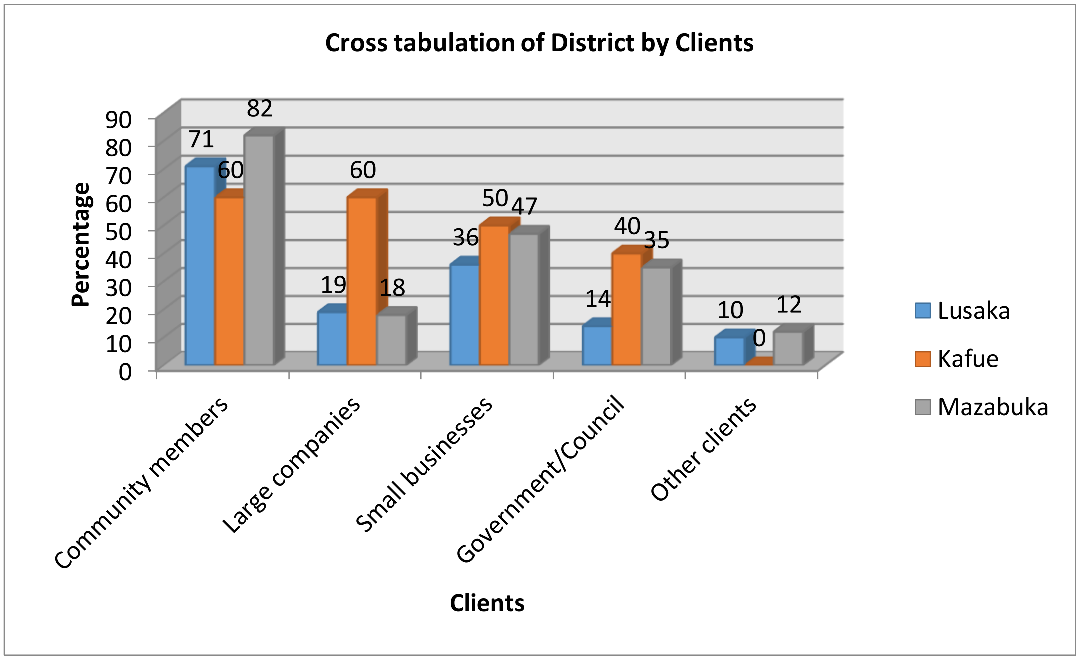


Figure 35: Type of Business clients by District

A One-Way Analysis of variance (ANOVA) on the type of respondents' clients showed that 'Large companies' and 'Government/Council' as clients were statistically significant with p-values of 0.028 and 0.036 respectively

Table 12: One Way Analysis of Variance (ANOVA) on type of respondents' clients

Variable	p-value
Community members	0.286
Large companies	0.028*
Small businesses	0.339
Government/ Council	0.036*
Other clients	0.373

Note: p<0.05 is statistically significant*

When the participants were asked who their clients were, most of them said their clients were mostly members of the community, while 17 of them mentioned large and small companies and the other 6 said a variety of clients. This scenario shows that most of the SMEs don't have segmented markets thereby, may not be able to tailor make their product offerings. This situation may cause unnecessary competition because of lack of customer segmentation and if the business is in a poor location it may also contribute to low sales and thus low returns.

Mode of Marketing

In terms of how respondents communicated their company and what they offered to clients, the majority used cell phones (53.6%) and 'word of mouth' (50.7%) followed by salespeople (27.5%). The least mentioned modes of communications were Television and Telephone at 4.3% respectively. Among the 'other' ways of communication (2.9%) mentioned included door to door supply, and visitations.

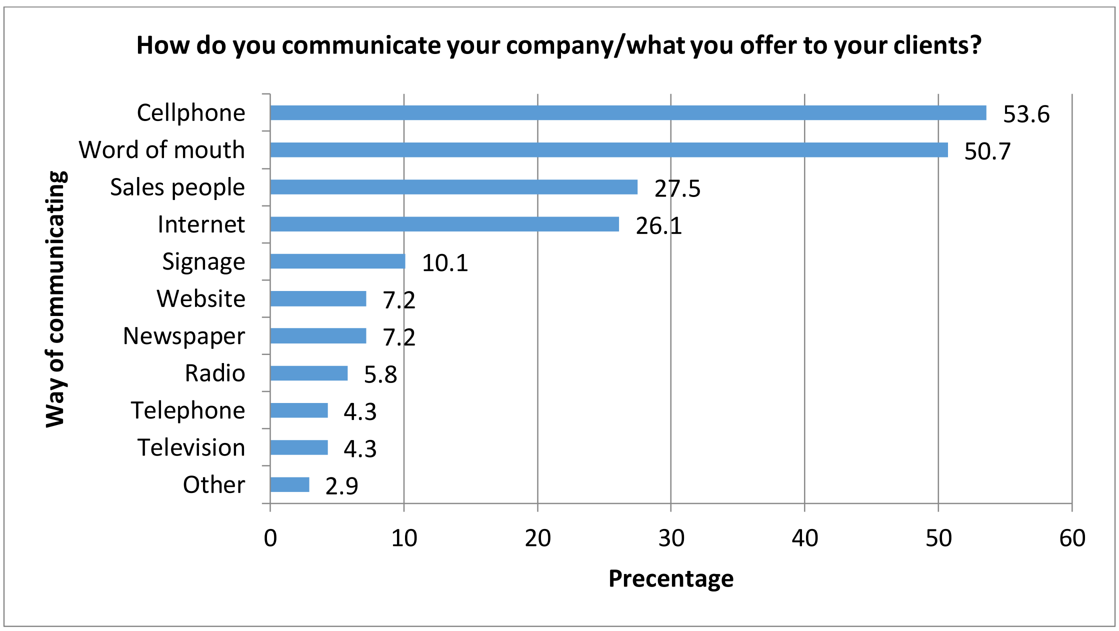


Figure 36: Mode of communication

When the participants were asked, the majority said, they used Cellphones for their business communication and half of them used 'word of mouth' to communicate their products and some used the sales team to communicate their company's products. A small number of 2 participants said they used door to door sales approach and visitations. The use of word of mouth for communicating products and services being sold sounds unproductive as it takes away a lot of time for the SMEs to actualise sales. This is summed up by a statement by a participant from Kafue who said, "SMEs *in Zambia learn to walk, they walk a bit and then fall; and once they fall, they do not wake up. For those that manage to stand up again, they will always stagger like a drunken person"* – Participant from Kafue FDG. There may be a danger of business failure in the use of word of mouth way of selling products as coverage could present a challenge.

As shown in **Error! Reference source not found.**, a One-Way Analysis of variance (ANOVA) on how respondents communicated their company and what they offered to clients showed that the following ways were statistically significant: 'newspapers' (p-value of 0.016), 'Cell phones'(p-value of 0.002), the 'internet'(p-value of 0.046), and 'signage'(p-value of 0.022). This concerns the marketing of the SMEs products and services.

Table 13: One Way Analysis of Variance (ANOVA) on respondents' reasons for starting business

Variable	p-value
Radio	0.103
Television	0.374
Newspapers	0.016*
Word of mouth	0.178
Salespeople	0.504
Cell phone	0.002*
Internet	0.046*
Websites	0.287
Telephone	0.531

Signage	0.022*
Other	0.099

Note: p<0.05 is statistically significant*

4.5 Registration and Business Compliance

In terms of whether their business was registered, Figure 30 shows that most respondents -50 (72.5%) stated that their business was registered while 15 respondents (21.7%) said their business was not registered.

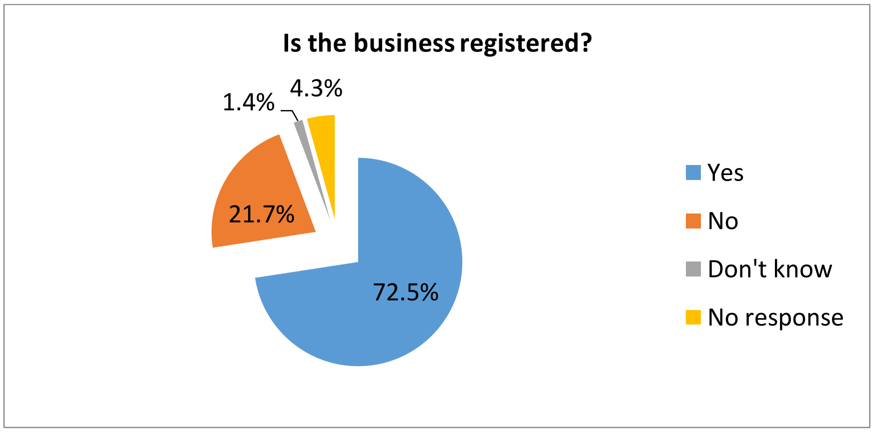


Figure 30: Business registration

A cross tabulation of sex of respondents and business registration shows that more men are more likely to register their business than women. Of the 40 males, 33 (82.5%) have their business registered compared to 17 out of 29 females (58.6%) who indicated that they have registered their business. In terms of location, all the 10 respondents from Kafue (100%) have their businesses registered followed by Mazabuka 76.5% rate (13 out of 17 respondents), Lusaka General 70.8% (17 out of 24), and then Lusaka Women with only 55.6% registering their business (10 out of the 18 respondents). Of those who said their business was registered, the most registration type was ‘business name’ (31.9%), followed by ‘limited company (Ltd), and then sole proprietor (8.7%) as shown in Figure 31.

Generally, almost all the businesses were registered, hence could access either bank or government assistance as elucidated by the Third National Development Plan (GRZ-83], one of the main objectives was to diversify the economic structure in order to reduce the dependence on the copper mining sector. The manufacturing sector was earmarked to be one of the major cornerstones in this diversification process. Under the manufacturing sector development strategy, highest priority was attached to the development of small scale and rural industries.

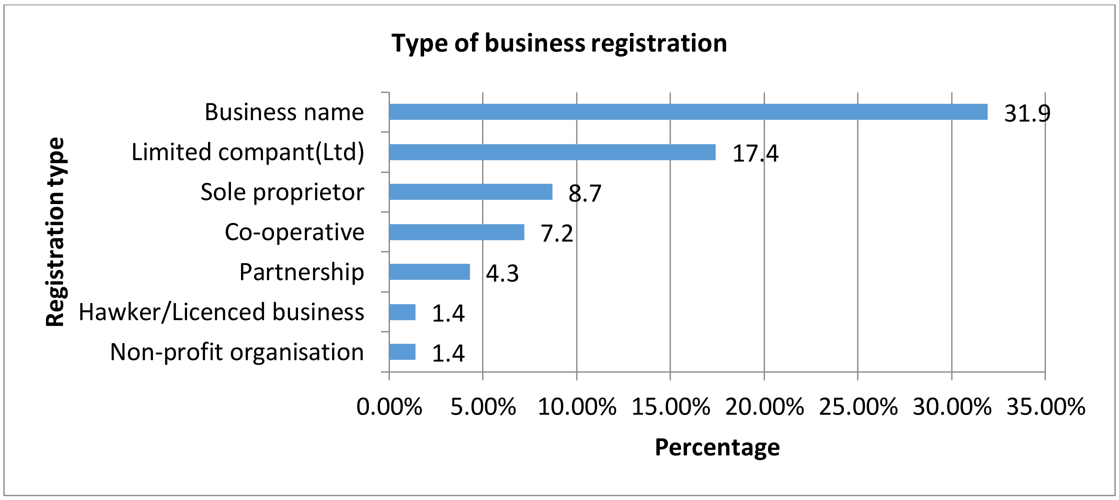


Figure 31: Type of registration

Further, the 15 respondents who had their businesses not registered were asked to give multiple reasons why their business was not registered. As shown in **Error! Reference source not found.** 31, 'I do not want to pay taxes' was mentioned by 14 respondents (93.3%), followed by 'Too many requirements needed' and 'Business is too small to register' each mentioned by five respondents (33.3%) respectively. Similarly, 'Do not have money to register' and 'process is too long' were each mentioned by two respondents (13.3%) respectively.

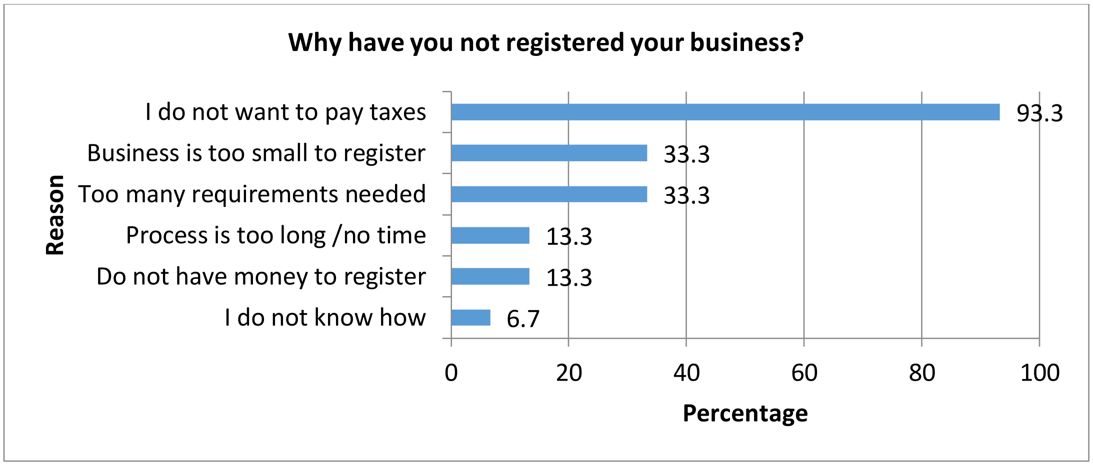


Figure 32: Reasons for not Registering Businesses

As shown in **Error! Reference source not found.** about 64 of the respondents were unwilling to pay taxes hence could not register their companies and this revelation supports the results in Figure 11 where 23 of the respondents did not indicate their annual turnover in 2017 probably for fear of being taxed. The Zambia Revenue Authority requires that any person conducting business in Zambia should pay tax and this means a business needed to be registered by both Patents and Company Registration Agency and the Zambia Revenue Authority to fulfil this legal requirement.

Additionally, all respondents were asked to state why they would want to register their business. As shown in **Error! Reference source not found.**, most respondents said they would register their business 'to comply with the law'; while, 10 said 'to avoid being harassed by authorities' as the reason, and 2 participants said 'to obtain finance from the banks'. The minority of the participants said 'to obtain finance from the bank', which signified how difficult most of the participants felt about sourcing funds from the bank.

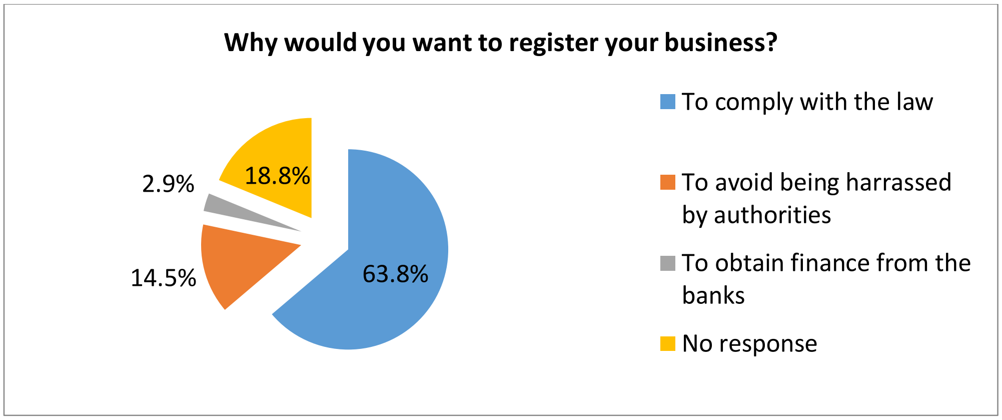


Figure 33: Reason for registration

A minority of 2 participants said, they would register their business for the purpose of getting bank loans, while the majority of 44 participants indicated that, they would register their business so that they could comply with the legal requirements. This situation shows that the highest number of respondents would be able to access some assistance from institutions of government when need arose.

Respondents were asked to state whether they complied with certain business requirements as shown in **Error! Reference source not found.**. Although there are high 'no responses', generally the compliance levels are very low: 34.8% for turnover tax, 17.4% for Pay As You Earn (PAYE), 26.1% for Value Added Tax (VAT) and Minimum wage respectively, and 33.3 % for labour laws.

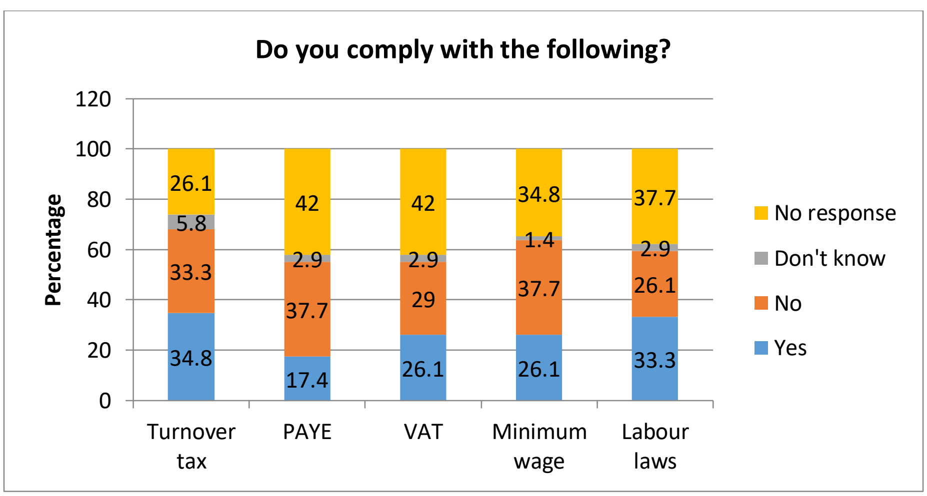


Figure 34: Compliance with some business requirements

This section of the questionnaire required respondents to give information on tax compliance levels. The ‘no responses’ were high in all components asked and this shows how SMEs viewed payment of taxes as a no response may give an indication of lack of citizen responsibility. This scenario can also be seen in the low compliance levels of each of the items. The no responses can also be elucidated by this statement; Beaver & Jennings (2005), notes that in attempting to understand business failure, business owners were extremely unwilling to report on the true reasons for their problems, especially if they were personal limitations. They further argued that the use of surveys drove dissonant responses. As such, this study used a combination of in-depth and semi-structured interviews to collect data whereby founder-owners were asked to recall and discuss the challenging events they had experienced in managing their business that had affected their business negatively. The question that arises from **Error! Reference source not found.** is that, is paying taxes adversarial to SMEs? Beaver and Jennings (2005), sums it up by saying that, the use of surveys drove dissonant responses from respondents.

4.6 Banking Practices and Behaviour

Additionally, all respondents were asked to state what type of bank account they used. As shown in Figure 42, more respondents (47.8%) used a ‘dedicated business bank account’ followed by 33.3% who used a ‘personal bank account’ while 8.7% indicated that they did not use any bank account.

Of the six respondents who said they did not use a bank account, three (50%) said they are planning to open one in future, two respondents (33.3%) said they do not meet requirements, and one respondent (16.7%) each said the minimum balance was a hindrance; the process was too complicated; they were avoiding high bank charges; they had no business address, and that business was too little respectively.

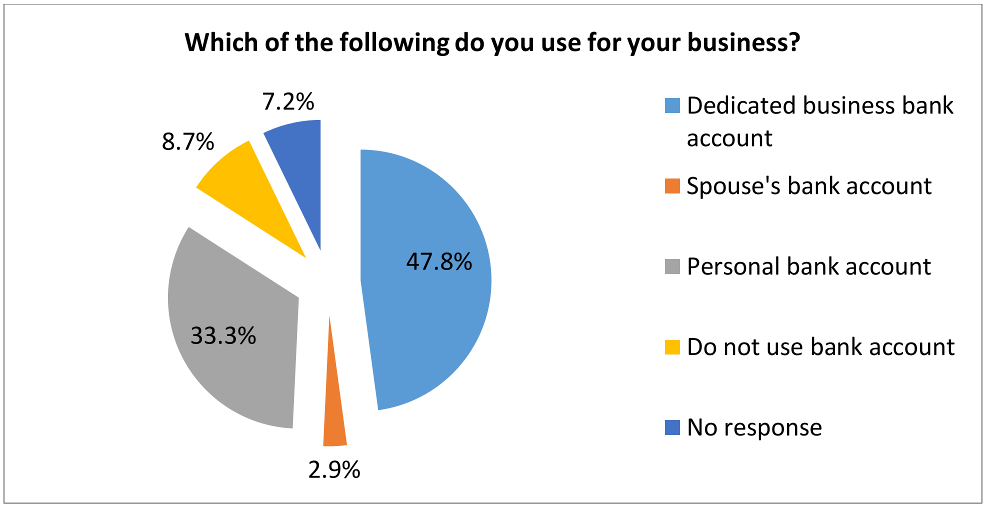


Figure 35: Use of bank accounts

The high number of participants saying, they had a dedicated bank account for their business transactions was at variance with the no response of tax compliance in **Error! Reference source not found.** which was generally low, meaning that most SMEs had some things they were hiding as this wasn't good for them as it could be deemed as bad business practice by some stakeholders, like financial institutions.

Respondents were asked about their feelings towards financial institutions through agreeing or disagreeing to some statements as shown in **Error! Reference source not found.**. Despite the high 'no responses', a number of respondents generally felt that although bank charges were too high (47.8%), banks provided a good service (37.7%), could be trusted with the respondents' money (33.3%), and respondents' enjoyed a good relationship with bank staff (36.2%).

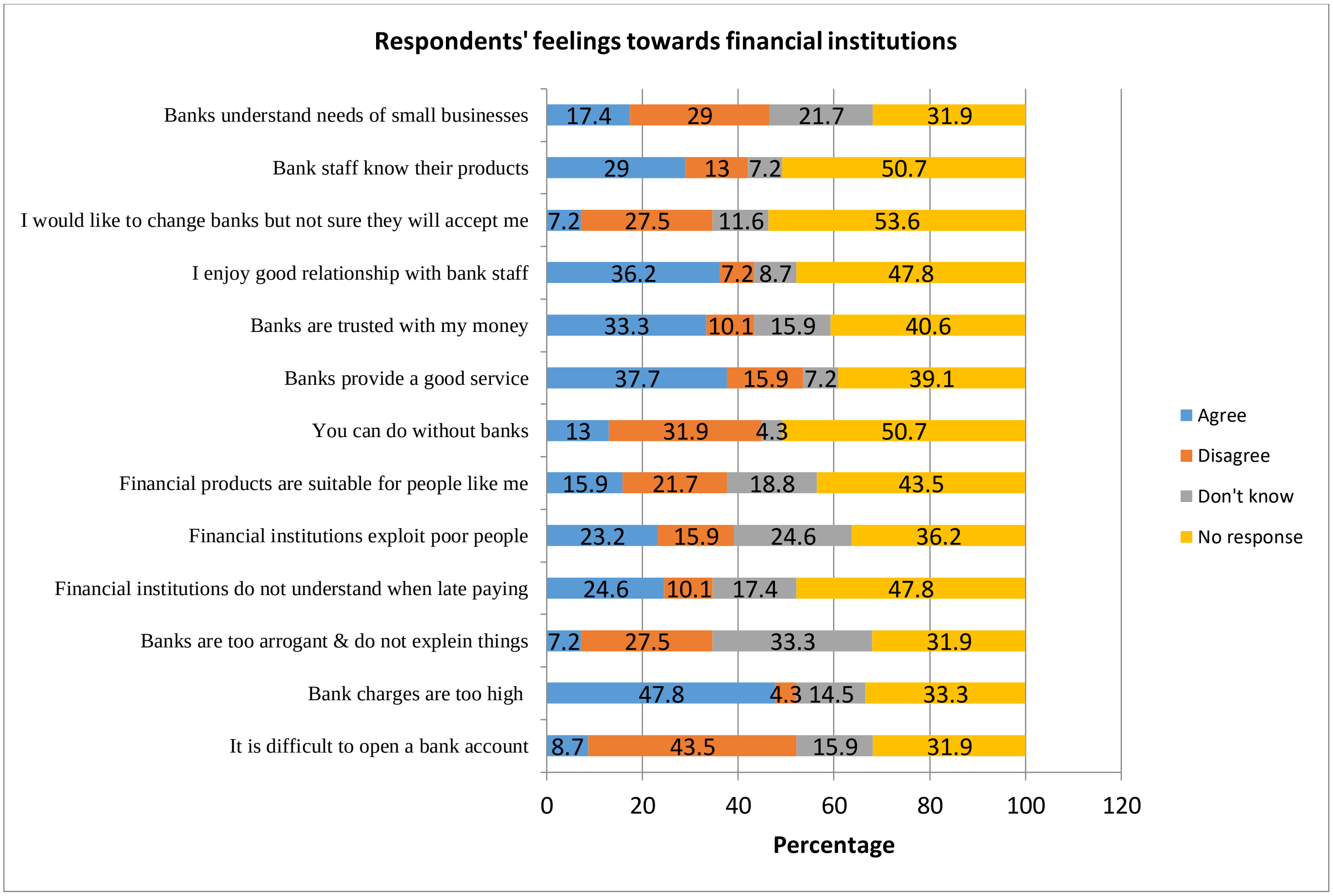


Figure 36: Respondents' feelings towards financial institutions

This section of the questionnaire required respondents to give information on their feelings towards financial institutions through agreeing or disagreeing to some statements as shown in **Error! Reference source not found.**. The 'no responses' were high in almost all the items asked, showing the unfriendliness of banks to SMEs as per findings during the study which said, *"Banks will say we have funding for SMEs. But when we go there, there are a lot of strings attached. In a group of 40 SMEs maybe only three or four will meet those requirements"* – Participant from Mazabuka FDG.

4.7 SME Credit, Loan Usage and Managing Finances

More respondents (29%) started their business with between 'K1, 000 to K5, 000' followed by those who said between 'K5, 000 to K50, 000' (24.6%), and then K1, 000 (15.9%). The least amount used was ‘less than K1, 000’ at 1.4% as well as those that inherited the business (also at 1.4%).

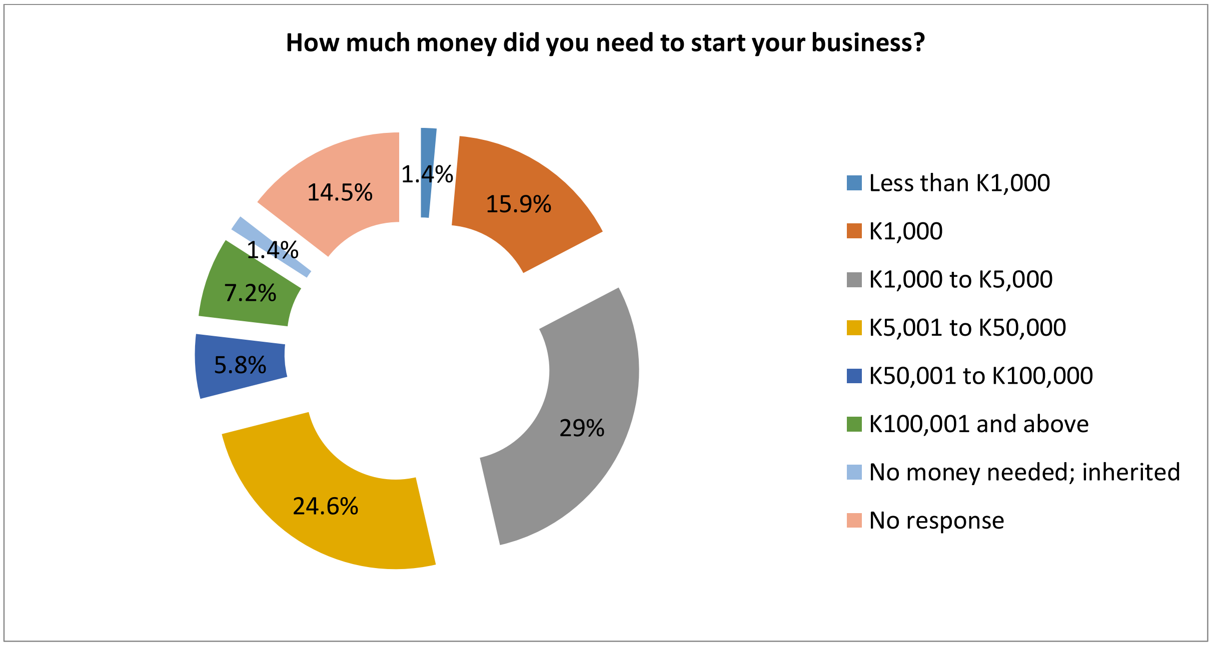


Figure 37: Money needed to start business

Only a small number of respondents (4 of them) said their start-up capital was between K50,001-K100,000 meaning that, those businesses were well capitalised while most businesses were started with low capital thus signifying under capitalisation of businesses a cause of most business failure amoung SMEs in most cases. Other responses came from 17 participants to the questions which showed a fair start-up capital of between K5,001-K50,000. In sustaining a business, there was need for adequate capital investment as business failure usually happened during the first few years of business inception. According to Mc. Kinsey (2010) and Reiss, (2006) Global Survey Results showed that, business sustainability was the inclusion of financial, environmental and social concerns into business decisions. Sustainable companies; created long-term financial value, they knew how their actions affected the environment and actively worked to reduce their impacts. Cared about their employees, customers and communities and worked to make positive social change. These three elements were intimately connected to each other. And therefore, this explained the reasons this study was being undertaken, so that it could inform how SME business sustainability could be sustained in Zambia.

Source of Money Used to Start Business

Respondents were further asked to state the source(s) of money they used to start business. Figure 38 shows the sources mentioned; and 'Personal savings' was mentioned more - 25 times (36.2%) followed by 'Money from other businesses' mentioned 15 times (21.7%), then 'Other family members' mentioned 12 times (17.4%), 'Salary' mentioned 10 times (14.5%), and 'Retirement/retrenchment package' mentioned nine times (13%). The lowest mentioned sources were: 'Personal loan from bank' and 'Business loan from bank' with each mentioned twice (2%) respectively and lastly 'Government grant' mentioned only once (1.4%).

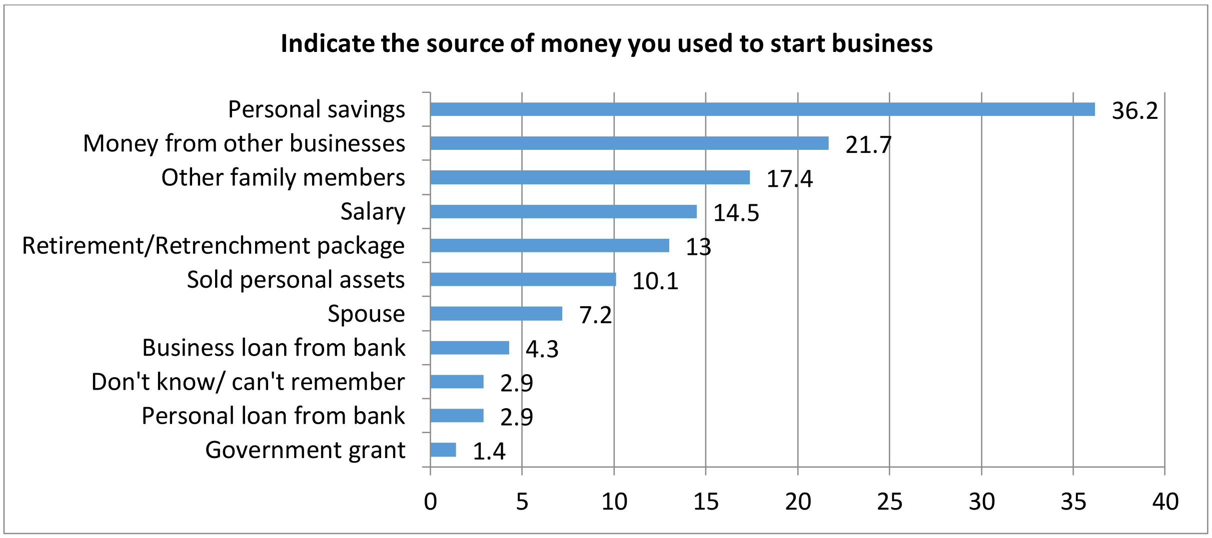


Figure 38: Source of money used to start business

As shown in Figure 38, most of those surveyed indicated that, personal savings were used in starting their business. This was followed by 15 of the participants who said they got the money from other businesses. And those who got money from family members were 12, while the others who used proceeds from their salaries were 10 participants. Of sigificance was only one respondent who said they got a government grant. This lack of government funding was also pointed out during the field study through the FDG, " *SMEs in Zambia fail because there has been no* *affirmative action from the Government like it is in South Africa where the government comes up with deliberate actions to support SMEs"* – Participant from Mazabuka FDG.

Another participant said, *"There are sometimes good empowerment ideas from the government. But then you find that they tell a few youths and women to form groups for political reasons and give the loans or fund them for political expedience"* – Participant from Kafue FDG

A One-Way Analysis of variance (ANOVA), as shown in **Error! Reference source not found.**4, shows that only 'Retirement/retrenchment package' (p-value 0.024), 'Spouse' (0.019), and 'Other family members' (0.032) were statistically significant as respondents' sources of money used to start business.

Table 14: One Way Analysis of Variance (ANOVA) on respondents' source of money used to start business

Variable	p-value
Used money from other businesses	0.956
Sold personal assets	0.750
Personal savings	0.234
Retirement/retrenchment package	0.024*
Government grant	0.608
Salary	0.324
Personal loan from the bank	0.720
Business loan from the bank	0.374
Spouse	0.019*
Other family members	0.032*
Do not know/ Cannot remember	0.587

Note: $p<0.05$ is statistically significant*

Similarly, **Error! Reference source not found.** shows the reasons given for getting money from each of the sources mentioned. Apparently, the reasons for source are varied. For instance, the reasons given for the highest mentioned source (Personal savings) are that this source has low or no interest at all, its quick to get the money, there are no strict requirements, it is a convenient source, and that there was no credit bureau check to be done.

Table 15: Reasons for getting money from each source mentioned

S/No	Source	No. of respondents	%	Reason	No. of times mentioned
1	Personal savings	25	36.2	Low interest or none at all	5
				Quick to get the money	5
				No strict requirements	11
				Convinient	7
				Flexible repayments	3
				No credit bureau done	2
2	Money from other business	15	21.7	Low interest or none at all	5
				Quick to get the money	2
				No credit bureau done	2
				Flexible repayments	4
				Convinient	6
				No strict requirements	4
3	Other family members	12	17.4	Quick to get the money	2
				No strict requirements	4
				Convinient	5
				Low interest or none at all	1
				Flexible repayments	3

S/No	Source	No. of respondents	%	Reason	No. of times mentioned
				No credit bureau done	1
4	Salary	10	14.5	Low interest or none at all	1
				Quick to get the money	2
				Convinient	6
				No strict requirements	2
5	Retirement/Retrenchment package	9	13	Convinient	4
				No strict requirements	3
				Quick to get the money	2
				Low interest or none at all	2
6	Sold personal assets	7	10.1	Low interest or none at all	3
				Quick to get the money	2
				Convinient	2
7	Spouse	5	7.2	Convinient	2
				No strict requirements	2
8	Business loan from the bank	3	4.3	Flexible repayments	1
				Low interest or none at all	1
				Convinient	1
9	Personal loan	2	2.9	No strict requirements	1
				Flexible repayments	1
10	Government grant	1	1.4	No strict requirements	1
				No credit bureau done	1

Saving Behaviour and Reasons for Saving

Results shows that most of the respondents save or invest their profits. Of the 69 respondents, 55 (79.7%) stated that they save or invest their profits as opposed to only eight respondents (11.6%) who said they do not, while six respondents (8.7%) did not respond.

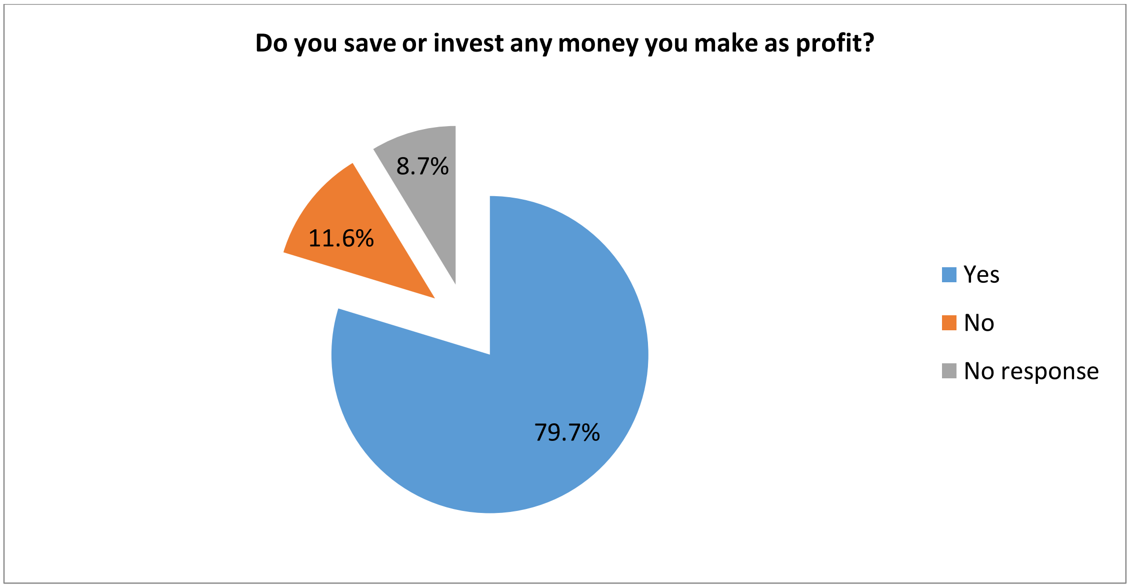


Figure 39: Saving or investing profits and reasons thereof shows that of the 55 respondents who said they save or invest, the highest reason mentioned for doing so was ‘To grow the business to the next level’ (mentioned 47 times), followed by ‘To meet day to day business expenses’, ‘For the future’, and ‘To have money when i need it’ each mentioned 14 times respectively. The least mentioned reason was ‘Other reasons’ which was mentioned only once; and was stated as ‘saving for school fees’.

Table 16: Proportion of respondents who save/invest their profit and reasons for saving or investing

Do you save or invest profit?	Frequency	%		Reason(s) for saving or investing?	No. of times mentioned(multiple mentions allowed)
Yes	55	79.7 %		To grow the business to next level	47
				To meet day to day business expenses	14
				For the future	14
				To have money when i will need it	14
				Other	1
No	08	11.6 %		Total	12
No response	06	8.7%			
Total	69	100.0 %			

The majority of those who responded to these items said that, they were reinvesting money saved so that they could grow the business. This showed a high quest to sustain their businesses and this statement corrates well with the attitudes of the banking sector, which requires SMEs to be sustainable. This is confirmed by the following statement, "*Banks will say we have funding for SMEs. But when we go there, there are a lot of strings attached. In a group of 40 SMEs maybe only three or four will meet those requirements"* – Participant from Mazabuka FDG. This revelation means that some SMEs can be able to access bank loans if they were able to prove their ability to manage their businesses prudently. This willingness to sustain the business is a catalyst for growth which the government can use to gauge SMEs willingness to contribute to their own wellbeing.

Respondents were further asked to state the benefits of belonging to an association or saving club, and Figure shows that the most common benefit given is ‘to exchange ideas and get business advice’(62.3%), followed by ‘to network with other SMEs’(39.1%).

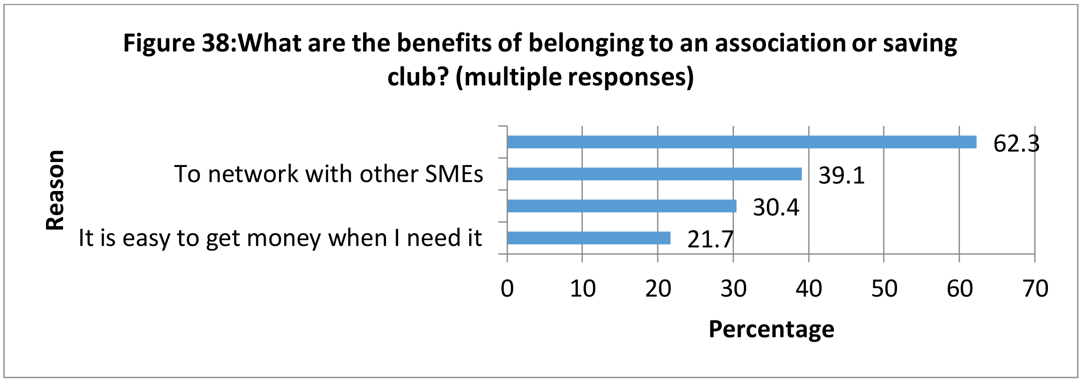


Figure 47: Benefits of belonging to an association or savings club

Though the two District Business Associations which were part of the research sites were not very active and that, the other three which should have been part of the study were disfunctional, the majority of the respondents said it was beneficial to belong to an association for exchanging of ideas and for networking. The associations once active and well managed would be ‘*special purpose vehicles’* for both government and other funders to support SMEs business activities.

“SMEs in Zambia fail because there has been no affirmative action from the Government like it is in South Africa where the government comes up with deliberate actions to support SMEs” – Participant from Mazabuka FDG.

However, as shown in

, a One-Way Analysis of variance (ANOVA) on benefits of belonging to an association or savings club shows only one item ‘To network with other SMEs’ was statistically significant with a p-value of 0.007.

Table 17: One Way Analysis of Variance (ANOVA) on benefits of belonging to an association or club starting business

Variable	p-value
It is easy to get amount of money I need	0.165
To network with other SMEs	0.007*
To exchange ideas and get advice	0.149
Gives chance to advertise business	0.101
Other	-

Note: *p*<0.05 is statistically significant*

Insurance; Crime suffered by business

In response to whether their business suffered from theft or crime in 2017,

18 shows that most of those interviewed (63.8%) indicated that their business did not suffer from theft or crime as opposed to only 17.4% who said their business did; while 18.8% of those interviwed did not respond. Further, of the 12 respondents who reaveled that their business suffered from theft or crime in 2017, only one respondent (8.4%) indicated that they were insured at the time, and that they did not claim from insurance. Apparently, these results show that the rate of insuring businesses against theft or crime is low.

Table 18: Proportion of businesses that suffered from theft or crime in 2017 and those insured

Business suffered from theft of crime in 2017?	Frequency	%
Yes	12	17.4%
No	44	63.8%
No response	13	18.8%
Total	69	100.0%

Were you insured at the time?	Frequency	%
Yes	1	8.4
No	7	58.3
No response	4	33.3
Total	12	100.0

The responses elisted shows low levels of the need to insure their business by SMEs thus not being able recover once a loss occurred. Though one participant was insured, they did not claim their loss when it occurred, while the majority who said they didnt suffer any loss may have taken it for granted that they didn't need to get insured at all. The twelve participants who suffered some loss, did not insure their businesses, hence had a total loss and thirteen of the respondents didn't answer to the question. Overall, the SMEs' culture on insurance looks poor and this may affect their relationships with lending institutions, who always want their exposure secured.

Respondents were asked to agree or disagree to specified statements relating to insurance as shown in **Error! Reference source not found.**. Apparently, most respondents (79.7%) agreed that insurance is important to business as opposed to only 1.4% who disagreed. Further, 37.7 % of respondents agreed to the statement that 'one has loses insurance can cover', as opposed to 14.5% respondents and 8.7% who did not know. Additionally, 29% of the respondents agreed to the statement that 'insurance was costly to their business' as opposed to 21.7% who disagreed while 10.1% of respondents said they did not know. However, more respondents disagreed (23.2% and 26.1%) to the following statements compared to these who agreed (15.9% and 10.1%) respectively: 'SMEs are not covered with insurance' and 'insurance cover not available for kind of loses'.

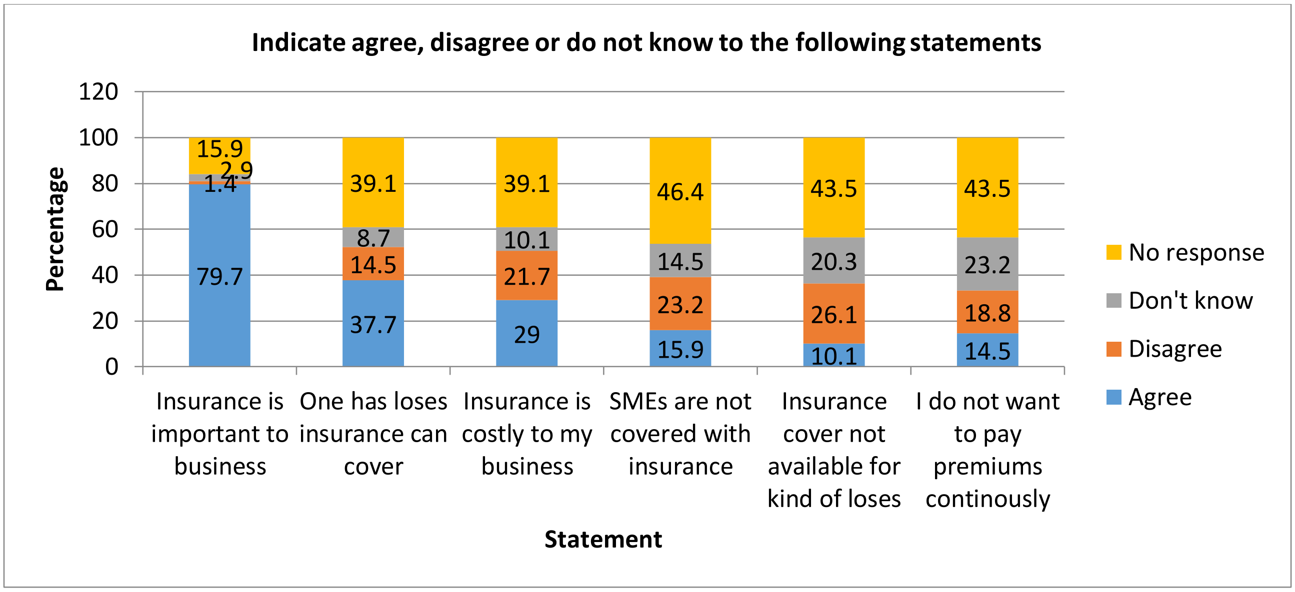


Figure 40: Respondents' feelings towards insurance

There seems to be mixed feelings among SMEs when it comes to insuring their businesses as the 'no response' was as high as those who said insurance was important to business. This scenario may give credence to banks' relactance to fund SMEs as their risks were high.

Managing Finances

Respondents were asked to state how their customers paid for what they bought. **Error! Reference source not found.** shows that most customers (82.6%) paid for what they bought through 'cash' followed by 'cheque' (31.9%) and then 'bank transfer (24.6%). The least mode of payment used was through internet banking(1.4%).

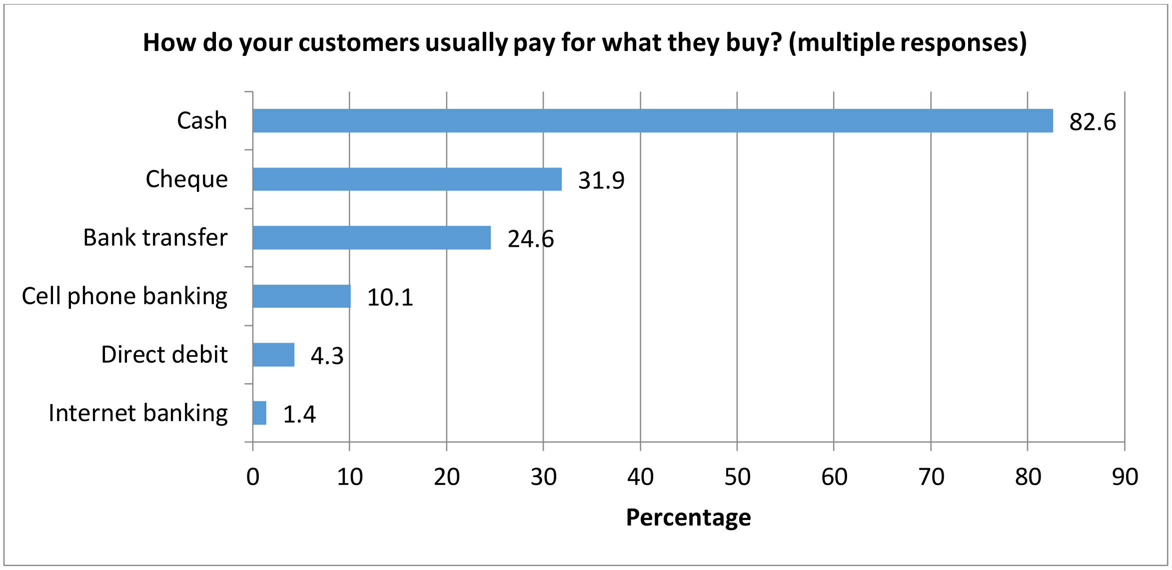


Figure 41: Mode of payment

These modes of payment by clients of the majority SMEs was good as bad debts were being avoided and this could encourage lendors to feel secured and also the SMEs would mantain a steady cashflow for their businesses. This attitude was good for sustainability and business growth

A One-Way Analysis of variance (ANOVA) on how respondents' customers paid for what they bought (**Error! Reference source not found.**) shows that only 'Cash' as a way of paying was statistically significant with a p-value of 0.032.

Table 19: One Way Analysis of Variance (ANOVA) on how respondents' customers paid for what they bought

Variable	p-value
Cash	0.032*
Cheque	0.134
Bank transfer	0.231
Direct debit	0.120
Internet banking	0.114

Cell phone banking	0.471
Other	-

Note: p<0.05 is statistically significant*

From the chart, by far the greatest demand is for clients to pay by cash as this was the safest way of the respondents getting payment for the sale of their products and services.

Respondents were also asked whether they offered credit to thier customers and **Error! Reference source not found.** shows that the majority of respondents (59.4%) sometimes offered credit as opposed to 14.5% of respondents who always offered and another 14.5% who never offered credit.

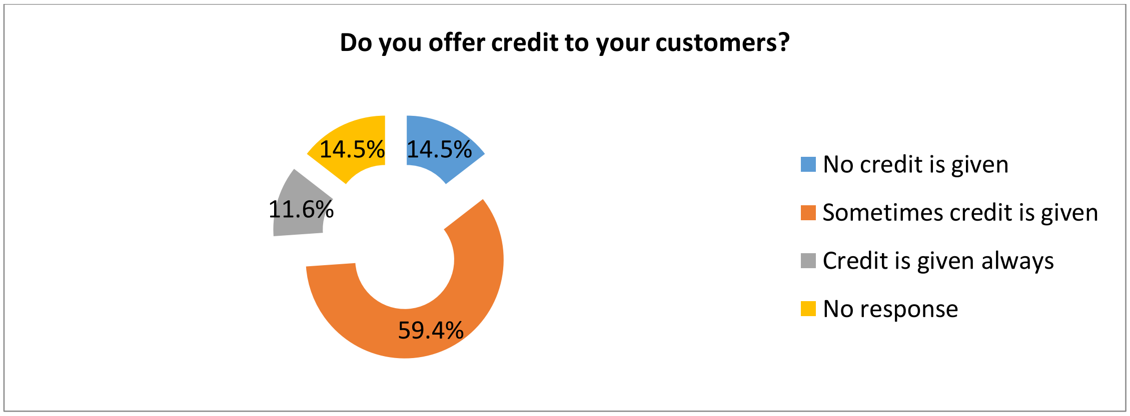


Figure 42: Offering on credit

The majority of respondents sometimes offered credit, with a small number of participants always gave credit and another small number who didn't offer credit. This scenario is a contrast to figure 39 where most participants said their clints paid cash or by cheque for business conducted with them. The 'no response' figure was similar to 'no credit is given' responses, though small, it is siginificant as it was consistent. What is obtaining in **Error! Reference source not found.** shows SMEs knowledge of their clients behaviour hence able to determine when it was approriate to give credit and in this way, business sustainability would be mantained.

Record Keeping

When asked whether they kept financial information for their business, most respondents (85.6%) indicated that they did. As shown in **Error! Reference source not found.** only 7.2% said they did not.

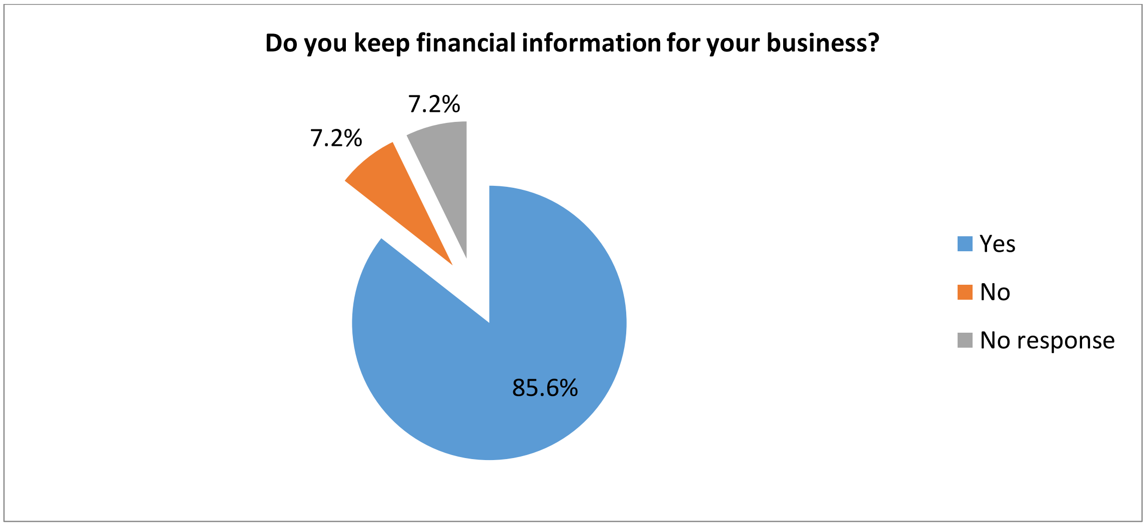


Figure 43: Keeping financial records

shows that the majority of respondents kept their information manually. Of the 59 respondents who said they kept financial information for their business, 29 respondents (49.2%) kept the informationa manually, 21 respondents (35.8%) kept the information both manually and in a computerised systedm whilst only 6 respondents (10.1%) respondent kept the information using a computerised system only.

Table 20: Proportion of respondents who keep financial information and how they keep it

Do you keep financial information for your business?	Frequency	%		How do you keep the financial information?	Frequency	%
Yes	59	85.5		Manually	29	49.2
				Using computerised system	6	10.1

No	5	7.2
No response	5	7.2
Total	69	100.0%

Both manually & computerised system	21	35.6
No response	3	5.1
Total	12	100.0

The majority of participants keep financial records of these, 49.2 percent kept it manually and 35.6 percent kept it in both electronic and manually. Those who only kept it using electronic systems was small but very significant as the 21st Century demands ICT way of managing information. Retrivial of data for the SMEs who participated in the study was good and could enhance their business efficieny.

Respondents were also asked to state who did financial records for them, 27.5% mentioned ‘Internal book keeper’, followed by 23.2% of respondents who mentioned ‘other’, and then ‘A family member’ mentioned by 20.3 %. Those who mentioned ‘other’actually did it themselves.

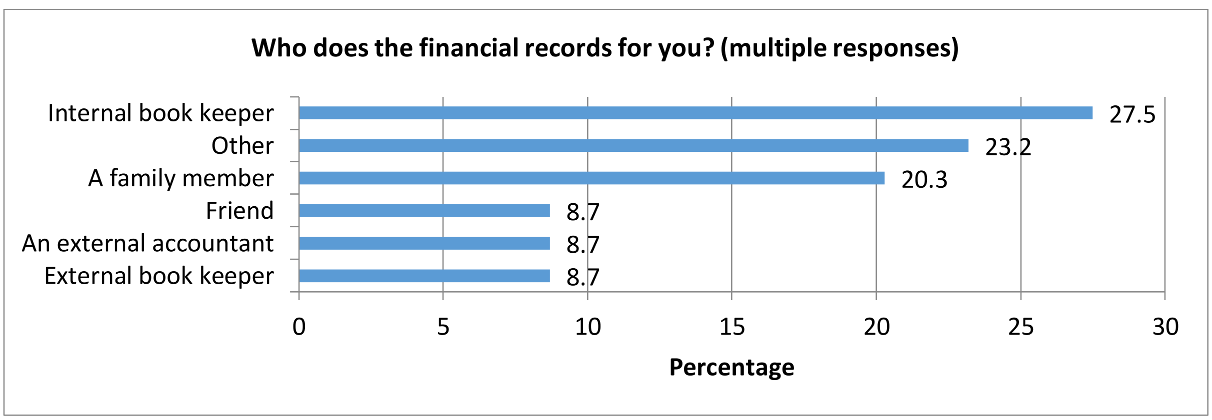


Figure 44: Records keeping

There was a general trend of undertaking bookkeeping activities by the SMEs who participated in the study, despite the small number of external assistance which connotes expert hiring. This scenario encourages business sustainability as paper trails are easy to follow during the running of the business. Whether business makes profit or not can easily be seen through the bookkeeping records.

4.8 Results and Discussions

The main research objective of this study was 'To examine business sustainability challenges facing Small and Medium Enterprises (SMEs) in Zambia with the following specific objectives

1. To investigate the nature of SME sustainability in Zambia
2. To identify the factors that cause challenges to SME business sustainability
3. To find out Government's role in SME sustainability in Zambia
4. To come up with appropriate sustainability solutions for SME businesses

The Research questions that needed to be answered in order to achieve the study objectives were as follows: a) To what extent are SMEs sustainable; b) What factors cause challenges to SME business sustainability? c) Are there any contributions Government makes to SME sustainability? and What solutions can assist the SMEs become sustainable?

The general study hypothesis was that Small and Medium Enterprises (SMEs) in Zambia are not sustainable due to several challenges they face.

The Null hypothesis ($H_{0)}$ is SMEs in Zambia are not sustainable due to several challenges they face such as;

i. Lack of capital;
ii. Transport problems;
iii. High competition;
vi. Lack of organisational skills and
v. Lack of financial management skills.

The Alternate hypothesis ($H_{1)}$ is SMEs in Zambia are sustainable

In examining business sustainability challenges facing SMEs in Zambia and answering the research questions, this study used the literature review (secondary data) and some key questions from the structured questionnaire and the FGDs. This hypothesis was tested by assessing the main challenges facing SMEs in Zambia and determining whether with such challenges SMEs can be sustainable or not.

Objective 1: "To investigate the nature of SME sustainability in Zambia"

(i) District Business Associations were put in place to promote the SME sector in Zambia and ensure sustainability. However, the study has revealed that one of the biggest weaknesses that beset the SME sector in Zambia is the dysfunctional District Business Associations arising from poor management of the affairs of the associations. Apparently, the associations are more premised on accessing loans and the dependence on grants from both the Government and Donors. At the time of this study, all the four Associations, namely Mazabuka District Business Association, Kafue District Business Association, Mumbwa District Business Association and the Lusaka Women Entrepreneurship Association which should have been the study sites, had few paid up members and some had Care taker committees instead of elected leadership to run the associations.

ii) The Zambia Chamber of Small and Medium Business Association (ZCSMBA), the umbrella body to manage and guide the more than eight nine (89) business associations in Zambia was equally not working at full scale to support the Executive Committees of the non-performing District Business Associations, with strategic direction.

iii) There is an adequate legal and policy framework in Zambia aimed at promoting MSME sustainability in Zambia. This framework includes:

a) The Micro, Small and Medium Enterprise Development Policy of 2009 (which is the National Policy for MSME Development) aimed at creating a national vision and leadership for deliberate development of the MSME sector and facilitating the creation and implementation of relevant and effective sector legislation and regulatory framework. The Policy had been under implementation since the year 2009.

b) Zambia Development Agency Act No. 11 of 2006 which is , among other things, responsible for the development of entrepreneurship skills and a business culture among citizens of Zambia; promotion and facilitation of the development of micro and small business enterprises; exploring ways of fostering business linkages; and providing marketing support services to business enterprises.

c) The Citizens Economic Empowerment Act No.9 of 2006; aimed at promoting broad-based and effective ownership and meaningful of targeted citizens, citizen-empowered companies, citizen-influenced companies and citizens-owned companies in the economy.

d) The Companies Act No. 10 of 2017; which is administered by the Patents and Companies Registration Agency (PACRA) and is, among others, aimed at enhancing economic empowerment of citizens and strengthening the development of micro, small and medium enterprises.

e) Business Regulatory Review Act No. 3 of 201; aimed at creating a conducive business environment within which the private sector, particularly MSMEs could grow.

iv). This study has also established that despite the adequate legal and policy frameworks put in place, the implementation of measures for the development of the MSME sector had not been very effective. This was attributed, in part, to weak and fragmented coordination between government agencies responsible for MSME development and lack of a clear guidance on measures and programmes aimed at the development of the Sector.

v) Most programs meant for citizens' economic empowerment did not achieve the Government's intended outcomes due to various factors such as limited absorptive business and entrepreneurial capacity among Zambians. Although the Government of the Republic of Zambia in 2013 restructured the Citizen Economic Empowerment Commission (CEEC), loan recoveries among the recipients had been the biggest challenge for CEEC as most borrowers were not able to pay back because they were not entrepreneurs but business men and women whose main focus was in trading for quick returns without proper business skills that an entrepreneur should possess and as such be able to sustain the investment.

vi). The provision of finance, which is a critical component of sustainability, to the SME sector in Zambia remains a challenge. This has been confirmed by a survey conducted by the World Bank on Enterprise Development in Zambia in 2007 which identified poor access to finance as a major impediment to investment and growth in Zambia; with only 16% of firms surveyed reported having a loan or line of credit from a financial institution compared with 23 percent for Africa and 35 percent for all countries surveyed. Similarly, 53 % of respondents surveyed in this study have also confirmed that 'sourcing capital' for their business was the main obstacle to their business.

vii) From the literature reviewed, one of the significant reasons for most SME failures was the lack of entrepreneurial competencies among the main founder-owners. Findings from this study, however, show that very few respondents (only 5.8%) had training plans. This shows that respondents had little interest in acquiring key skills and competencies that are necessary for SME sustainability. Similarly, only 34.8% (less than half of the respondents) had financial records. No business can sustainably operate without financial records. However, on the positive side, more than half of the respondents (almost 60%) had cell phones; an indication that respondents are aware of the importance communication plays in business.

viii) Key components of SME sustainability were lacking when most respondents started business. The chance of SME sustainability in the absence of these components is therefore slim. The main problems faced in starting business included: Sourcing capital (53%), too many competitors (30.4%), transport (29%), and finding the right people to employ (21.7%). Apparently, capital, transport, right people with appropriate skills/ competencies are very crucial for SME sustainability. The chance of SME sustainability in the absence of these components is therefore slim. Similarly, a factor analysis of what problems respondents faced showed that the following problems had Eigen values of greater than 1 (meaning they are 'strong problems); namely sourcing capital, opening a bank account, banks being unhelpful, registering a business, complying to laws or regulations, product to make or sell, who to sell to, and 'communicating the product or service' when they started business. All these factors or main problems faced greatly affect business sustainability negatively. It can therefore be inferred that it is very unlikely for SMEs to be sustainable where respondents faced such problems.

ix) Most of the SMEs owned by respondents are most likely not sustainable. This is manifested from the respondents' descriptions of the success of their businesses. Apparently, a total of 60% of respondents (i.e. 45.5% of respondents' businesses were 'struggling but surviving; 10% were 'struggling or in trouble but surviving', and 7.2% of 'business was in a state of failure') indicated that their business was not successful or was failing compared to about 32% whose business was successful (i.e. 24.6% who said business was doing well plus 7.2 % who said business was doing very well).

Factors that cause challenges to SME business sustainability/ (To what extent are SMEs sustainable?)

Drawing from the above section (4.9.1) the main factors that cause challenges to SME business sustainability in Zambia are as follows:

(a) Dysfunctional District Business Associations put in place to promote the SME sector in Zambia

(b) The Zambia Chamber of Small and Medium Business Association (ZCSMBA) not working at full scale to support the Executive Committees of the non-performing District Business Associations, with strategic direction.

(c) Weak and fragmented coordination between government agencies responsible the implementation of the legal and policy frameworks and measures meant to develop the MSME sector in Zambia for MSME development. This has led to lack of a clear guidance on measures and programmes aimed at the development of the Sector.

(d) Lack of capital. The provision of finance, which is a critical component of sustainability, to the SME sector in Zambia is a challenge.

(e) An ineffective loan administration and recovery system by CEEC as most SMEs struggle to get loans and for those who do one of the challenges for CEEC has been to recover the loans as most borrowers were not able to pay back

(f) Lack of entrepreneurial competencies among the main founder-owners.

(g) Lack of financial record keeping as only 34.8% (less than half of the respondents) had financial records.

(h) Too many competitors, transport, finding the right people to employ, opening a bank account, and banks being unhelpful.

With the above factors that cause challenges to SME business sustainability in Zambia, to what extent then are SMEs sustainable?

The Literature reviewed indicates that some of the main challenges to SME sustainability include: loss of competitive edge, loss of key people, lack of capital, financial collapse, lack of competencies among business owners as well as the lack of abilities and skills of those who held key positions in the organisations, limited access to markets, limited access to appropriate technology, machinery and equipment, limited access to suitable business financing solutions, Inadequate business infrastructure such as roads and telecommunication facilities, limited technical and management skills; inadequate and unsuitable operating premises that can facilitate enterprise growth; inadequate regulatory systems; and excessive competition from unregulated importation of cheap products.

Apparently, most of these factors are highlighted above as the challenges to SME sustainability in Zambia. The Problems faced in starting business were: ‘Sourcing capital’ which was mentioned by more than half of the respondents (53.6%), followed by ‘too many competitors’ (30.4%), ‘transport to buy stock’ (29%), ‘finding right people to employ’ (24.6%) and then ‘pricing the product/service’ (21.7%). Similarly, in terms of the most single biggest obstacle to business is ‘access to funds’ (mentioned by 30.4% of respondents), followed by ‘business premises’ (14.5%), then ‘competition’ (11.6%), Taxes (8.7%), Electricity and water (7.2%), and Transport (7.2%) Further, in describing the success of their business, 45.5% of the participants said that their businesses were ‘struggling but surviving’; 10% stated that business was ‘struggling or in trouble but surviving’, and 7.2% said their ‘business was in a state of failure’. Cumulatively, this translates into 60% of respondents indicating that their business was not successful or was failing compared to a cumulative percentage of about only 32% whose business was successful. Based on this evidence, it is therefore reasonable to conclude that SMEs in Zambia are, to a greater extent, not sustainable.

‘Government’s role in SME sustainability in Zambia’

a) The Zambian Government has embraced economic empowerment of citizens as an integral part of its national economic transformation program enshrined in its policies and strategies. In the early years of independence, such economic transformational initiatives included the 1968/69 Mulungushi Economic Reforms, the Zambianisation program and the Matero Economic Reforms of 1969.

b) In the 1990s, the Government implemented the privatisation program which was aimed at transferring most state assets to the private sector in which Zambian citizens were also to participate.

c) In 1996, government revised the SID Act and replaced it with the Small Enterprises Development [SED] Act in a bid to support the SMEs. Among the salient features of the SED Act were the incentives provisions which included the following among others: exemption from payment of tax on income for the first three to five years; operating a manufacturing enterprise for the first five years without a manufacturing license required for such an enterprise under any law; exemption from the payment of licensing fees required for such an enterprise under any law; exemption from Trading Licence for an enterprise registered under the SED Act; exemption from payment of tax on income received from rentals on buildings or premises for use by micro and small enterprises; exemption from the payment of rates on factory premises; exemption from payment of tax on income or interest payable by any financial institution providing loan, or other financial relief or facilities to registered micro and small enterprises carrying on manufacturing activities; and expenditure incurred on training staff that specialised in micro and small-scale enterprise financing would be treated as tax deductible for tax purposes

d) In order to ensure equity, ownership and control of the means of production by citizens and to redress imbalances in the economy, the Government decided to be more deliberate by creating an economic empowerment policy which eventually led the enactment of the Citizens Economic Empowerment Act (CEEC) number 9 of 2006. CEEC is therefore the vehicle by which the Government would like to transform Zambia into a nation where citizens are playing a key role in economic activities with greater participation of targeted citizens, citizens influenced companies, citizens empowered companies, and citizens owned companies.

e) In 2013, the Government of the Republic of Zambia restructured the Citizen Economic Empowerment Commission (CEEC) a company mandated to give loans to identified SMEs and business organisations by focusing their fund disbursements on Clusters of identified economic activity groups. Loan recoveries among the recipients had been the biggest challenge for CEEC as most borrowers were not able to pay back because they were not entrepreneurs but business men and women whose main focus was in trading for quick returns without proper business skills that an entrepreneur should possess and as such be able to sustain the investment.

f) The Government of Zambia has over the years, through the Bank of Zambia, continued to address various weaknesses in the Zambian financial system, among them being the low financial intermediation and limited access to finance (Zambia Report, 2012). The Bank of Zambia has been encouraging banks in the country to explore new ways in which they could take banking services where they were needed the most and that mainly was to the unbanked. The Bank of Zambia has also continued to implement measures to reduce the cost of borrowing.

g) The Government of Zambia has over the years put in place necessary legal and policy frameworks to promote the SME sector. This is evidenced in the development and enactment of relevant policies/ legislation like the National Policy for MSME Development is the Micro, Small and Medium Enterprise Development Policy of 2009; the Zambia Development Agency Act No.11 of 2006; the Citizens Economic Empowerment Act No. 6 of 2009; the Zambia Development Agency (ZDA) and the Citizens Economic Empowerment Commission (CEEC); the Micro, Small and Medium Enterprise Development Policy of 2009; the Companies Act No. 10 of 2017; the Business Regulatory Review Act No. 3 of 2014

h) The Government has also over the years facilitated the establishment of a number of organisations to provide various types of services to the MSE sector. These include:

i) The Small Enterprise Development Board,
ii) The Technology Development and Advisory Unit (TDAU) at the University of Zambia
iii) The National Council for Scientific Research,
iv) The Village Industry Service, and
v) Several non-governmental organisations (NGOs).
vi) Institutional Support Infrastructure
vii) Small Enterprise Development Board (SEDB)

Are there any contributions Government makes to SME sustainability?

From the above, it is apparent that Government has made numerous contributions to make the SME sector sustainable in Zambia. One of the findings shows that, *"There are sometimes good empowerment ideas from the government. But then you find that they tell a few youths and women to form groups for political reasons and give the loans or fund them for political expedience"* – Participant from Kafue FDG.

However, all the efforts and contributions to sustain the SME sector and citizens' economic empowerment have not achieved the Government's intended outcomes due to various factors. Some of these factors include limited absorptive business and entrepreneurial capacity among Zambians.

Thus, the Government still needs to address certain issues to make the SME sector even more viable. These include:

i) Lobbying for further tariff reduction on imported equipment and machinery.

ii) High taxes being paid by the sector.

iii) Inaccessible commercial credit.

iv). Lack of protection from unfair competition of foreign goods.

v). Lack of linkages with large industries, and

vi). Inadequate resources on the part of the promotional agencies to deal with a sector which has grown considerably over the past years.

'To come up with appropriate sustainability solutions for SME businesses'' / what solutions can assist the SMEs become sustainable?

One of the objectives of this study was "To come up with appropriate sustainability solutions for SME businesses in Zambia". Additionally, one justification for this study was to develop a broad-based theory in the form of a holistic framework for managing SME sustainability in Zambia.

Value Networks and Partnerships

Industrial organisations are naturally related to each other. They are dependent on each other's production, distribution, use of goods and services. They have direct relationships with customers, distributors, suppliers and even competitors, and indirect relations with all suppliers, customers, competitors and other stakeholders. These exchange relationships are important because in today's world it is rare to have firms that can exist as self-supporting businesses. That is why firms need to establish and develop sustainable cooperation's, alliances and possibly joint ventures to guarantee the quality and quantity of goods and services exchanged and the demanding response times. (Johanson and Mattson 1991)

Partnerships may reduce transaction costs, promote development of knowledge, give parties some control over each other, and be used as bridge to other firms and when mobilising partners against third parties (Johanson and Mattson 1991). Relationships are being established, maintained, developed and broken in order to gain satisfactory short-term economic-returns and to create a suitable position in the network so that long-term survival and development of the firm can be ensured. This requires joint planning and coordination, or power exercised by one party over another. (Johanson and Mattson 1991) What matters most in creating partnerships are social relations that lead to trust, loyalty, tacit understanding, and willingness to make risky deals (risk sharing and allocation) and sharing resources. Many researchers also consider proximity as one important factor in the formation of cooperation. (Staber 1996)

When there is a possibility to ally oneself with other firms that can complement the firm's existing competencies there are greater chances to create added value to the customer. Value networks and partnerships exist because it is usually not reasonable to create value just through the firm itself and its limited resources and competencies. In these alliances and networks each actor does the things that they do best, give something to the creation process and capture benefits from the partnership (experience, profit, or visibility). Working together firms are able to create maximal value for the end customer without making major sacrifices and even gain more back from the net than they originally gave away. (Helander 2004)

SMEs Business Sustainability in Zambia

Entrepreneurs can use some aspects of their vulnerability, like lack of capital, low business adoption, lack of market access, lack of business skills and poor records management by using their unity to deal with the identified risks they face in their day to day business operations, so that they can come up with appropriate sustainability solutions for their businesses

In business it can be said that, divided they fall but together they can accomplish much, as each of the SMEs have different attributes they can bring to networks and partnership. SMEs are believed to be networked as some belong to business associations, social networks and others may be well connected in the business circles and also affiliated to other organisations other than the DBA they belong to. An entrepreneur goes through challenging and difficulty situations of making decisions that may cause business failure if not well thought-out. i.e. the business eco-system that takes into consideration the performance of world economies and in particular the Zambian economy and its political landscape. Entrepreneurs are prone to business failure due to challenges in the complex markets in which they operate, hence the need to add value in their business through various partnerships that may be found in networks.

Most SMEs work alone though they may be members of the same business association, whose objectives is to emancipate them, but due to lack of using their strengths as members of a diverse group, they find themselves in situations that may not grow their business and instead harm it, through competing against each other and thus become unsustainable.

Profiling business categories like hardware, stationery or any other business sector products can cause the aggregating of both materials, services and other resources by individual SME entrepreneurs for them to gain economies of scale and thus reduce the cost of doing business and thereby improving their profitability. 1+1= 3 is a popular synergy saying which is said by many but rarely put into practice by SMEs. SMEs compete against each other despite being members of the same district business association and doing the same type of business where economies of scale would be the norm, so as to achieve a competitive advantage. Jobs (2010), contends that, "Great things in business are never done by one person. They are done by a team of people."

This statement sums up the value in networks and partnerships and their contributions to SMEs business sustainability

Revised TBL Model of Sustainability

Nurse (2006) contends that the traditional "sacred wisdom" which can be regarded as solutions for sustainable development problems has often been neglected and forgotten. It is important to note that the overuse of Western scientific concepts in managing sustainability can lead to the loss of traditional or indigenous knowledge; which can have significant impacts on the efforts of preserving culture.

Thus, the author proposes that cultural aspect should not be neglected in the sustainability model. The framework by Nurse (2006), proposes to put culture not only as the fourth pillar in sustainable development, but at the center of it. It is well understood that viewing culture as the central pillar of sustainable development could help the people to deal with sustainability issues in their own way because as Nurse (2006) observes "culture shapes what we mean by development and determines how people act in the world" (p.37). However, putting culture at the centre raises the issues of to what extent it should be concentrated and to what the other domains should be concerned? Could it be just another type of eco-preneurship or socio-preneurship which overly focuses on one aspect of sustainability and inaccurately being treated as sustainable entrepreneurs because the concept of "equal footing" is not discussed in the framework suggested?

O'Neill et al. (2009) may not be the first to include cultural domain in explaining SE, but they definitely can be considered as the pioneers in doing so. Based upon a sustainability model developed by Navajo FlexCrete, a Native-American corporation, the authors argued that "cultural domain" should be included in explaining SE, in addition to the existing three domains of economic, social and environmental. As such, they suggested that SE should be analysed from four domains, namely (i) Economic; (ii) Social; (iii) Environmental and; (iv) Cultural.

The model is an extension of TBL, but with a few limitations. For instance, the model has not mentioned clearly about the extent that should be emphasised for each of the domains; further, it has not been tested empirically as well. In short, the works of the existing researchers of SE were either not including the cultural domain (e.g.: Crals and Vereeck, 2004; Dixon and Clifford, 2007;

Hockerts and Wüstenhagen, 2010; McDonald, 2009; Tilley and Young, 2009) or no further investigation has been done on the domain of culture (e.g. Nurse, 2005; O'Neill et al., 2009; Shepherd and Patzelt, 2008; 2011), particularly in regards to influence of culture on SE process. Thus, for purposes of this study, a modified sustainable entrepreneurship model based upon TBL is proposed; as it includes the cultural aspects of doing business which like the value in networks and partnerships is also collaborative and can be used to explain sustainable entrepreneurship in Zambia.

The contributions of the modified sustainable entrepreneurship model based upon TBL to SMEs in Zambia would focus on the following aspects:

The revised business case is organised around five easy-to-grasp bottom-line benefits that align with current evidence about some significant sustainability-related contributors to profit.

1. Increased revenue
2. Reduced waste expenses
3. Reduced materials expenses
4. Increased employee productivity
5. Reduced strategic and operational risks

a. Revenue would be increased through reduced cost of doing business as SMEs would be able to aggregate their procurements of goods and services both locally and within the regional bodies of COMESA and SADC
b. Reducing waste expenses, the model estimates some risks to profit if a company chooses to opt out of the sustainability imperative of working together in creating value through networks and partnerships, like competing against each other within the same DBA or business sector. One transaction covering several SMEs reduces transaction costs as these would be spread among all SMEs that may be a part of it.
c. Reduced materials expenses would in this regard, help the SMEs in baseline studies in their marketing efforts, logistics management, transport and warehousing costs and expenses where these would be needed either in goods in transit or negotiations on rates for Customs

Clearing charges. Economies of scale would be obtained from such transactions as the volumes of business would favour such gains.

d. Increased employee productivity. The SMEs would be able to undertake a combined Business and Self SWOT Analyses and a training needs assessment covering a cross section of the SMEs business spectrum as networks and partnerships would have already been formed to create value in their operations

e. Reduced strategic and operational risks, like political interference. The findings of the study were that, the government's SME policies were in place but there was some element of political interference in the admiration of a number of loan programmes funded by the government as observed by a respondent, who said, *"Politics in Zambia has destroyed us very much when it comes to loans, they only give out to people who have their political opinion. If only loans are given on merit SMEs in Zambia would have developed by far by now"* – Participant from Mazabuka FDG.

The above modified sustainable entrepreneurship model contributions based upon TBL has brought out practical aspects of how SMEs can deal with sustainability challenges facing entrepreneurs in Zambia.

General Study Hypothesis and Hypothesis testing

The hypothesis for this study was that Small and Medium Enterprises (SMEs) in Zambia are not sustainable due to several challenges they face (i.e. the Null hypothesis ($H_{0)}$ is SMEs in Zambia are not sustainable due to several challenges they face, and the Alternate hypothesis ($H_{1)}$ is SMEs in Zambia are sustainable)

To test the Null hypothesis, the study did not statistically test this hypothesis quantitatively but rather used the evidence on the extent of challenges facing SMEs in Zambia from both the literature review as well as the study tools (i.e. the Survey Questionnaire and FDGs) to determine whether or not SMEs in Zambia are sustainable.

Answers to key questions like turnover and net profit made; what businesses have, type of experience respondents had in running the business, problems faced in starting business, biggest obstacles to growing business, and respondents' description of business success were used to determine whether or not SMEs in Zambia are sustainable.

From the discussion in section 4.2.2 and the evidence on the factors that cause challenges to SME business sustainability and the extent to which SMEs are sustainable, it has been proved that SMEs in Zambia are not sustainable. Thus, the study has not generated enough evidence to reject the null hypothesis for this study i.e. H_0 is, SMEs in Zambia are not sustainable.

4.9 Limitations of the Study

Some of the limitations of this dissertation is associated with the sample selection strategy. All the sites in this research study were supposed to be District Business Associations, which are membership-based organisations, with an expected membership of more than 100 members each whose business stability differs from district to district. Therefore, the findings may not be generalised for small and medium enterprises (SMEs). Most of the factors identified during this study explicitly consider the sustainability of the SMEs.

Another limitation is related to the data analysis phase of this dissertation. The results of this empirical study were presented in this thesis by deliberately detaching the organisational identities from the data. This disassociation of organisational information may not permit the readers to construct specific assumptions and derivations. However, such a strict code of ethics was needed to preserve the identity of the respondents and protect the image of the organisations that participated in this research study. Stake (2000) also advocates this research practice and asserts that the value of the best research is not likely to outweigh injury to a person exposed as he says, "Qualitative researchers are guests in the private spaces of the world. Their manners should be good and their code of ethics strict". Several respondents gave valuable contributions to this research project by providing sensitive organisational information during the study. Revealing the respondents and organisational specifics can affect the respondents and organisational image. For instance, some of the respondents have mentioned the attitude of government and how they relate with the SME sector in Zambia. Associating such information with the organisational details can jeopardise the image of the organisation and interests of the respondents.

However, this limitation was addressed to a certain extent by providing numbers for each of the focus discussion group members to substantiate the derived conclusions.

Data collection from SMEs who had premises in Lusaka was daunting as most of them were not willing to take part in the survey and those who accepted to fill in the questionnaires took long to provide the information, while others didn't answer all the questions at all.

The District Business Associations and Entrepreneurship Organisations which were initially targeted were inactive or membership was not renewed; thus, making the associations non-functional for the purpose of doing organised business as groups.

The sample size in this research study is also an area where certain limitations are exposed. Yin (1994; 2003) argues that the relative size of the sample does not transform a multiple case into a macroscopic study. He suggests that even a single case could be considered acceptable, provided it met the study objective. However, this research study depicted a small sample size as the desired research sites, the District Business Associations, could not be used due to their dysfunctional state at the time of the study. This limitation gives rise to an important opportunity and direction for further research. There is scope for conducting further studies in SME sustainability, extending this research, to find additional factors and the related strategies.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusion

This chapter aims to provide conclusive remarks on this dissertation. These research conclusions are discussed under two headings: i. Conclusions; ii. Recommendations and the Summary of the dissertation findings.

Objective number one which says, "*To investigate the nature of SME sustainability in Zambia*" has revealed some weaknesses that beset the SME sector in Zambia, and one of the big weaknesses has been the dysfunctional District Business Associations arising from poor management of the affairs of the associations, which are more premised on accessing loans and the dependence on grants from both the Government and Donors.

Recommendation

The Zambia Chamber of Small and Medium Business Association (ZCSMBA), the umbrella body to manage and guide the more than eight nine (89) business associations in Zambia, should be revitalised to work at full scale and support the executive committees of the non-performing District Business Associations with strategic direction. The Ministry of Commerce, Trade and Industry being a line Ministry would be most suited to assist ZCSMBA in its efforts to reengineer the DBAs

From objective number two which says, "*To identify the factors that cause challenges to SME business sustainability"*

Lack of Capital.

The study has established that, in addition to the dysfunctional District Business Associations, SMEs faced challenges like lack of capital, lack of entrepreneurial competencies, lack of financial record keeping, too many competitors, transport, finding the right people to employ, and banks being unhelpful as the factors that pause as challenges to SME sustainability in Zambia.

Recommendations

The Ministry of Commerce, Trade and Industry through the department of Private Sector Development should review the current legal framework for SMEs business support with a view to creating a deliberate policy that should focus on business sustainability strategies for the sector. This policy would take into consideration the NGOs and Donor contributions to the SME sector as well.

As for objective number three which says, "*To find out Government's role in SME sustainability in Zambia",* the findings of the study were that, the government's SME policies were in place but there was some element of political interference in the admiration of a number of loan programmes funded by the government as observed by a respondent, who said, "*"Politics in Zambia has destroyed us very much. When it comes to loans, they only give out to people who have their political opinion. If only loans are given on merit SMEs in Zambia would have developed by far by now"* – Participant from Mazabuka FDG.

Recommendations

That Government should consider establishing an SME Bank as was done in Malaysia (Komuniti, 2006), where a bank was established by the government to exclusively support the SME sector in Malaysia. This deliberate policy would ensure that SMEs would easily access loans or funding for them to remain competitive as the cost of money would be regulated in support of the SME sector operators. In view of this, Government should review its SME policies to accommodate business sustainability strategies and continue to create a stable macroeconomic environment. Macroeconomic stability is desirable because it is characterised by low inflation, stable and investment friendly interest and exchange rates. It aids planning and enables businesses to make reasonable forecast on costs, turnover and returns on investment.

And according to Buhovac (2010), the inability of setting clear and measurable goals and dealing with financial incentive pressures by SMEs and the lack of government's comprehending stakeholder reactions to their policies had a telling effect on the SME business sustainability in Zambia. Mc. Kinsey (2010), argues that, the challenge for SMEs was to remain focused on sustainability within a dynamic context. Creating a sustainability policy was not enough; objectives must be clear, employees and management must show commitment through consistent actions and, little by little, a set of values and habits transcending the individuals of the organisation could emerge. This was even more critical for SMEs, since time dedicated to the education of sustainability was limited.

In Zambia, SMEs operated in a highly politicised environment for which consistence of policies was a challenging factor as said by one of the respondents. *"There are sometimes good empowerment ideas from the government. But then you find that they tell a few youths and women to form groups for political reasons and give the loans or fund them for political expedience"* – Participant from Kafue FDG. In this regard, companies must recognise that making themselves more sustainable will make them more successful in the 21st century, hence they will require comprehensive strategies that extend to all aspects of the business, from the board room, to employees, to suppliers, the donor community and to consumers.

Some key components of successful strategies which SMEs can use are:

a) Elevate sustainability in company governance, by SMEs starting to establish small Boards of Directors, say of three persons with expertise in the line of the business an SME is engaged in, as this would assist with the development of "Strategic Plans" to guide the operations of their companies, as these were currently missing as found from the study. This would directly link executive and other employee compensation to sustainability goals
b) Robust and regular dialogues with key company stakeholders on sustainability challenges, including employees, NGOs, suppliers and consumers and regulators where this was applicable as Donors and Government may have interest in such dialogue when the products and services produced by the SMEs had effects on society wellbeing.

Objective number four which says, *"To come up with appropriate management approaches for sustaining a business"* has been addressed with the following recommendation.

Recommendation

Establish Value Networks and Partnerships in the SME sectors which would create linkages across all business dealings as having networks and partnerships in DBAs alone may not reasonably create value just through the firm itself and the association as these would have limited resources and competencies. If there is a possibility to ally oneself with other firms or associations across the SME sector that can complement the firm's and DBAs' existing competencies as there would be greater chances to create added value to the customer. In these alliances and networks each actor does the things that they do best, give something to the creation process and capture benefits from the partnership (experience, profit, or visibility). Working together firms are able to create maximal value for the end customer without making major sacrifices and even gain more back from the net than they originally gave away. (Helander 2004)

Relationships can be established, maintained, developed and broken in order to gain satisfactory short-term economic-returns and to create a suitable position in the network so that long-term survival and development of the firm or association can be ensured. Partnerships may reduce transaction costs, promote development of knowledge, give parties some control over each other, and be used as a bridge to other firms and when mobilising partners against third parties (Johanson and Mattson 1991). This requires joint planning and coordination, or power exercised by one party over another. (Johanson and Mattson 1991) What matters most in creating partnerships are social relations that lead to trust, loyalty, tacit understanding, and willingness to make risky deals (risk sharing and allocation) and sharing resources. According to (Staber 1996), many researchers also consider proximity as one important factor in the formation of cooperation.

5.2 Contributions to the body of knowledge

In managing business sustainability strategies, the following benefits may be gained by SMEs.

1. Revenue would be increased through reduced cost of doing business as SMEs would be able to aggregate their procurements of goods and services both locally and within the regional bodies such as COMESA and SADC
2. Reducing waste expenses, the model estimates some risks to profit if a company chooses to opt out of the sustainability imperative of working together in creating value through networks and partnerships, like competing against each other within

the same DBA or business sector. One transaction covering several SMEs reduces transaction costs as these would be spread among all SMEs that may be a part of it.

3. Reduced materials expenses would in this regard, help the SMEs in baseline studies in their marketing efforts, logistics management, transport and warehousing costs and expenses where these would be needed either in goods in transit or negotiations on rates for Customs Clearing charges. Economies of scale would be obtained from such transactions as the volumes of business would favour such gains.
4. Increased employee productivity. The SMEs would be able to undertake a combined Business and Self SWOT Analyses and a training needs assessment covering a cross section of the SMEs business spectrum as networks and partnerships would have already been formed to create value in their operations
5. Reduced strategic and operational risks. Like political interference, the findings of the study were that, the government's SME policies were in place but there was some element of political interference in the admiration of a number of loan programmes funded by the government as observed by a respondent, who said, *"Politics in Zambia has destroyed us very much when it comes to loans, they only give out to people who have their political opinion. If only loans are given on merit SMEs in Zambia would have developed by far by now"* – Participant from Mazabuka FDG.

5.3 Further research

Theories are not static, but change based on new, emerging observation and evidence, and must be capable of being verified or contradicted. In order to do this, you (in the role of researcher as practitioner) needs to compare the predictions the theory makes with measurements made in the social world (Gilbert, 2008)–that is, the world of practice. In view of the results and statistics obtained from the study, there is need to undertake further research on the following:

a. To reclassify the groups of SMEs for them to get the right attention that reflects their category as sustainability challenges are not the same in each group. In this regard, advice to government on the nature of these companies can be given as they are usually bundled together as being similar.

b. Further research should include the investigation in business sophistication of the SMEs in Zambia in relation to technology adoption, ways and means of capacity building and development.

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APPENDICES

Appendix A: Consent Form

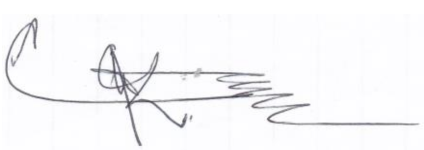
UNIVERSITY OF LUSAKA

SCHOOL OF GRADUATE STUDIES

CONSENT FORM

Title of Research Project:

Small and Medium Enterprises Business Sustainability Challenges: A Case Study of Selected Districts in Zambia.



Jones J Kalyongwe
PhD Candidate

1. I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions   Please initial box

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving reasons

3. I agree to take part in the study

Please tick box

4. I agree to the interview being audio-recorded   Yes   No

5. I agree to the use of anonymised quotes in publications

Name of participant:

______________________________Date: ___________Signature_____________

Jones J Kalyongwe: Date: ________________Signature___________________________

Researcher

Appendix B: Survey Questionnaire

UNIVERSITY OF LUSAKA

SCHOOL OF GRADUATE STUDIES

I am a Doctoral candidate of the University of Lusaka pursuing a PhD Degree in Entrepreneurship. It is a requirement of the University that i carry out an independent academic research project as a fulfilment for the award of the degree of Doctor of Philosophy (PhD) and the title of the study is: "Business Solutions to Sustainability Challenges Facing Small and Medium Enterprises in Zambia" the information provided on this questionnaire is for academic purposes only and will be kept strictly confidential.

Yours sincerely

Jones J Kalyongwe

Cell No: +260 977 791381 and or +260 967 791381

Email address: jonesjkalyongwe@ymail.com

Greetings

I am interviewing you to collect information to better understand the nature of SMEs, and Informal Sector for my PhD studies. Everything you say will be kept in confidence. May i ask you some questions?

Interviewer………………………………………………………….

TO ANSWER ANY QUESTION, PLEASE CIRCLE IT

SECTION 1: Demographic Information

Q1. What is your age in years?........................

Q2. Gender of respondent….

Male	1
Female	2

Q3. What is your marital status? (*Single mention only*)

Single	1
Married	2
Widowed	3
Divorced	4
Separated	5
Living together not married	6

Q4. Please indicate the highest level of education completed. *(Single mention only)*

No school completed	1
Primary school	2
High school	3
Diploma	4
University	5
Other………………………	6

Q5. Please indicate how many employees you employ (*Single mention only*)

Indicate number i.e. 2

Employees………….

Q6. Are there any other sources of income?

(Multiple answers possible).

Income from spouse	1
From other businesses	2
Other family members	3
Pension	4
Grant	5
Income from another job	6
Income from subletting premises	7

Other (Specify……………………………………………………………….

SECTION B: DESCRIPTION OF YOUR BUSINESS

Q7. Please indicate the approximate turnover and net profit made in 2017. (Turnover is total sales made and Net profit is the money remaining after paying for all expenses). Please merely circle the letter and number that applies. *(Single mention only).*

	Sales	Profit
a. K1,000 - K5,000	1	2
b. K5,00 - K15,000	3	4
c. K15,000 - K30,000	5	6
d. K30,000 - K49,699	7	8
e. K49,700 - K141,999	9	10
f. K142,000 - K283,999	11	12
g. K284,000 - K709,999	13	14
h. K710,000 - K1,419,999	15	16
i. K1,420,000 plus	17	18
j. Refused / Do not know	19	20

Q8. How many businesses do you own?

1

3

4

5 or more

Q9. Who is responsible for the day to day operations of the business?

(*Single mention only*).

You alone 1

You and other people 2

Other (Specify…………………………………………….........

Q10. What business are you in?

(*Single mention only*).

General trading (hardware, stationery, cross border trading)	1
Skilled service (barber, plumber, electrician, painting)	2
Construction services (carpentry, fittings, buildings)	3
Other services like (car wash, transport, catering and events)	4
Sell something and i add value (repackage, cook)	5
Sell recycled materials (salaula, bottles, scrap metals)	6
Other…………………………………………………………….	7

Q11. Where does the business operate from? *(Single mention only*)

On the street /pavement	1
Stall in designated area/Council market	2
From home	3
Business park	4
Other……………………………………….	5

Q12. How do you get to your place of business?

(Single mention only)

I work where i live.	1
Walk	2
Minibus	3
Own car	4
Other………………………….	5

Q13. Is the premises where you do business yours or you rent it? *(Single mention only).*

Own	1
Rent	2
No rent paid	3
Other (Specify	4

Q14. If renting, how much do you pay per month? K……….

Q15. How many days on average do you spend in your business? *(Single mention only).*

1 day	1
2 days	2
3 days	3
4 days	4
5 days	5
6 days	6
7 days	7

Q16. Which of the following does your business have?
(Multiple mention possible).

A written business plan	1
Written financial records	2
Written training plan for staff	3
Postal address	4
Phone / cell phone	5
VAT registration number	6
ITPN registration number	7
Business bank account	8

Q17. Which of the following do you use in your business?
(Multiple mention possible.)

	Yes	No	Don't know
Company car/van	1	1	1

Telephone not cell phone	1	1	1
Cell phone	1	1	1
Fax machine	1	1	1
Photo copying machine	1	1	1
Computer/Laptop	1	1	1
Email address	1	1	1
Website	1	1	1
Cash register	1	1	1

SECTION C: BUSINESS START UP.

This section discusses the reasons and experiences when you started your business.

Q18. When did you start your business? *(Record year, e.g. 2000)* ………………..

Q19. What made you start your business? *(Multiple mentions possible).*

Lost my job …fired, redundant, company closed	1
Unemployed (No jobs)	2
Saw an opportunity	3
Had a passion … wanted to, interested, experienced	4
To be my own boss	5
To get richer and make more money	6
Inherited business	7
Other (Specify……………………………………………….	8

Q20. Which of the following applies to you when you started your business? *(Single mention only).*

I started the business alone	1
I started the business with others	2
I bought/took over/inherited the business	3

Q21. What type of experience do you have in running the business?

Experience from previous job	1
Learned to run business on my own	2
Learned from other people	3
Other (Specify)………………………………………	4

Q22. What problems did you face in starting your business? *Multiple mention possible.*

Finance: Sourcing capital	1
Opening a business account	2
Banks very unhelpful	3
Legal issues: Registering business	4
Complying to Laws and Regulations	5
Marketing: Product to make and sell	6
Selling who to sell to	7
Communicating product/service to consumers	8
Pricing the product/service	9
Too many competitors	10
Skills and Staff: Finding the right people to employ	11
I did not have skills	12
Staff problems	13
Resources: Business premises	14
Electricity and water connection	15
Transport to buy stock	16
Other: Crime / theft by staff	17
Crime from outside	18
None: No problems at all	19

Q23. Which of the following functions do you do within the business and which do you outsource? *(Single mention only)*. Refer to table below

	Do it in company	Outsourced outside
ICT/Internet	1	1
Bookkeeping	2	2
Secretarial	3	3
Payroll preparation	4	4
Marketing activities	5	5
Complaints handling	6	6
Recruitment	7	7
Legal services	8	8
Debt collection	9	9

SECTION D. BUSINESS PERFORMANCE AND ENTREPRENEURIAL ORIENTATION

Q24. Let us discuss the performance of your business in 2017. How would you best describe performance of your business...? (Single mention only.)

The business remained the same	1
Business is growing	2
Business getting smaller	3
Business in early stage of start up	4
Do not know	5

Q25. How would you describe the success of your business? (Single mention)

In stage of failure and might close	1
Struggling / in trouble but surviving	2
Struggling but surviving	3

Business is doing well	4
Business is doing very well	5

Q26. Indicate whether you agree or disagree to the following statements.

(Single mention only)

	Disagree	Agree	Do not know
Entrepreneurial			
1. Being passionate is more important than doing careful research	1	2	3
2. Networking with other people is important	1	2	3
3. I am prepared to take calculated risk	1	2	3
4. I like being in charge and completing things	1	2	3
5. Once I make up my mind, i go for it and all the way	1	2	3
6. I always keep a close eye on what competitors are doing	1	2	3
Future orientation			
7. I am thing of getting out of this business sector	1	2	3
8. I am sure business will do better next year	1	2	3
9. If I was offered a very good job with big money, I would not take it	1	2	3
10. I have the same opportunities as other people	1	2	3
11. I am very happy with what i have achieved in my business so far	1	2	3
12. I am not worried that business will shut down	1	2	3

Q27. What is the single biggest obstacle to grow your business?

(*Single mention only.)*

Business premises	1
Electricity and water	2
Transport	3
Taxes	4
Labour Regulations	5
Council by-laws	6
Access to funds	7
Cost of finance	8
Crime and theft	9
Corruption	10
Competition	11
Government laws	12

SECTION E: CUSTOMERS (This section asks questions on marketing for).

Q28. Who are your clients?

(Multiple mentions possible)

Community members	1
Large companies	2
Small businesses	3
Government/Council	4
Other (Specify……………………………….	5

Q29. How do you communicate your company and what you offer to your clients?

(Multiple mentions possible)

Radio	1
Television	2
Newspapers	3

Word of mouth	4
Salespeople	5
Cell phone	6
Internet	7
Websites	8
Phone - landline	9
Signage	10
Other (Specify…………………….	11

SECTION F: REGISTRATION AND BUSINESS COMPLIANCE. This section collects information on type of registration and compliance issues.

Q30. Is the business registered?

1. Yes 2. No 3. Do not know

Q31. If registered, what type of registration?

(Single mention only)

Business name	1
Sole proprietor	2
Limited company (Ltd)	3
Partnership	4
Franchisee	5
Co-operative	6
Non- Profit Organisation	7
Hawker / Licensed business	8
Community project	9

Q32. If not registered, please give reason(s) why?

(Multiple mentions possible)

I do not have money to register	1
Too many requirements needed	2
Process is too long/ no time	3

I do not want to pay taxes	4
I don't know how	5
Business is too small to register	6
Can operate without registration	7

Ask all

Q33. Why would you want to register your business?

(Single mention only)

To comply with the law	1
To avoid being harassed by authorities	2
To obtain finance from banks	3
To be allowed to receive government assistance	4

Q34. Which of the following do you comply with?

(*Read out statements)*

	Yes	No	Don't know	Refused
2. Turnover tax	1	2	3	4
3. Pay As You Earn-PAYE	1	2	3	4
4. Value added Tax - VAT	1	2	3	4
5. Minimum wage requirements	1	2	3	4
8. Labour laws	1	2	3	4

SECTION G: BANKING PRACTICES AND BEHAVIOUR.

This section collects information on reach, type of financial products, the attitude of SME towards financial issues and their behaviour. *(Multiple mention possible)*

Q35. Which of the following do you use for your business?

Dedicated business bank account	1
Spouse's bank account	2
Personal bank account	3
I do not use a bank account	4

Q36. If you say you do not use a bank account, please choose an appropriate answer below. *(Multiple mention possible)*

Business income is too little	1
No business address	2
I do not meet requirements	3
Avoiding high bank charges	4
Too complicated	5
Planning to open one in future	6
Minimum balance a hindrance	7
Do not know	8
Refused to answer	9

Q37. This question asks you about the feelings you have towards financial institutions. Please indicate whether you agree, disagree or do not know.

(Single mention per statement)

	Agree	Disagree	Don't know
It is difficult to open a bank account	1	2	3
Banks charges are too high	1	2	3
Banks are too arrogant and do no explain things	1	2	3
Financial institutions do not understand when late in paying	1	2	3
Financial institutions exploit poor people	1	2	3
Financial products are suitable for people like me	1	2	3
You can do without banks	1	2	3
Banks provide a good service	1	2	3
Banks are trusted with my money	1	2	3
I enjoy good relationship with bank staff	1	2	3

I would like to change banks but not sure if they will accept me	1	2	3
Bank staff know their products	1	2	3
Banks understand needs of small businesses	1	2	3

SECTION H: SME CREDIT, LOAN USAGE AND MANAGING FINANCES.

This section will ask questions on type of loans and credit used by SMEs and the way they manage finances.

Q38. How much money did you need to start your business?

(Single mention only)

a.	K1, 000	1
b.	K1, 001 to K5000	2
c.	K5001 to K50 000	3
d.	K50 001 to K100 000	4
e.	K100 001 plus	5
f.	No money was needed (inherited)	6

Q39. Please indicate the source of the money you used to start your business.

(Multiple mentions possible)

Used money from other business	1
Sold personal assets like house, insurance, car	2
Personal savings	3
Retirement, retrenchment package	4
Government grant	5
Salary	6
Personal loan from bank	7
Business loan from bank	8

Spouse	9
Other family members	10
Do not know or cannot remember	11

Q40. What is your reason for getting money from the source(s) mentioned above?

(*Multiple mentions possible)*

Low interest or none at all	1
Flexible repayments	2
Quick to get the money	3
No strict requirements	4
No credit bureau checks done	5
Convenient	6
Other (Specify………………….	7

Q41. What was the purpose of the loan? Was it to………?

(*Multiple mentions possible)*

Business growth	1
Working capital …stock, day to day expenses	2
To buy buildings	3
To buy machines and equipment	4
To pay outstanding business debts	5
Other (Specify………………………………	6

Q42. If you did not get any money, please give reason why?

(Multiple mentions possible)

I do not need to borrow	1
Paid back loan from past	2
Afraid to borrow	3
Tried but denied loan	4
I do not have collateral	5
Have collateral but cannot risk it	6
Other (Specify………………………………………	7

Q43. Do you save or invest any money you make as profit?

1. Yes, I save/invest 2. No, I do not

Q44. What is your reason for saving or investing the money?

(Multiple mentions possible)

To have money when i will need it	1
To grow the business to the next level	2
For the future	3
To meet day to day business expenses	4
Other (Specify……………………………………	5

Q45. What are the benefits of belonging to an association or savings club?

(Multiple mentions possible)

It is easy to get amount of money I need	1
To network with other SMEs	2
To exchange ideas and get business advice n	3
Gives a chance to advertise business	4
Other (Specify……………………………….	5

INSURANCE.

Q46. Has your business suffered from theft or crime in the last year 2017?

1. Yes 2. No. Yes (Go to Q.47)

Q47. Were you insured at that time?

1. Yes 2. No

Q48. Did you claim from insurance?

1. Yes 2. No

Q49. Please indicate whether you agree, disagree or do not know to the following statements. (*Multiple mentions possible*)

	Agree	Disagree	Do not know
Insurance is important to business	1	2	3
One often has losses which insurance can cover	1	2	3
Insurance is costly to my business	1	2	3
SMMEs are not covered with insurance	1	2	3
Insurance cover not available for kind of losses	1	2	3
I do not want to pay premiums continuously	1	2	3

MANAGING FINANCES. (This section collects information about the money that comes in and is paid by customers).

Q50. How do your customers usually pay for what they buy?
(Multiple mentions possible)

Cash	1
Cheque	2
Bank transfer	3
Direct debit	4
Internet banking	5
Cell phone banking	6
Other (Specify……………………	7

Q51. Do you offer credit to your customers?

(Single mention only)

No credit is given	1
Sometimes credit is given	2
Credit is given always	3

RECORD KEEPING. Collects information on how information is recorded.

Q52. Do you keep financial information for your business?

1. Yes 2. No

Q53. How do you keep the financial information? *(Single mention only)*

Done manually	1
Using computerised system	2
Use both	3

Q54. Who does the financial records for you?

(Multiple mentions possible)

External bookkeeper	1
Internal bookkeeper	2
An external accountant	3
Friend	4
A family member	5
Other (Specify………………………	6

SECTION I: SMALL BUSINESS SUPPORT

Q55. Give names of business organisations which support Small Businesses?

(Multiple mentions possible)

Q56. Which of these have you made use of?

Q57. Was the help useful or not?

	Q57a Awareness	Q57b Used	Q57c Help used useful /not useful		
			Yes	No	Don't know
1. ZCSMBA	1	2	1	2	3
2. National Council for Construction	1	2	1	2	3
3. Zambia Development Agency	1	2	1	2	3
4. TEVETA	1	2	1	2	3
5. Commercial Banks	1	2	1	2	3
6. Citizen Economic Empowerment Commission	1	2	1	2	3
7. Development Bank of Zambia	1	2	1	2	3
8. Other …………………	1	2	1	2	3

Q58. What kind of help did you receive from them?
(*Multiple mention possible*)

How to write a business plan	1
How to grow a business	2
Financial management	3
Obtaining loans/finance/	4

Thank you for your time and have a good day.

Appendix C: Focus Group Discussion Interview Guide

SCHOOL OF GRADUATE STUDIES

PhD RESEARCH

Title: Small and Medium Enterprises Business Sustainability Challenges and Rejoinders: A Case of Selected Districts in Zambia

Focus Group Discussion Interview Guide

Focus Group Discussion Guide with SME Business Owners

Identification Information

Name of Group: ____

Location: ____

District: ____

Province: ____

Interviewer Name: ____

Facilitator Name: ____

Number of Participants: ____

Date: ____

Focus Group Introduction

Welcome:

Welcome to the discussion and thank you for agreeing to be part of this focus group discussion. We greatly appreciate your willingness to participate.

Introductions:

Moderator, assistant and participants to introduce themselves

Purpose of focus group

The goal of this discussion interview is to obtain your feedback and to get your valuable ideas and opinions on SME business sustainability in Zambia. There are no correct or wrong answers. We hope to learn things that the government and other stakeholders can use to prevent and reduce business failure in the SME sector and, other factors that drive sustainability; facilitate adherence to best practices in business transactions.

We are not trying to achieve consensus, we're gathering information. There is no virtue in long lists: we're looking for priorities

The valuable comments and suggestions you provide today will shed light on what works in tackling business sustainability in the SME sector.

The information you give us is completely confidential, and we will not associate your name with anything you say in the focus group. You will remain anonymous.

Consent

Facilitator to ensure that all participants have signed a consent form and have filled in a sign-in-form and assigned identification number for anonymous identification of each participant.

Ground rules:

The Focus group will last about one and half to two hours and please feel free. We want you to be doing the talking. There are no right or wrong answers. Every person's experience and opinions are important. Speak up whether you agree or disagree. We want to hear a wide range of opinions. We will voice record the discussion so that we can capture everything you have to say.

We understand how important it is that this information is kept private and confidential. We will ask participants to respect each other's confidentiality. Therefore, what is said here remains here!

Ask participants to suggest ground rules. After they brainstorm some, make sure the following are on the list:

Everyone should participate;

Stay with the group and please don't have side conversations

Turn off mobile phones;

Let's have fun.

<u>THE INTERVIEW DISCUSSION</u>

<u>Ice breaker:</u> Let's start by talking about the definition of "Sustainability of SMEs in Zambia". In your own understanding, how would you define "Sustainability"? How would you define "Small and Medium Enterprises"?

After FGD members have given their understanding of sustainability, the facilitator to give and explain the definition adopted by the study.

In this study "*sustainability"* is defined as managing the triple bottom line - a process by which companies manage their financial, social and environmental risks, obligations and opportunities. These three impacts are sometimes referred to as profits, people and planet. A more robust definition is that business sustainability represents resiliency over time – businesses that can survive shocks because they are intimately connected to healthy economic, social and environmental systems. These businesses create economic value and contribute to healthy ecosystems and strong communities.

Business sustainability, also known as corporate sustainability, is the management and coordination of environmental, social and financial demands and concerns to ensure responsible, ethical and on-going success.

In a broader context, social, environmental and economic demands are considered the three pillars of sustainability. Within the corporate world, they are sometimes referred to as the triple bottom line. The concept is a departure from the traditional concept of the bottom line, which evaluates all efforts in terms of their short-term effect on profits.

Business sustainability requires firms to adhere to the principles of sustainable development. According to the World Council for Economic Development (WCED), sustainable development is development that “meets the needs of the present without compromising the ability of future generations to meet their own needs.” So, for industrial development to be sustainable, it must address important issues at the macro level, such as: economic efficiency (innovation, prosperity, and productivity), social equity [poverty, community, health and wellness, human rights] and environmental accountability (climate change, land use, biodiversity).

Section 1: Examining the Levels of Awareness of Business Owners and their involvement in Sustainability efforts in their Businesses

Note to facilitator: This section is meant to:

- Explore the knowledge of SME business owners on issues of business sustainability
- Explore challenges, and achievements of the SME business sector.
- Determine the levels of awareness and involvement of SME business owners in sustainability efforts in the sector and challenges faced

1. The Zambian Government and some Donor Agencies have undertaken various interventions in the country to assist the SME sector in its business dealings. Which interventions are you aware of in the sector in the past five years?
    a. Are these the only interventions? Which are the major ones among these? Which are the others?

Probe: If intervention X not mentioned, ask further: Have you heard about X (yes/No) if yes let's talk more about intervention X

b. How did you know about these interventions? (source of information)

   For each of the major interventions you have mentioned (including intervention X), do you know who the funders are? If yes, tell us who they were.

c. When were the interventions started and when were they completed or expected to be completed?

2. What are the actual achievements / benefits to the business community of each of the interventions you have mentioned?
   a. What were your expectations of the achievements/benefits of the interventions to the SME business sector?
   b. Do you feel your expectations have been met? Explain.
   c. How do you know whether each of the interventions mentioned benefited the SME sector?

3. Earlier on we were talking about benefits, now let's talk about problems. Of the interventions you mentioned what were the common problems you think were being experienced at the stages of assistance or fund disbursements that you have mentioned?

   Probe: For each of the problems mentioned, tell us about how these problems were caused or occurred?

   How could these problems have been prevented or reduced?

   How can these problems be prevented or reduced in future projects?

4. Now let's talk about sustainability. As earlier defined, sustainability has a number of processes/stages which are: a process by which companies manage their financial, social and environmental risks, obligations and opportunities, together these makeups the so-called sustainability concept. Think about the processes that are undertaken in trying to

achieve sustainability, i.e. financial management, social and environmental risks, obligations and opportunities.

Tell us whether you have been involved in any of the processes of sustainability in your business?

5. Let us talk about the benefits and problems that may come with the involvement of your workers (If any) in some or all of the areas of business sustainability?

    a. Do you think it is important or beneficial that all employees get involved is some or all the sustainability efforts in your company?
    b. What do you think are the benefits to the company in involving employees in the sustainability efforts of your business?
    c. If on the other hand you think there are no benefits to your company in involving employees in business sustainability efforts.... please tell us?
    d. At present, is the involvement of employees in the business sustainability efforts adequate or inadequate or non-existent?
    e. If employees are not involved, what are your suggestions in getting them involved?
    f. On the other hand, if employees are involved, how can their involvement be improved?
    g. Are there any particular categories of employees that should be involved in business sustainability efforts? Which are these categories?

Section 2: Given the lack of progress in business sustainability, an integrated mind-set would go further, and ask the following questions:

1. What are the insights and practices that will allow us to scale inspiration and commitment to sustainable business inside your company, industry, and value chain?
2. What are the insights and practices that will encourage a critical mass of corporate coalitions to work together to create a sustainable value chain?

3. How can we create compelling narratives that combine the head and the heart and inspire employees and business partners to embrace sustainable business practices?

Section 3: Identify and Propose Options to Strengthen what works in Business Sustainability in Zambia;

In your view, what would you say works in enhancing business sustainability and preventing business failure?

We have come to the end of the discussion but i would like to know whether you have any suggestions regarding the issues of business sustainability in the SME sector and this research.

Let me have your suggestions

Thank you very much for your time and cooperation.

The End

Appendix D: Frequency tests Outputs

Respondent's location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lusaka - women	18	26.1	26.1	26.1
	Kafue	10	14.5	14.5	40.6
	Lusaka general	24	34.8	34.8	75.4
	Mazabuka	17	24.6	24.6	100.0
	Total	69	100.0	100.0	

Q1 what is your age?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20	0	0	0	0
	20-29	7	10.1	10.1	10.1
	30-39	20	29.0	29.0	39.1
	40-49	19	27.5	27.5	66.7
	50-59	10	14.5	14.5	81.2
	60-69	12	17.4	17.4	98.6
	70 and above	1	1.4	1.4	100.0
	Total	69	100.0	100.0	

Q2 Gender of respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	40	58.0	58.0	58.0
	Female	29	42.0	42.0	100.0
	Total	69	100.0	100.0	

Q3 What is your marital status?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	15	21.7	21.7	21.7
	Married	48	69.6	69.6	91.3
	Widowed	3	4.3	4.3	95.7
	Divorced	3	4.3	4.3	100.0
	Total	69	100.0	100.0	

Q4 Highest level of education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not been to school	1	1.4	1.4	1.4
	Primary school	4	5.8	5.8	7.2
	High school	26	37.7	37.7	44.9
	College	24	34.8	34.8	79.7
	University	10	14.5	14.5	94.2
	Other	2	2.9	2.9	97.1
	99	2	2.9	2.9	100.0
	Total	69	100.0	100.0	

Q5 Indicate how many employees you employ

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Zero	4	5.8	5.8	5.8
	One	15	21.7	21.7	27.5
	two	10	14.5	14.5	42.0
	three	6	8.7	8.7	50.7
	four	4	5.8	5.8	56.5
	five	5	7.2	7.2	63.8
	six	1	1.4	1.4	65.2
	Eight	3	4.3	4.3	69.6
	ten	2	2.9	2.9	72.5
	fifteen	1	1.4	1.4	73.9
	twenty-five	1	1.4	1.4	75.4
	fifty	1	1.4	1.4	76.8
	No response	16	23.2	23.2	100.0
	Total	69	100.0	100.0	

Q6 Income from spouse?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	14	20.3	20.3	20.3
	Did not	55	79.7	79.7	100.0
	Total	69	100.0	100.0	

Other businesses

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	29	42.0	42.0	42.0
	Did not	40	58.0	58.0	100.0
	Total	69	100.0	100.0	

Family members

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	5	7.2	7.2	7.2
	Did not	64	92.8	92.8	100.0
	Total	69	100.0	100.0	

Pension

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	6	8.7	8.7	8.7
	Did not	63	91.3	91.3	100.0
	Total	69	100.0	100.0	

Grant

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Did not	69	100.0	100.0	100.0

Income from Another Job

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	9	13.0	13.0	13.0
	Did not	60	87.0	87.0	100.0
	Total	69	100.0	100.0	

From Subletting Premises

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	6	8.7	8.7	8.7
	Did not	63	91.3	91.3	100.0
	Total	69	100.0	100.0	

From Subletting Premises

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	6	8.7	8.7	8.7
	Did not	63	91.3	91.3	100.0
	Total	69	100.0	100.0	

Other Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	8.7	8.7	8.7
	2	63	91.3	91.3	100.0
	Total	69	100.0	100.0	

B - Q7 Indicate appropriate turnover and net profit made in 2017

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	K1000 - K4,999	14	20.3	20.3	20.3
	K5,000 -K14,999	11	15.9	15.9	36.2
	K15,000 - K29,999	3	4.3	4.3	40.6
	K30,000 – K49,699	2	2.9	2.9	43.5
	K49,700 - K141,999	4	5.8	5.8	49.3
	K142,000 - K283,999	3	4.3	4.3	53.6
	K284,000 - K709,999	3	4.3	4.3	58.0
	K1,420,000 and above	1	1.4	1.4	59.4
	Don't know	5	7.2	7.2	66.7
	No response	23	33.3	33.3	100.0
	Total	69	100.0	100.0	

Q8 How many businesses do you own?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	One	48	69.6	69.6	69.6
	Two	5	7.2	7.2	76.8
	Three	10	14.5	14.5	91.3
	Five or more	1	1.4	1.4	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Q9 Who is responsible for the day to day operations of the business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	You Alone	27	39.1	39.1	39.1
	You and other people	36	52.2	52.2	91.3
	Other	4	5.8	5.8	97.1
	No response	2	2.9	2.9	100.0
	Total	69	100.0	100.0	

Other – other people, my family x3, and spouse

Q10 What business are you in?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	General trading	17	24.6	24.6	24.6
	Skilled service	5	7.2	7.2	31.9
	Construction services	6	8.7	8.7	40.6
	Services like car wash, transport, catering	5	7.2	7.2	47.8
	Value addition	2	2.9	2.9	50.7
	Sell recycled materials	3	4.3	4.3	55.1
	Other	26	37.7	37.7	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Other - 26

Gardening & Poultry

Poultry; layers

Saloon -Hairdresser

Training

Vending Shop

Hair platting

Saloon

Supermarket

Saloon

Lending

Phones & Accessories

Keeping Chickens

DSTV connections

Supplies beef & animals

Internet cafe & Stationery

Rentals

Farming

Poultry

Fish farming

Farming

Farming

Farming

Manufacturing Coffee

Insurance Agency

Sale of Brazilian hair

Automotive Repairs & Panel refurbrication

Q11Where does the business operate from?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	On street/Pavement	3	4.3	4.3	4.3
	Stall in designated area/ Council market	9	13.0	13.0	17.4
	From home	24	34.8	34.8	52.2
	Business park	18	26.1	26.1	78.3
	Other	10	14.5	14.5	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

<u>Other</u>

At Filling Station

On a farm

On construction site

Farm

Farm

Principal's place

Mobile

Garage

Industrial area

Q12 How do you get to your place of business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I work where I live	18	26.1	26.1	26.1
	Walk	10	14.5	14.5	40.6
	Minibus	15	21.7	21.7	62.3
	Own car	23	33.3	33.3	95.7
	No response	3	4.3	4.3	100.0
	Total	69	100.0	100.0	

Premise Ownership

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Own	16	23.2	23.2	23.2
	Rent	39	56.5	56.5	79.7
	Not rent paid	6	8.7	8.7	88.4
	Other	3	4.3	4.3	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Days Spent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 day	2	2.9	2.9	2.9
	2 days	3	4.3	4.3	7.2
	3 days	4	5.8	5.8	13.0
	4 days	3	4.3	4.3	17.4
	5 days	10	14.5	14.5	31.9
	6 days	26	37.7	37.7	69.6
	7days	16	23.2	23.2	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Business Plan

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Has	30	43.5	43.5	43.5
	Doesn't have	39	56.5	56.5	100.0
	Total	69	100.0	100.0	

Financial Records

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Has	24	34.8	34.8	34.8
	Doesn't have	45	65.2	65.2	100.0
	Total	69	100.0	100.0	

Training Plan

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Has	4	5.8	5.8	5.8
	Doesn't have	65	94.2	94.2	100.0
	Total	69	100.0	100.0	

Postal Address

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Has	19	27.5	27.5	27.5
	Doesn't have	50	72.5	72.5	100.0
	Total	69	100.0	100.0	

Phone Cell Phone

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Has	41	59.4	59.4	59.4
	Doesn't have	28	40.6	40.6	100.0
	Total	69	100.0	100.0	

VAT Reg. No

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Has	20	29.0	29.0	29.0
	Doesn't have	49	71.0	71.0	100.0
	Total	69	100.0	100.0	

TPIN Reg. No

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Has	28	40.6	40.6	40.6
	Doesn’t have	41	59.4	59.4	100.0
	Total	69	100.0	100.0	

Bank Account

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Has	28	40.6	40.6	40.6
	Doesn't have	41	59.4	59.4	100.0
	Total	69	100.0	100.0	

Q17 Which of the following do you use in your business?

Company car/van

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	11	15.9	15.9	15.9
	No	58	84.1	84.1	100.0
	Total	69	100.0	100.0	

Use Tel Phone

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	7	10.1	10.1	10.1
	No	62	89.9	89.9	100.0
	Total	69	100.0	100.0	

Use Cell Phone

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	50	72.5	72.5	72.5
	No	19	27.5	27.5	100.0
	Total	69	100.0	100.0	

Use Fax Machine

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	2	2.9	2.9	2.9
No	67	97.1	97.1	100.0
Total	69	100.0	100.0	

Use Photo Copier

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	11	15.9	15.9	15.9
No	58	84.1	84.1	100.0
Total	69	100.0	100.0	

Use Computer/Laptop

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	24	34.8	34.8	34.8
No	45	65.2	65.2	100.0
Total	69	100.0	100.0	

Use Email

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	27	39.1	39.1	39.1
	No	42	60.9	60.9	100.0
	Total	69	100.0	100.0	

Use Website

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	5	7.2	7.2	7.2
	No	64	92.8	92.8	100.0
	Total	69	100.0	100.0	

Use Cash Register

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	17	24.6	24.6	24.6
	No	52	75.4	75.4	100.0
	Total	69	100.0	100.0	

Q19 Lost my job

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	8	11.6	11.6	11.6
	Did not	56	81.2	81.2	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Unemployed

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned lt	9	13.0	13.0	13.0
	Did not	55	79.7	79.7	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Saw an Opportunity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	30	43.5	43.5	43.5
	Did not	34	49.3	49.3	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Had Passion

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	28	40.6	40.6	40.6
	Did not	36	52.2	52.2	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

To be My Own Boss

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	19	27.5	27.5	27.5
	Did not	45	65.2	65.2	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

To Get Richer

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	8	11.6	11.6	11.6
	Did not	56	81.2	81.2	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Inherited Business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	1	1.4	1.4	1.4
	Did not	63	91.3	91.3	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Other reason

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	11	15.9	15.9	15.9
	Did not	53	76.8	76.8	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

<u>Other reasons</u>

Retired from active employment

Delay in getting salary

Retired from employment

To make extra money for school

To work part-time in order to have more time for spiritual goals

To raise funds for university

To earn extra income

Retired

Got divorced

To increase my monthly income

Diversification

Q20 Which of the following applies to you when you started business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I started the business alone	43	62.3	62.3	62.3
	I started the business with others	20	29.0	29.0	91.3
	I bought/took over/inherited the business	1	1.4	1.4	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Q21 what type of experience do you have in running business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Experience from previous job	11	15.9	15.9	15.9
	Learned to run business own my own	26	37.7	37.7	53.6
	Learned from other people	27	39.1	39.1	92.8
	Other	2	2.9	2.9	95.7
	No response	3	4.3	4.3	100.0
	Total	69	100.0	100.0	

<u>Other experience</u>

No experience

Learnt from NCC on road construction & tendering

Q22 Sourcing capital as problem?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	37	53.6	53.6	53.6
	No	22	31.9	31.9	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Opening Account as Problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	10	14.5	14.5	14.5
	No	49	71.0	71.0	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Banks Unhelpful as Problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	8	11.6	11.6	11.6
	No	51	73.9	73.9	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Registering Business as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	12	17.4	17.4	17.4
	No	47	68.1	68.1	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Complying to Laws & Regulations as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	8	11.6	11.6	11.6
	No	51	73.9	73.9	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Product To make & Sell as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	16	23.2	23.2	23.2
	No	43	62.3	62.3	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Who to Sell To as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	7	10.1	10.1	10.1
	No	52	75.4	75.4	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Communicating product as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	11	15.9	15.9	15.9
	No	48	69.6	69.6	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Pricing the product service as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	15	21.7	21.7	21.7
	No	44	63.8	63.8	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Too many competitors as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	21	30.4	30.4	30.4
	No	38	55.1	55.1	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Finding right people as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	17	24.6	24.6	24.6
	No	42	60.9	60.9	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Did not have skills Problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	6	8.7	8.7	8.7
	No	53	76.8	76.8	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Staff as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	8	11.6	11.6	11.6
	No	51	73.9	73.9	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Business premises as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	9	13.0	13.0	13.0
	No	50	72.5	72.5	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Electricity& water as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	7	10.1	10.1	10.1
	No	52	75.4	75.4	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Transport to buy stock as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	20	29.0	29.0	29.0
	No	39	56.5	56.5	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Crime by staff as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	5	7.2	7.2	7.2
	Yes	54	78.3	78.3	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Crime from outside as problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	3	4.3	4.3	4.3
	No	56	81.2	81.2	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

No problem at all

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	1	1.4	1.4	1.4
	No	58	84.1	84.1	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Q23 ICT/Internet

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do it	10	14.5	14.5	14.5
	Outsource	24	34.8	34.8	49.3
	No response	35	50.7	50.7	100.0
	Total	69	100.0	100.0	

Bookkeeping

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do it	22	31.9	31.9	31.9
	Outsource	6	8.7	8.7	40.6
	No response	41	59.4	59.4	100.0
	Total	69	100.0	100.0	

Secretarial

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do it	12	17.4	17.4	17.4
	Outsource	4	5.8	5.8	23.2
	No response	53	76.8	76.8	100.0
	Total	69	100.0	100.0	

Payroll Preparation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do it	12	17.4	17.4	17.4
	Outsource	7	10.1	10.1	27.5
	No response	50	72.5	72.5	100.0
	Total	69	100.0	100.0	

Marketing Activities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do it	28	40.6	40.6	40.6
	Outsource	5	7.2	7.2	47.8
	No response	36	52.2	52.2	100.0
	Total	69	100.0	100.0	

Complaints Handling

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do it	18	26.1	26.1	26.1
	Outsource	1	1.4	1.4	27.5
	No response	50	72.5	72.5	100.0
	Total	69	100.0	100.0	

Recruitment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do it	12	17.4	17.4	17.4
	Outsource	4	5.8	5.8	23.2
	No response	53	76.8	76.8	100.0
	Total	69	100.0	100.0	

Legal Services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do it	4	5.8	5.8	5.8
	Outsource	16	23.2	23.2	29.0
	No response	49	71.0	71.0	100.0
	Total	69	100.0	100.0	

Debt Collection

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do it	14	20.3	20.3	20.3
	Outsource	7	10.1	10.1	30.4
	No response	48	69.6	69.6	100.0
	Total	69	100.0	100.0	

Q24 Performance in 2017

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business remained the same	11	15.9	15.9	15.9
	Business is growing	34	49.3	49.3	65.2
	Business getting smaller	10	14.5	14.5	79.7
	Business In early Stage	10	14.5	14.5	94.2
	Don't know	1	1.4	1.4	95.7
	No response	3	4.3	4.3	100.0
	Total	69	100.0	100.0	

Q25 Description of business success

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	In stage of failure & might close	5	7.2	7.2	7.2
	Struggling/in trouble but surviving	7	10.1	10.1	17.4
	Struggling but surviving	30	43.5	43.5	60.9
	Business is doing well	17	24.6	24.6	85.5
	Business is doing very well	5	7.2	7.2	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Q26 Being passionate more important

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	11	15.9	15.9	15.9
	Agree	25	36.2	36.2	52.2
	Don't know	30	43.5	43.5	95.7
	No response	3	4.3	4.3	100.0
	Total	69	100.0	100.0	

Networking with Other People Important

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	1.4	1.4	1.4
	Agree	43	62.3	62.3	63.8
	Don't know	25	36.2	36.2	100.0
	Total	69	100.0	100.0	

Prepared to take calculated risks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	2.9	2.9	2.9
	Agree	36	52.2	52.2	55.1
	Don't know	31	44.9	44.9	100.0
	Total	69	100.0	100.0	

Like being in charge & completing things

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	7.2	7.2	7.2
	Agree	32	46.4	46.4	53.6
	Don't know	31	44.9	44.9	98.6
	No response	1	1.4	1.4	100.0
	Total	69	100.0	100.0	

Once I make my mind, I go for It

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	10	14.5	14.5	14.5
	Agree	30	43.5	43.5	58.0
	Don't know	29	42.0	42.0	100.0
	Total	69	100.0	100.0	

Always keep close eye on competitors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	8.7	8.7	8.7
	Agree	33	47.8	47.8	56.5
	Don't know	30	43.5	43.5	100.0
	Total	69	100.0	100.0	

Thinking of getting out of business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	23	33.3	33.3	33.3
	Agree	2	2.9	2.9	36.2
	Don't know	44	63.8	63.8	100.0
	Total	69	100.0	100.0	

Sure business will do better next year

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	4.3	4.3	4.3
	Agree	28	40.6	40.6	44.9
	Don't know	32	46.4	46.4	91.3
	No response	6	8.7	8.7	100.0
	Total	69	100.0	100.0	

If offered good job would take it

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	22	31.9	31.9	31.9
	Agree	11	15.9	15.9	47.8
	Don't know	15	21.7	21.7	69.6
	No response	21	30.4	30.4	100.0
	Total	69	100.0	100.0	

Have the same opportunities as other people

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	15	21.7	21.7	21.7
	Agree	26	37.7	37.7	59.4
	Don't know	11	15.9	15.9	75.4
	No response	17	24.6	24.6	100.0
	Total	69	100.0	100.0	

Happy with achievement in business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	14	20.3	20.3	20.3
	Agree	33	47.8	47.8	68.1
	Don't know	2	2.9	2.9	71.0
	No response	20	29.0	29.0	100.0
	Total	69	100.0	100.0	

Not worried that business will shut down

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	21	30.4	30.4	30.4
	Agree	13	18.8	18.8	49.3
	Don't know	8	11.6	11.6	60.9
	No response	27	39.1	39.1	100.0
	Total	69	100.0	100.0	

Q27 Biggest obstacle to grow business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business premises	10	14.5	14.5	14.5
	Electricity& water	5	7.2	7.2	21.7
	Transport	5	7.2	7.2	29.0
	Taxes	6	8.7	8.7	37.7
	Council by-laws	2	2.9	2.9	40.6
	Access to funds	21	30.4	30.4	71.0
	Cost of finance	2	2.9	2.9	73.9
	Competition	8	11.6	11.6	85.5
	Government laws	4	5.8	5.8	91.3
	No time to manage business	1	1.4	1.4	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

E- Q28 Community members

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	50	72.5	72.5	72.5
	Did not mention it	19	27.5	27.5	100.0
	Total	69	100.0	100.0	

Large companies as clients

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	17	24.6	24.6	24.6
	Did not mention it	52	75.4	75.4	100.0
	Total	69	100.0	100.0	

Small businesses clients

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	28	40.6	40.6	40.6
	Did not mention it	41	59.4	59.4	100.0
	Total	69	100.0	100.0	

Government/Council clients

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	16	23.2	23.2	23.2
	Did not mention it	53	76.8	76.8	100.0
	Total	69	100.0	100.0	

Other Clients

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	6	8.7	8.7	8.7
	Did not mention it	63	91.3	91.3	100.0
	Total	69	100.0	100.0	

<u>Other clients</u>

Mixed clients

Everyone

Guest houses

NGOs

Q29 radio as communication

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	4	5.8	5.8	5.8
	Did not mention it	65	94.2	94.2	100.0
	Total	69	100.0	100.0	

Television as Communication

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	3	4.3	4.3	4.3
	Did not mention it	66	95.7	95.7	100.0
	Total	69	100.0	100.0	

Newspapers as communication

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	5	7.2	7.2	7.2
	Did not mention it	64	92.8	92.8	100.0
	Total	69	100.0	100.0	

Word of mouth as communication

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	35	50.7	50.7	50.7
	Did not mention it	34	49.3	49.3	100.0
	Total	69	100.0	100.0	

Salespeople as communication

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	19	27.5	27.5	27.5
	Did not mention it	50	72.5	72.5	100.0
	Total	69	100.0	100.0	

Cell phone as communication

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	37	53.6	53.6	53.6
	Did not mention it	32	46.4	46.4	100.0
	Total	69	100.0	100.0	

Internet as communication

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	18	26.1	26.1	26.1
	Did not mention it	51	73.9	73.9	100.0
	Total	69	100.0	100.0	

Websites as communication

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	5	7.2	7.2	7.2
	Did not mention it	64	92.8	92.8	100.0
	Total	69	100.0	100.0	

Telephone as communication

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	3	4.3	4.3	4.3
	Did not mention it	66	95.7	95.7	100.0
	Total	69	100.0	100.0	

Signage as communication

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	7	10.1	10.1	10.1
	Did not mention it	62	89.9	89.9	100.0
	Total	69	100.0	100.0	

Other as communication

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	2	2.9	2.9	2.9
	Did not mention it	67	97.1	97.1	100.0
	Total	69	100.0	100.0	

Other - door to door supply, and visitations

Q30 Business registered?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	50	72.5	72.5	72.5
	No	15	21.7	21.7	94.2
	Don't know	1	1.4	1.4	95.7
	No response	3	4.3	4.3	100.0
	Total	69	100.0	100.0	

Q31 Type of registration

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business name	22	31.9	31.9	31.9
	Sole proprietor	6	8.7	8.7	40.6
	Limited company (Ltd)	12	17.4	17.4	58.0
	Partnership	3	4.3	4.3	62.3
	Co-operative	5	7.2	7.2	69.6
	Non-Profit organisation	1	1.4	1.4	71.0
	Hawker/Licensed business	1	1.4	1.4	72.5
	Community project	1	1.4	1.4	73.9
	Not applicable	16	23.2	23.2	97.1
	No response	2	2.9	2.9	100.0
	Total	69	100.0	100.0	

Q32 Do not have money to register?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	2	2.9	2.9	2.9
	Did not mention it	12	17.4	17.4	20.3
	Not applicable	51	73.9	73.9	94.2
	No response	4	5.8	5.8	100.0
	Total	69	100.0	100.0	

Too many requirements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	5	7.2	7.2	7.2
	Did not mention it	9	13.0	13.0	20.3
	Not applicable	51	73.9	73.9	94.2
	No response	4	5.8	5.8	100.0
	Total	69	100.0	100.0	

Process too long/No time

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	2	2.9	2.9	2.9
	Did not mention it	12	17.4	17.4	20.3
	Not applicable	51	73.9	73.9	94.2
	No response	4	5.8	5.8	100.0
	Total	69	100.0	100.0	

Do not want to pay taxes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Did not mention it	14	20.3	20.3	20.3
	Not applicable	51	73.9	73.9	94.6
	No response	4	5.8	5.8	100.0
	Total	69	100.0	100.0	

Don't know how

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	1	1.4	1.4	1.4
	Did not mention it	13	18.8	18.8	20.3
	Not applicable	51	73.9	73.9	94.2
	No response	4	5.8	5.8	100.0
	Total	69	100.0	100.0	

Business too small to register

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	5	7.2	7.2	7.2
	Did not mention it	9	13.0	13.0	20.3
	Not applicable	51	73.9	73.9	94.2
	No response	4	5.8	5.8	100.0
	Total	69	100.0	100.0	

Q33 Why register your business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	To comply with the law	44	63.8	63.8	63.8
	To avoid being harassed by authorities	10	14.5	14.5	78.3
	To obtain finance from the banks	2	2.9	2.9	81.2
	No response	13	18.8	18.8	100.0
	Total	69	100.0	100.0	

Q34 Comply with turnover tax?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	24	34.8	34.8	34.8
	No	23	33.3	33.3	68.1
	Don't know	4	5.8	5.8	73.9
	No response	18	26.1	26.1	100.0
	Total	69	100.0	100.0	

Comply with PAYE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	12	17.4	17.4	17.4
	No	26	37.7	37.7	55.1
	Don't know	2	2.9	2.9	58.0
	No response	29	42.0	42.0	100.0
	Total	69	100.0	100.0	

Comply with VAT

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18	26.1	26.1	26.1
	No	20	29.0	29.0	55.1
	Don't know	2	2.9	2.9	58.0
	No response	29	42.0	42.0	100.0
	Total	69	100.0	100.0	

Comply with minimum wage requirements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18	26.1	26.1	26.1
	No	26	37.7	37.7	63.8
	Don't know	1	1.4	1.4	65.2
	No response	24	34.8	34.8	100.0
	Total	69	100.0	100.0	

Comply with labour laws

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	23	33.3	33.3	33.3
	No	18	26.1	26.1	59.4
	Don't know	2	2.9	2.9	62.3
	No response	26	37.7	37.7	100.0
	Total	69	100.0	100.0	

G- Q35 Which of the following do you use?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dedicated business bank account	33	47.8	47.8	47.8
	Spouse's bank account	2	2.9	2.9	50.7
	Personal bank account	23	33.3	33.3	84.1
	Do not use bank account	6	8.7	8.7	92.8
	No response	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Q36 Business income is too little

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	1	1.4	1.4	1.4
	Did not mention it	7	10.1	10.1	11.6
	N/A	55	79.7	79.7	91.3
	No response	6	8.7	8.7	100.0
	Total	69	100.0	100.0	

No business address

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	1	1.4	1.4	1.4
	Did not mention it	7	10.1	10.1	11.6
	N/A	55	79.7	79.7	91.3
	No response	6	8.7	8.7	100.0
	Total	69	100.0	100.0	

Do not meet requirements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	2	2.9	2.9	2.9
	Did not mention it	6	8.7	8.7	11.6
	N/A	55	79.7	79.7	91.3
	No response	6	8.7	8.7	100.0
	Total	69	100.0	100.0	

Avoiding high bank charges

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	1	1.4	1.4	1.4
	Did not mention it	6	8.7	8.7	10.1
	N/A	55	79.7	79.7	89.9
	No response	7	10.1	10.1	100.0
	Total	69	100.0	100.0	

Too complicated

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	1	1.4	1.4	1.4
	Did not mention it	6	8.7	8.7	10.1
	N/A	55	79.7	79.7	89.9
	99	7	10.1	10.1	100.0
	Total	69	100.0	100.0	

Planning to open one

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	3	4.3	4.3	4.3
	Did not mention it	4	5.8	5.8	10.1
	N/A	55	79.7	79.7	89.9
	No response	7	10.1	10.1	100.0
	Total	69	100.0	100.0	

Minimum balance hindrance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	1	1.4	1.4	1.4
	Did not mention it	6	8.7	8.7	10.1
	N/A	55	79.7	79.7	89.9
	No response	7	10.1	10.1	100.0
	Total	69	100.0	100.0	

Do not know

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Did not mention it	7	10.1	10.1	10.1
	N/A	55	79.7	79.7	89.9
	No response	7	10.1	10.1	100.0
	Total	69	100.0	100.0	

Q37 Difficult to open a bank account

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	6	8.7	8.7	8.7
	Disagree	30	43.5	43.5	52.2
	Don't know	11	15.9	15.9	68.1
	No response	22	31.9	31.9	100.0
	Total	69	100.0	100.0	

Bank charges too high

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	33	47.8	47.8	47.8
	Disagree	3	4.3	4.3	52.2
	Don't know	10	14.5	14.5	66.7
	No response	23	33.3	33.3	100.0
	Total	69	100.0	100.0	

Banks too arrogant

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	5	7.2	7.2	7.2
	Disagree	19	27.5	27.5	34.8
	Don't know	23	33.3	33.3	68.1
	No response	22	31.9	31.9	100.0
	Total	69	100.0	100.0	

Financial institutions don’t understand when late in paying

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	17	24.6	24.6	24.6
	Disagree	7	10.1	10.1	34.8
	Don't know	12	17.4	17.4	52.2
	No response	33	47.8	47.8	100.0
	Total	69	100.0	100.0	

Financial institutions exploit poor people

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	16	23.2	23.2	23.2
	Disagree	11	15.9	15.9	39.1
	Don't know	17	24.6	24.6	63.8
	No response	25	36.2	36.2	100.0
	Total	69	100.0	100.0	

Financial institutions suitable for people like me

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	11	15.9	15.9	15.9
	Disagree	15	21.7	21.7	37.7
	Don't know	13	18.8	18.8	56.5
	No response	30	43.5	43.5	100.0
	Total	69	100.0	100.0	

Can do without banks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	9	13.0	13.0	13.0
	Disagree	22	31.9	31.9	44.9
	Don't know	3	4.3	4.3	49.3
	No response	35	50.7	50.7	100.0
	Total	69	100.0	100.0	

Banks provide good service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	26	37.7	37.7	37.7
	Disagree	11	15.9	15.9	53.6
	Don't know	5	7.2	7.2	60.9
	No response	27	39.1	39.1	100.0
	Total	69	100.0	100.0	

Banks trusted with my money

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	23	33.3	33.3	33.3
	Disagree	7	10.1	10.1	43.5
	Do not know	11	15.9	15.9	59.4
	No response	28	40.6	40.6	100.0
	Total	69	100.0	100.0	

I enjoy good relationship with bank staff

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	25	36.2	36.2	36.2
	Disagree	5	7.2	7.2	43.5
	Don't know	6	8.7	8.7	52.2
	No response	33	47.8	47.8	100.0
	Total	69	100.0	100.0	

I would like to change banks but not sure if they will accept me

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	5	7.2	7.2	7.2
	Disagree	19	27.5	27.5	34.8
	Don't know	8	11.6	11.6	46.4
	No response	37	53.6	53.6	100.0
	Total	69	100.0	100.0	

Bank staff know their products

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	20	29.0	29.0	29.0
	Disagree	9	13.0	13.0	42.0
	Don't know	5	7.2	7.2	49.3
	No response	35	50.7	50.7	100.0
	Total	69	100.0	100.0	

Banks understand needs of small business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	12	17.4	17.4	17.4
	Disagree	20	29.0	29.0	46.4
	Don't know	15	21.7	21.7	68.1
	No response	22	31.9	31.9	100.0
	Total	69	100.0	100.0	

H -Q38 How much money did you need to start business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	K1000	11	15.9	15.9	15.9
	K1001 to 5000	20	29.0	29.0	44.9
	K5001 to K50,000	17	24.6	24.6	69.6
	K50,001 to K100,000	4	5.8	5.8	75.4
	K100,001 plus	5	7.2	7.2	82.6
	No money needed; inherited	1	1.4	1.4	84.1
	less than 1000	1	1.4	1.4	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Q39 Used money from other businesses

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	15	21.7	21.7	21.7
	Did not mention it	54	78.3	78.3	100.0
	Total	69	100.0	100.0	

Sold personal assets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	7	10.1	10.1	10.1
	Did not mention it	62	89.9	89.9	100.0
	Total	69	100.0	100.0	

Personal savings

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	25	36.2	36.2	36.2
	Did not mention it	44	63.8	63.8	100.0
	Total	69	100.0	100.0	

Retirement retrenchment package

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	9	13.0	13.0	13.0
	Did not mention it	60	87.0	87.0	100.0
	Total	69	100.0	100.0	

Government grant

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	1	1.4	1.4	1.4
	Did not mention it	68	98.6	98.6	100.0
	Total	69	100.0	100.0	

Salary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	10	14.5	14.5	14.5
	Did not mention it	59	85.5	85.5	100.0
	Total	69	100.0	100.0	

Personal loan from bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	2	2.9	2.9	2.9
	Did not mention it	67	97.1	97.1	100.0
	Total	69	100.0	100.0	

Business loan from bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	3	4.3	4.3	4.3
	Did not	66	95.7	95.7	100.0
	Total	69	100.0	100.0	

Spouse

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	5	7.2	7.2	7.2
	Did not	64	92.8	92.8	100.0
	Total	69	100.0	100.0	

Other family members

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	12	17.4	17.4	17.4
	Did not	57	82.6	82.6	100.0
	Total	69	100.0	100.0	

Do not know /Can't remember

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	2	2.9	2.9	2.9
	Did not	67	97.1	97.1	100.0
	Total	69	100.0	100.0	

Q40 Low interest or none at all?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	9	13.0	13.0	13.0
	Did not	60	87.0	87.0	100.0
	Total	69	100.0	100.0	

Flexible repayments

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	10	14.5	14.5	14.5
	Did not	59	85.5	85.5	100.0
	Total	69	100.0	100.0	

Quick to get the money

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	9	13.0	13.0	13.0
	Did not	60	87.0	87.0	100.0
	Total	69	100.0	100.0	

No strict requirements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	19	27.5	27.5	27.5
	Did not	50	72.5	72.5	100.0
	Total	69	100.0	100.0	

No Credit Bureau done

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	3	4.3	4.3	4.3
	Did not	66	95.7	95.7	100.0
	Total	69	100.0	100.0	

Convenient

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	22	31.9	31.9	31.9
	Did not	47	68.1	68.1	100.0
	Total	69	100.0	100.0	

Other reason for source

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	1	1.4	1.4	1.4
	Did not	68	98.6	98.6	100.0
	Total	69	100.0	100.0	

Q41 What was the purpose of the loan? Business growth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	16	23.2	23.2	23.2
	Did not	53	76.8	76.8	100.0
	Total	69	100.0	100.0	

Working capital

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	10	14.5	14.5	14.5
	Did not	59	85.5	85.5	100.0
	Total	69	100.0	100.0	

To buy buildings

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	2	2.9	2.9	2.9
	Did not	67	97.1	97.1	100.0
	Total	69	100.0	100.0	

To buy machines/equipment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	12	17.4	17.4	17.4
	Did not	57	82.6	82.6	100.0
	Total	69	100.0	100.0	

To pay business debts

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it Did not	69	100.0	100.0	100.0

Other loan purpose

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	1	1.4	1.4	1.4
	Did not	68	98.6	98.6	100.0
	Total	69	100.0	100.0	

Other – business registration

Q43 Do you save or invest any profit?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	55	79.7	79.7	79.7
	No	8	11.6	11.6	91.3
	99	6	8.7	8.7	100.0
	Total	69	100.0	100.0	

Q44 Reason for saving or investing- to have money when I need it

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	14	20.3	20.3	20.3
	Did not	47	68.1	68.1	88.4
	88	8	11.6	11.6	100.0
	Total	69	100.0	100.0	

To grow business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	47	68.1	68.1	68.1
	Did not	14	20.3	20.3	88.4
	88	8	11.6	11.6	100.0
	Total	69	100.0	100.0	

To meet day to day expenses

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	14	20.3	20.3	20.3
	Did not	47	68.1	68.1	88.4
	88	8	11.6	11.6	100.0
	Total				
Other fo					
Valid		69	100.0	100.0	

Specify Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	88	64	92.8	92.8	92.8
	99	4	5.8	5.8	98.6
	For school fees	1	1.4	1.4	100.0
	Total	69	100.0	100.0	

Q45 easy to get the money I need

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	15	21.7	21.7	21.7
	Did not	54	78.3	78.3	100.0
	Total	69	100.0	100.0	

To network with others

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	27	39.1	39.1	39.1
	Did not	42	60.9	60.9	100.0
	Total	69	100.0	100.0	

To exchange ideas/Get advice

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	43	62.3	62.3	62.3
	Did not	26	37.7	37.7	100.0
	Total	69	100.0	100.0	

Gives chance to advertise

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	21	30.4	30.4	30.4
	Did not	48	69.6	69.6	100.0
	Total	69	100.0	100.0	

Insurance

Q46 Has your business suffered from theft or crime in 2017?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	12	17.4	17.4	17.4
	No	44	63.8	63.8	81.2
	No response	13	18.8	18.8	100.0
	Total	69	100.0	100.0	

Q47 Were you insured at that time?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	1	8.3	8.3	8.3
	No	7	58.3	58.3	66.6
	No response	4	33.4	33.4	100.0
	Total	69	100.0	100.0	

Q48 Did you claim from insurance?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	1	100.0	100.0	100.0
	Total	1	100.0	100.0	

Q49 Insurance is important to business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	55	79.7	79.7	79.7
	Disagree	1	1.4	1.4	81.2
	Don't know	2	2.9	2.9	84.1
	No response	11	15.9	15.9	100.0
	Total	69	100.0	100.0	

One has losses Insurance can cover

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	26	37.7	37.7	37.7
	Disagree	10	14.5	14.5	52.2
	Don’t know	6	8.7	8.7	60.9
	No response	27	39.1	39.1	100.0
	Total	69	100.0	100.0	

Insurance Is Costly

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	20	29.0	29.0	29.0
	Disagree	15	21.7	21.7	50.7
	Don't know	7	10.1	10.1	60.9
	No response	27	39.1	39.1	100.0
	Total	69	100.0	100.0	

SMMEs are not Covered with Insurance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	11	15.9	15.9	15.9
	Disagree	16	23.2	23.2	39.1
	Don't know	10	14.5	14.5	53.6
	No response	32	46.4	46.4	100.0
	Total	69	100.0	100.0	

Insurance cover not available for kind of losses

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	7	10.1	10.1	10.1
	Disagree	18	26.1	26.1	36.2
	Don't know	14	20.3	20.3	56.5
	No response	30	43.5	43.5	100.0
	Total	69	100.0	100.0	

I do not want to pay premiums continuously

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	10	14.5	14.5	14.5
	Disagree	13	18.8	18.8	33.3
	Don't know	16	23.2	23.2	56.5
	No response	30	43.5	43.5	100.0
	Total	69	100.0	100.0	

Managing Finances

Q50 How do your customers usually pay for what they buy-Cash?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	57	82.6	82.6	82.6
	Did not	12	17.4	17.4	100.0
	Total	69	100.0	100.0	

Cheque

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	22	31.9	31.9	31.9
	Did not	47	68.1	68.1	100.0
	Total	69	100.0	100.0	

Bank Transfer

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	17	24.6	24.6	24.6
	Did not	52	75.4	75.4	100.0
	Total	69	100.0	100.0	

Direct Debit

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	3	4.3	4.3	4.3
	Did not	66	95.7	95.7	100.0
	Total	69	100.0	100.0	

Internet banking

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	1	1.4	1.4	1.4
	Did not	68	98.6	98.6	100.0
	Total	69	100.0	100.0	

Cell phone banking

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	7	10.1	10.1	10.1
	Did not	62	89.9	89.9	100.0
	Total	69	100.0	100.0	

Other Pay

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Did not	69	100.0	100.0	100.0

Q51 Do you offer credit to your customers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No credit is given	10	14.5	14.5	14.5
	Sometimes credit is given	41	59.4	59.4	73.9
	Credit is given always	8	11.6	11.6	85.5
	No response	10	14.5	14.5	100.0
	Total	69	100.0	100.0	

Record Keeping Q52

Do you keep financial information for your business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	59	85.5	85.5	85.5
	No	5	7.2	7.2	92.8
	99	5	7.2	7.2	100.0
	Total	69	100.0	100.0	

Q53 How do you keep financial information?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Manually	29	42.0	42.0	42.0
	Using computerised system	6	8.7	8.7	50.7
	Both manually & computerised system	21	30.4	30.4	81.2
	88	5	7.2	7.2	88.4
	99	8	11.6	11.6	100.0
	Total	69	100.0	100.0	

Q54 Who does financial records for you- external bookkeeper?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	6	8.7	8.7	8.7
	Did not	51	73.9	73.9	82.6
	88	5	7.2	7.2	89.9
	99	7	10.1	10.1	100.0
	Total	69	100.0	100.0	

Internal Bookkeeper

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	19	27.5	27.5	27.5
	Did not	38	55.1	55.1	82.6
	88	5	7.2	7.2	89.9
	99	7	10.1	10.1	100.0
	Total	69	100.0	100.0	

External Accountant

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	6	8.7	8.7	8.7
	Did not	51	73.9	73.9	82.6
	88	5	7.2	7.2	89.9
	99	7	10.1	10.1	100.0
	Total	69	100.0	100.0	

Friend

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	6	8.7	8.7	8.7
	Di d not	51	73.9	73.9	82.6
	88	5	7.2	7.2	89.9
	99	7	10.1	10.1	100.0
	Total	69	100.0	100.0	

Family Member

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	14	20.3	20.3	20.3
	Did not	43	62.3	62.3	82.6
	88	5	7.2	7.2	89.9
	99	7	10.1	10.1	100.0
	Total	69	100.0	100.0	

Other_

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mentioned it	16	23.2	23.2	23.2
	Did not	43	62.3	62.3	85.5
	88	3	4.3	4.3	89.9
	99	7	10.1	10.1	100.0
	Total	69	100.0	100.0	

Other Specified

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	88	46	66.7	66.7	66.7
	99	6	8.7	8.7	75.4
	I do it	17	24.6	24.6	100.0
	Total	69	100.0	100.0	

Appendix E: Cross tabulations outputs

Q4 Highest level of education * Business registered cross tabulation

			Business registered				
			Yes	No	Don't know	No response	Total
Q4 Highest level of education	Not been to school	Count	1	0	0	0	1
		Expected Count	.7	.2	.0	.0	1.0
		% within Q4 Highest level of education	100.0%	.0%	.0%	.0%	100.0%
		% within Business registered	2.0%	.0%	.0%	.0%	1.4%
		% of Total	1.4%	.0%	.0%	.0%	1.4%
	Primary school	Count	2	1	1	0	4
		Expected Count	2.9	.9	.1	.2	4.0
		% within Q4 Highest level of education	50.0%	25.0%	25.0%	.0%	100.0%
		% within Business registered	4.0%	6.7%	100.0%	.0%	5.8%
		% of Total	2.9%	1.4%	1.4%	.0%	5.8%

	High school	Count	19	5	0	2	26
		Expected Count	18.8	5.7	.4	1.1	26.0
		% within Q4 Highest level of education	73.1%	19.2%	.0%	7.7%	100.0%
		% within Business registered	38.0%	33.3%	.0%	66.7%	37.7%
		% of Total	27.5%	7.2%	.0%	2.9%	37.7%
	College	Count	15	9	0	0	24
		Expected Count	17.4	5.2	.3	1.0	24.0
		% within Q4 Highest level of education	62.5%	37.5%	.0%	.0%	100.0%
		% within Business registered	30.0%	60.0%	.0%	.0%	34.8%
		% of Total	21.7%	13.0%	.0%	.0%	34.8%

	University	Count	10	0	0	0	10
		Expected Count	7.2	2.2	.1	.4	10.0
		% within Q4 Highest level of education	100.0%	.0%	.0%	.0%	100.0%
		% within Business registered	20.0%	.0%	.0%	.0%	14.5%
		% of Total	14.5%	.0%	.0%	.0%	14.5%
	Other	Count	2	0	0	0	2
		Expected Count	1.4	.4	.0	.1	2.0
		% within Q4 Highest level of education	100.0%	.0%	.0%	.0%	100.0%
		% within Business registered	4.0%	.0%	.0%	.0%	2.9%
		% of Total	2.9%	.0%	.0%	.0%	2.9%
	99	Count	1	0	0	1	2
		Expected Count	1.4	.4	.0	.1	2.0
		% within Q4 Highest level of education	50.0%	.0%	.0%	50.0%	100.0%

	% within Business registered	2.0%	.0%	.0%	33.3%	2.9%
	% of Total	1.4%	.0%	.0%	1.4%	2.9%
Total	Count	50	15	1	3	69
	Expected Count	50.0	15.0	1.0	3.0	69.0
	% within Q4 Highest level of education	72.5%	21.7%	1.4%	4.3%	100.0%
	% within biggest registered	100.0%	100.0%	100.0 %	100.0%	100.0%
	% of Total	72.5%	21.7%	1.4%	4.3%	100.0%

Respondent's location * Business registered

			Business registered				Total
			Yes	No	Don't know	No respon se	
Respondent's location	Lusaka - women	Count	10	6	1	1	18
		Expected Count	13.0	3.9	.3	.8	18.0
		% within Respondent's location	55.6%	33.3%	5.6%	5.6%	100.0%

Respondent's location * Business registered

			Business registered				Total
			Yes	No	Don't know	No response	
		% within Business registered	20.0%	40.0%	100.0%	33.3%	26.1%
		% of Total	14.5%	8.7%	1.4%	1.4%	26.1%
	Kafue	Count	10	0	0	0	10
		Expected Count	7.2	2.2	.1	.4	10.0
		% within Respondent's location	100.0%	.0%	.0%	.0%	100.0%
		% within Business registered	20.0%	.0%	.0%	.0%	14.5%
		% of Total	14.5%	.0%	.0%	.0%	14.5%
	Lusaka general	Count	17	5	0	2	24
		Expected Count	17.4	5.2	.3	1.0	24.0
		% within Respondent's location	70.8%	20.8%	.0%	8.3%	100.0%

Respondent's location * Business registered

		Business registered				Total
		Yes	No	Don't know	No response	
	% within Business registered	34.0%	33.3%	.0%	66.7%	34.8%
	% of Total	24.6%	7.2%	.0%	2.9%	34.8%
Mazabuka	Count	13	4	0	0	17
	Expected Count	12.3	3.7	.2	.7	17.0
	% within Respondent's location	76.5%	23.5%	.0%	.0%	100.0%
	% within Business registered	26.0%	26.7%	.0%	.0%	24.6%
	% of Total	18.8%	5.8%	.0%	.0%	24.6%
Total	Count	50	15	1	3	69
	Expected Count	50.0	15.0	1.0	3.0	69.0
	% within Respondent's location	72.5%	21.7%	1.4%	4.3%	100.0%

Respondent's location * Business registered

		Business registered				Total
		Yes	No	Don't know	No response	
	% within Business registered	100.0%	100.0%	100.0%	100.0 %	100.0%
	% of Total	72.5%	21.7%	1.4%	4.3%	100.0%

Respondent's location * B - Q7 Indicate appropriate turnover and net profit made in 2017 Cross tabulation

			B - Q7 Indicate appropriate turnover and net profit made in 2017										Total
			K1000 - K4,999	K5,000 - K14,999	K15,000 - K29,999	K30,000 - K14,699	K49,700 - K141,999	K142,000 - K283,999	K284,000 - K709,999	K1,420,000 and above	Don't know	No response	
Respondent's	Lusaka - women	Count	7	3	0	1	0	0	0	0	1	6	18
		Expected Count	3.7	2.9	.8	.5	1.0	.8	.8	.3	1.3	6.0	18.0

Respondent's location * B - Q7 Indicate appropriate turnover and net profit made in 2017 Cross tabulation

		B - Q7 Indicate appropriate turnover and net profit made in 2017										Total
		K1000 - K4,999	K5,000 - K14,999	K15,000 - K29,999	K30,000 - K14,699	K49,700 - K141,999	K142,000 - K283,999	K284,000 - K709,999	K1,420,000 and above	Don't know	No response	
location	% within Respondent's location	38.9%	16.7%	.0%	5.6%	.0%	.0%	.0%	.0%	5.6%	33.3%	100.0%
	% within B - Q7 Indicate appropriate turnover and net profit made in 2017	50.0%	27.3%	.0%	50.0%	.0%	.0%	.0%	.0%	20.0%	26.1%	26.1%

Respondent's location * B - Q7 Indicate appropriate turnover and net profit made in 2017 Cross tabulation

		B - Q7 Indicate appropriate turnover and net profit made in 2017										Total
		K1000 - K4,999	K5,000 - K14,999	K15,000 - K29,999	K30,000 - K14,699	K49,700 - K141,999	K142,000 - K283,999	K284,000 - K709,999	K1,420,000 and above	Don't know	No response	
	% of Total	10.1%	4.3%	.0%	1.4%	.0%	.0%	.0%	.0%	1.4%	8.7%	26.1%
Kafue	Count	1	0	1	0	3	1	1	0	1	2	10
	Expected Count	2.0	1.6	.4	.3	.6	.4	.4	.1	.7	3.3	10.0
	% within Respondent's location	10.0%	.0%	10.0%	.0%	30.0%	10.0%	10.0%	.0%	10.0%	20.0%	100.0%

Respondent's location * B - Q7 Indicate appropriate turnover and net profit made in 2017 Cross tabulation

		B - Q7 Indicate appropriate turnover and net profit made in 2017										Total
		K1000 - K4,999	K5,000 - K14,999	K15,000 - K29,999	K30,000 - K14,699	K49,700 - K141,999	K142,000 - K283,999	K284,000 - K709,999	K1,420,000 and above	Don't know	No response	
	% within B - Q7 Indicate appropriate turnover and net profit made in 2017	7.1%	.0%	33.3%	.0%	75.0%	33.3%	33.3%	.0%	20.0%	8.7%	14.5%
	% of Total	1.4%	.0%	1.4%	.0%	4.3%	1.4%	1.4%	.0%	1.4%	2.9%	14.5%
Lusaka general	Count	4	4	1	1	0	2	1	1	2	8	24
	Expected Count	4.9	3.8	1.0	.7	1.4	1.0	1.0	.3	1.7	8.0	24.0

Respondent's location * B - Q7 Indicate appropriate turnover and net profit made in 2017 Cross tabulation

	B - Q7 Indicate appropriate turnover and net profit made in 2017										Total
	K1000 - K4,999	K5,000 - K14,999	K15,000 - K29,999	K30,000 - K14,699	K49,700 - K141,999	K142,000 - K283,999	K284,000 - K709,999	K1,420,000 and above	Don't know	No response	
% within Respondent's location	16.7%	16.7%	4.2%	4.2%	.0%	8.3%	4.2%	4.2%	8.3%	33.3%	100.0%
% within B - Q7 Indicate appropriate turnover and net profit made in 2017	28.6%	36.4%	33.3%	50.0%	.0%	66.7%	33.3%	100.0%	40.0%	34.8%	34.8%

Respondent's location * B - Q7 Indicate appropriate turnover and net profit made in 2017 Cross tabulation

		B - Q7 Indicate appropriate turnover and net profit made in 2017										Total
		K1000 - K4,999	K5,000 - K14,999	K15,000 - K29,999	K30,000 - K14,699	K49,700 - K141,999	K142,000 - K283,999	K284,000 - K709,999	K1,420,000 and above	Don't know	No response	
	% of Total	5.8%	5.8%	1.4%	1.4%	.0%	2.9%	1.4%	1.4%	2.9%	11.6%	34.8%
Mazabuka	Count	2	4	1	0	1	0	1	0	1	7	17
	Expected Count	3.4	2.7	.7	.5	1.0	.7	.7	.2	1.2	5.7	17.0
	% within Respondent's location	11.8%	23.5%	5.9%	.0%	5.9%	.0%	5.9%	.0%	5.9%	41.2%	100.0%

Respondent's location * B - Q7 Indicate appropriate turnover and net profit made in 2017 Cross tabulation

		B - Q7 Indicate appropriate turnover and net profit made in 2017										Total
		K1000 - K4,999	K5,000 - K14,999	K15,000 - K29,999	K30,000 - K14,699	K49,700 - K141,999	K142,000 - K283,999	K284,000 - K709,999	K1,420,000 and above	Don't know	No response	
	% within B - Q7 Indicate appropriate turnover and net profit made in 2017	14.3%	36.4%	33.3%	.0%	25.0%	.0%	33.3%	.0%	20.0%	30.4%	24.6%
	% of Total	2.9%	5.8%	1.4%	.0%	1.4%	.0%	1.4%	.0%	1.4%	10.1%	24.6%
Total	Count	14	11	3	2	4	3	3	1	5	23	69
	Expected Count	14.0	11.0	3.0	2.0	4.0	3.0	3.0	1.0	5.0	23.0	69.0

Respondent's location * B - Q7 Indicate appropriate turnover and net profit made in 2017 Cross tabulation

	B - Q7 Indicate appropriate turnover and net profit made in 2017										Total
	K1000 - K4,999	K5,000 - K14,999	K15,000 - K29,999	K30,000 - K14,699	K49,700 - K141,999	K142,000 - K283,999	K284,000 - K709,999	K1,420,000 and above	Don't know	No response	
% within Respondent's location	20.3%	15.9%	4.3%	2.9%	5.8%	4.3%	4.3%	1.4%	7.2%	33.3%	100.0%
% within B - Q7 Indicate appropriate turnover and net profit made in 2017	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Respondent's location * B - Q7 Indicate appropriate turnover and net profit made in 2017 Cross tabulation

	B - Q7 Indicate appropriate turnover and net profit made in 2017										Total
	K1000 - K4,999	K5,000 - K14,999	K15,000 - K29,999	K30,000 - K14,699	K49,700 - K141,999	K142,000 - K283,999	K284,000 - K709,999	K1,420,000 and above	Don't know	No response	
% of Total	20.3%	15.9%	4.3%	2.9%	5.8%	4.3%	4.3%	1.4%	7.2%	33.3%	100.0%

Q2gender of respondent * Business registered

			Business registered				Total
			Yes	No	Don't know	No response	
Q2gender of respondent	Male	Count	33	6	0	1	40
		Expected Count	29.0	8.7	.6	1.7	40.0
		% within Sex of respondent	82.5%	15.0%	.0%	2.5%	100.0%
		% within Business registered	66.0%	40.0%	.0%	33.3%	58.0%
		% of Total	47.8%	8.7%	.0%	1.4%	58.0%
	Female	Count	17	9	1	2	29
		Expected Count	21.0	6.3	.4	1.3	29.0
		% within Sex of respondent	58.6%	31.0%	3.4%	6.9%	100.0%
		% within Business registered	34.0%	60.0%	100.0%	66.7%	42.0%
		% of Total	24.6%	13.0%	1.4%	2.9%	42.0%
Total		Count	50	15	1	3.0	69
		Expected Count	50.0	15.0	1.0	3.0	69.0
		% within Sex of respondent	72.5%	21.7%	1.4%	4.3%	100.0%
		% within Business registered	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	72.5%	21.7%	1.4%	4.3%	100.0%

Respondent's location * F- Q30 Cross tabulation

			F- Q30				Total
			Yes	No	Don't know	No response	
Respondent's location	Lusaka - women	Count	10	6	1	1	18
		Expected Count	13.0	3.9	.3	.8	18.0
		% within Respondent's location	55.6%	33.3%	5.6%	5.6%	100.0%
		% within F- Q30	20.0%	40.0%	100.0%	33.3%	26.1%
		% of Total	14.5%	8.7%	1.4%	1.4%	26.1%
	Kafue	Count	10	0	0	0	10
		Expected Count	7.2	2.2	.1	.4	10.0
		% within Respondent's location	100.0 %	.0%	.0%	.0%	100.0%
		% within F- Q30	20.0%	.0%	.0%	.0%	14.5%
		% of Total	14.5%	.0%	.0%	.0%	14.5%
	Lusaka general	Count	17	5	0	2	24.0
		Expected Count	17.4	5.2	.3	1.0	24.0
		% within Respondent's location	70.8%	20.8%	.0%	8.3%	100.0%
		% within F- Q30	34.0%	33.3%	.0%	66.7%	34.8%
		% of Total	24.6%	7.2%	.0%	2.9%	34.8%

Respondent's location * F- Q30 Cross tabulation

		F- Q30				Total
		Yes	No	Don't know	No response	
Mazabuka	Count	13	4	0	0	17.0
	Expected Count	12.3	3.7	.2	.7	17.0
	% within Respondent's location	76.5%	23.5%	.0%	.0%	100.0%
	% within F- Q30	26.0%	26.7%	.0%	.0%	24.6%
	% of Total	18.8%	5.8%	.0%	.0%	24.6%
Total	Count	50	15	1	3.0	69.0
	Expected Count	50.0	15.0	1.0	3.0	69.0
	% within Respondent's location	72.5%	21.7%	1.4%	4.3%	100.0%
	% within F- Q30	100.0%	100.0%	100.0%	100.0%	100.0%
	% of Total	72.5%	21.7%	1.4%	4.3%	100.0%

Appendix F: ANOVA and Factor Analysis Outputs

Q16. Which of the following does your business have? ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Business Plan	Between Groups	2.563	3	.854	3.858	.013
	Within Groups	14.393	65	.221		
	Total	16.957	68			
Financial Records	Between Groups	.678	3	.226	.982	.407
	Within Groups	14.974	65	.230		
	Total	15.652	68			
Training Plan	Between Groups	.202	3	.067	1.227	.307
	Within Groups	3.566	65	.055		
	Total	3.768	68			
Postal Address	Between Groups	.667	3	.222	1.104	.354
	Within Groups	13.101	65	.202		
	Total	13.768	68			
Phone/Cell Phone	Between Groups	.730	3	.243	.995	.401
	Within Groups	15.907	65	.245		
	Total	16.638	68			
VAT Reg. No	Between Groups	1.499	3	.500	2.557	.063
	Within Groups	12.704	65	.195		
	Total	14.203	68			
TPIN Reg. No	Between Groups	.400	3	.133	.533	.661
	Within Groups	16.238	65	.250		
	Total	16.638	68			

Bank Account	Between Groups	.495	3	.165	.664	.577
	Within Groups	16.143	65	.248		
	Total	16.638	68			

Q17. Which of the following do you use in your business? ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Company car/van	Between Groups	.437	3	.146	1.075	.366
	Within Groups	8.809	65	.136		
	Total	9.246	68			
Telephone	Between Groups	.415	3	.138	1.532	.215
	Within Groups	5.875	65	.090		
	Total	6.290	68			
Cell Phone	Between Groups	.778	3	.259	1.298	.283
	Within Groups	12.990	65	.200		
	Total	13.768	68			
Fax Machine	Between Groups	.109	3	.036	1.285	.287
	Within Groups	1.833	65	.028		
	Total	1.942	68			
Photocopier	Between Groups	.385	3	.128	.941	.426
	Within Groups	8.862	65	.136		
	Total	9.246	68			
Computer Laptop	Between Groups	.325	3	.108	.460	.711
	Within Groups	15.327	65	.236		
	Total	15.652	68			
Email	Between Groups	.681	3	.227	.937	.428
	Within Groups	15.754	65	.242		
	Total	16.435	68			
Website	Between Groups	.019	3	.006	.088	.966

	Within Groups	4.619	65	.071		
	Total	4.638	68			
Cash Register	Between Groups	.447	3	.149	.783	.508
	Within Groups	12.365	65	.190		
	Total	12.812	68			

Q19. What made you start your business? ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Lost my job…fired, redundant, company closed	Between Groups	2988.561	3	996.187	1.588	.201
	Within Groups	40766.917	65	627.183		
	Total	43755.478	68			
Unemployed	Between Groups	2962.474	3	987.491	1.573	.204
	Within Groups	40807.816	65	627.813		
	Total	43770.290	68			
Saw an opportunity	Between Groups	2910.362	3	970.121	1.532	.215
	Within Groups	41164.276	65	633.297		
	Total	44074.638	68			
Had passion	Between Groups	2958.300	3	986.100	1.560	.208
	Within Groups	41087.903	65	632.122		
	Total	44046.203	68			
To be my own boss	Between Groups	3002.241	3	1000.747	1.590	.200
	Within Groups	40914.571	65	629.455		
	Total	43916.812	68			
To get richer	Between Groups	2956.279	3	985.426	1.570	.205
	Within Groups	40799.199	65	627.680		
	Total	43755.478	68			
Inherited business	Between Groups	2951.745	3	983.915	1.571	.205
	Within Groups	40699.241	65	626.142		
	Total	43650.986	68			
Other	Between Groups	2929.063	3	976.354	1.553	.209

	Within Groups	40870.763	65	628.781		
	Total	43799.826	68			

Q22. What problems did you face in starting your business?

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Sourcing capital	Between Groups	2410.932	3	803.644	.660	.579
	Within Groups	79100.286	65	1216.927		
	Total	81511.217	68			
Opening a business account	Between Groups	2344.002	3	781.334	.648	.587
	Within Groups	78399.476	65	1206.146		
	Total	80743.478	68			
Banks very unhelpful	Between Groups	2431.922	3	810.641	.673	.571
	Within Groups	78253.846	65	1203.905		
	Total	80685.768	68			
Registering Business	Between Groups	2348.437	3	782.812	.649	.587
	Within Groups	78452.635	65	1206.964		
	Total	80801.072	68			
Complying to Laws/Regulations	Between Groups	2389.817	3	796.606	.661	.579
	Within Groups	78295.951	65	1204.553		
	Total	80685.768	68			
Product To make and Sell	Between Groups	2420.686	3	806.895	.668	.575
	Within Groups	78495.227	65	1207.619		

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
	Total	80915.913	68			
Who to sell to	Between Groups	2372.923	3	790.974	.657	.582
	Within Groups	78283.946	65	1204.368		
	Total	80656.870	68			
Communicating product/service to consumers	Between Groups	2358.405	3	786.135	.652	.585
	Within Groups	78413.885	65	1206.367		
	Total	80772.290	68			
Pricing the product/Service	Between Groups	2413.008	3	804.336	.666	.576
	Within Groups	78474.238	65	1207.296		
	Total	80887.246	68			
Too many competitors	Between Groups	2346.643	3	782.214	.646	.588
	Within Groups	78712.169	65	1210.956		
	Total	81058.812	68			
Finding right People to employ	Between Groups	2374.030	3	791.343	.655	.583
	Within Groups	78570.520	65	1208.777		
	Total	80944.551	68			
Did not have skills	Between Groups	2448.748	3	816.249	.679	.568
	Within Groups	78179.194	65	1202.757		
	Total	80627.942	68			
Staff problems	Between Groups	2331.583	3	777.194	.645	.589
	Within Groups	78354.185	65	1205.449		
	Total	80685.768	68			

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Business premises	Between Groups	2382.509	3	794.170	.659	.580
	Within Groups	78332.129	65	1205.110		
	Total	80714.638	68			
Electricity and water connections	Between Groups	2407.009	3	802.336	.666	.576
	Within Groups	78249.860	65	1203.844		
	Total	80656.870	68			
Transport to buy stock	Between Groups	2363.830	3	787.943	.651	.585
	Within Groups	78666.460	65	1210.253		
	Total	81030.290	68			
Crime by staff	Between Groups	2389.525	3	796.508	.662	.578
	Within Groups	78209.460	65	1203.222		
	Total	80598.986	68			
Crime from outside	Between Groups	2384.935	3	794.978	.661	.579
	Within Groups	78156.051	65	1202.401		
	Total	80540.986	68			
No problem at all	Between Groups	2359.504	3	786.501	.654	.583
	Within Groups	78123.366	65	1201.898		
	Total	80482.870	68			

Q 27 What is the single biggest obstacle to grow your business?

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Business premise	Between Groups	115.591	3	38.530	.061	.980
	Within Groups	40830.177	65	628.157		
	Total	40945.768	68			
Electricity and water	Between Groups	.334	3	.111	1.680	.180
	Within Groups	4.304	65	.066		
	Total	4.638	68			
transport	Between Groups	.127	3	.042	.608	.612
	Within Groups	4.511	65	.069		
	Total	4.638	68			
Taxes	Between Groups	.642	3	.214	2.877	.043
	Within Groups	4.836	65	.074		
	Total	5.478	68			
Labour regulations	Between Groups	.000	3	.000	.	.
	Within Groups	.000	65	.000		
	Total	.000	68			
Council Bylaws	Between Groups	.039	3	.013	.447	.720
	Within Groups	1.903	65	.029		
	Total	1.942	68			
Access to funds	Between Groups	20.614	3	6.871	1.116	.349
	Within Groups	400.371	65	6.160		

Q 27 What is the single biggest obstacle to grow your business?

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
	Total	420.986	68			
Cost of finance	Between Groups	.108	3	.036	1.255	.297
	Within Groups	1.833	64	.029		
	Total	1.941	67			
Crime and theft	Between Groups	.000	3	.000	.	.
	Within Groups	.000	65	.000		
	Total	.000	68			
Corruption	Between Groups	.000	3	.000	.	.
	Within Groups	.000	65	.000		
	Total	.000	68			
Competition	Between Groups	5.137	3	1.712	1.344	.268
	Within Groups	82.805	65	1.274		
	Total	87.942	68			
Government laws	Between Groups	.199	3	.066	1.206	.315
	Within Groups	3.569	65	.055		
	Total	3.768	68			

Q28 Who are your clients?

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Community members	Between Groups	.773	3	.258	1.288	.286
	Within Groups	12.996	65	.200		
	Total	13.768	68			
Large companies	Between Groups	1.663	3	.554	3.232	.028
	Within Groups	11.148	65	.172		
	Total	12.812	68			
Small businesses	Between Groups	.833	3	.278	1.142	.339
	Within Groups	15.805	65	.243		
	Total	16.638	68			
Government/Council	Between Groups	1.508	3	.503	3.029	.036
	Within Groups	10.782	65	.166		
	Total	12.290	68			
Other clients	Between Groups	.255	3	.085	1.059	.373
	Within Groups	5.223	65	.080		
	Total	5.478	68			

Q29. How do you communicate your company and what you offer to your clients?

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Radio	Between Groups	.339	3	.113	2.143	.103
	Within Groups	3.429	65	.053		
	Total	3.768	68			
Television	Between Groups	.133	3	.044	1.057	.374
	Within Groups	2.736	65	.042		
	Total	2.870	68			
Newspapers	Between Groups	.679	3	.226	3.719	.016
	Within Groups	3.958	65	.061		
	Total	4.638	68			
Word of mouth	Between Groups	1.248	3	.416	1.689	.178
	Within Groups	15.999	65	.246		
	Total	17.246	68			
Salespeople	Between Groups	.484	3	.161	.790	.504
	Within Groups	13.284	65	.204		
	Total	13.768	68			
Cell phone	Between Groups	3.580	3	1.193	5.711	.002
	Within Groups	13.580	65	.209		
	Total	17.159	68			
Internet	Between Groups	1.529	3	.510	2.812	.046
	Within Groups	11.776	65	.181		
	Total	13.304	68			
Websites	Between Groups	.260	3	.087	1.286	.287

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
	Within Groups	4.378	65	.067		
	Total	4.638	68			
Telephone	Between Groups	.095	3	.032	.742	.531
	Within Groups	2.775	65	.043		
	Total	2.870	68			
Signage	Between Groups	.858	3	.286	3.421	.022
	Within Groups	5.432	65	.084		
	Total	6.290	68			
Other	Between Groups	.177	3	.059	2.177	.099
	Within Groups	1.765	65	.027		
	Total	1.942	68			

Q39 Mention source of money used to start your business

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Used money from other business	Between Groups	.057	3	.019	.107	.956
	Within Groups	11.682	65	.180		
	Total	11.739	68			
Sold personal assets	Between Groups	.115	3	.038	.405	.750
	Within Groups	6.175	65	.095		

ANOVA

	Total	6.290	68			
Personal savings	Between Groups	1.005	3	.335	1.458	.234
	Within Groups	14.937	65	.230		
	Total	15.942	68			
Retirement/Retrenchment Package	Between Groups	1.053	3	.351	3.367	.024
	Within Groups	6.773	65	.104		
	Total	7.826	68			
Government grant	Between Groups	.027	3	.009	.614	.608
	Within Groups	.958	65	.015		
	Total	.986	68			
Salary	Between Groups	.442	3	.147	1.180	.324
	Within Groups	8.109	65	.125		
	Total	8.551	68			
Personal loan from bank	Between Groups	.039	3	.013	.447	.720
	Within Groups	1.903	65	.029		
	Total	1.942	68			
Business loan from bank	Between Groups	.133	3	.044	1.057	.374
	Within Groups	2.736	65	.042		
	Total	2.870	68			
Spouse	Between Groups	.652	3	.217	3.545	.019
	Within Groups	3.986	65	.061		
	Total	4.638	68			
Other family members	Between Groups	1.246	3	.415	3.114	.032
	Within Groups	8.667	65	.133		

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
	Total	9.913	68			
Do not know/Cannot remember	Between Groups	.056	3	.019	.648	.587
	Within Groups	1.886	65	.029		
	Total	1.942	68			

Q45. Benefits of belonging to an association or savings club

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
It is easy to get amount of money I need	Between Groups	.878	3	.293	1.750	.165
	Within Groups	10.862	65	.167		
	Total	11.739	68			
To network with other SMEs	Between Groups	2.759	3	.920	4.371	.007
	Within Groups	13.676	65	.210		
	Total	16.435	68			
To exchange ideas and get advice	Between Groups	1.266	3	.422	1.837	.149
	Within Groups	14.937	65	.230		
	Total	16.203	68			
Gives chance to advertise business	Between Groups	1.326	3	.442	2.164	.101
	Within Groups	13.282	65	.204		
	Total	14.609	68			
Other	Between Groups	.000	3	.000	.	.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
	Within Groups	.000	65	.000		
	Total	.000	68			

Q50. How do your customers usually pay for what they buy?

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Cash	Between Groups	1.248	3	.416	3.122	.032
	Within Groups	8.665	65	.133		
	Total	9.913	68			
Cheque	Between Groups	1.223	3	.408	1.925	.134
	Within Groups	13.763	65	.212		
	Total	14.986	68			
Bank transfer	Between Groups	.814	3	.271	1.469	.231
	Within Groups	11.998	65	.185		
	Total	12.812	68			
Direct debit	Between Groups	.245	3	.082	2.019	.120
	Within Groups	2.625	65	.040		
	Total	2.870	68			
Internet banking	Between Groups	.086	3	.029	2.059	.114
	Within Groups	.900	65	.014		
	Total	.986	68			

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Cell phone banking	Between Groups	.238	3	.079	.850	.471
	Within Groups	6.052	65	.093		
	Total	6.290	68			
Other	Between Groups	.000	3	.000	.	.
	Within Groups	.000	65	.000		
	Total	.000	68			

Factor Analysis Outputs

Q19. Factor Analysis

Communalities

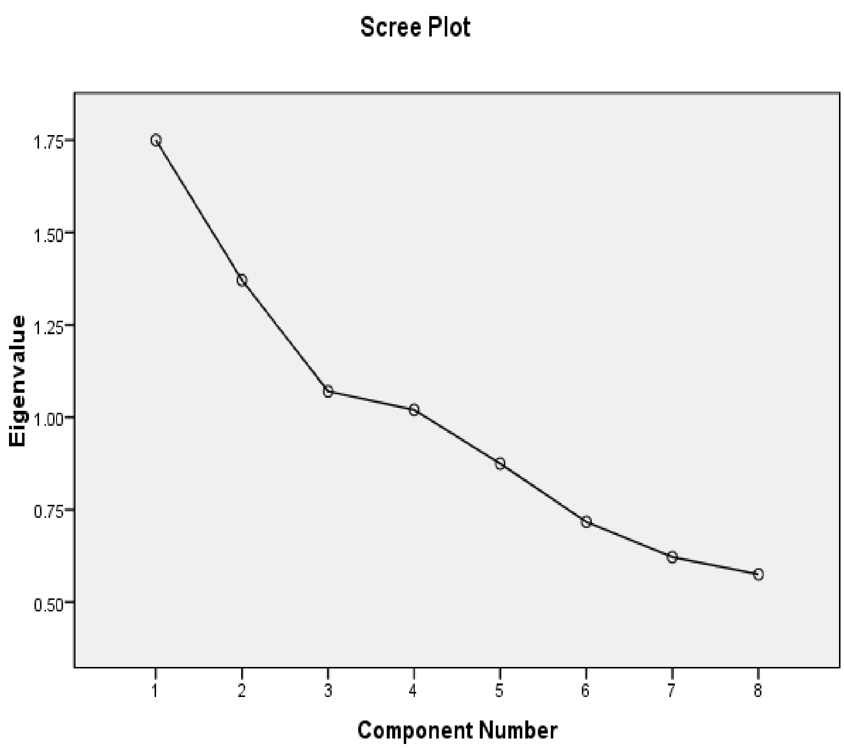
Q19. What made you start business?	Initial
Lost job	1.000
Unemployed	1.000
Saw An Opportunity	1.000
Had Passion	1.000
To be My Own Boss	1.000
To Get Richer	1.000
Inherited Business	1.000
Other	1.000

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.750	21.879	21.879	1.694	21.175	21.175
2	1.371	17.138	39.017	1.350	16.881	38.056
3	1.070	13.379	52.397	1.124	14.045	52.101
4	1.020	12.751	65.148	1.044	13.047	65.148
5	.875	10.933	76.081			
6	.717	8.962	85.043			
7	.622	7.769	92.812			
8	.575	7.188	100.000			

Extraction Method: Principal Component Analysis.



Q22 Factor Analysis

Communalities

Q22 What problems did you face in starting your business?	Initial
Sourcing capital	1.000
Opening Account Prob	1.000
Banks Unhelpful Prob	1.000
Registering Business Prob	1.000
Complying to Laws Regulations Prob	1.000
Product To make and Sell Prob	1.000
Who To Sell To	1.000
Communicating Product Prob	1.000
Pricing The Product Service	1.000
Too Many Competitors Prob	1.000
Finding Right People Prob	1.000
Did Not Have Skills Prob	1.000
Staff Prob	1.000
Business Premises Prob	1.000

Electricity and Water Prob	1.000
Transport To Buy Stock	1.000
Crime By Staff	1.000
Crime From Outside	1.000

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.297	18.319	18.319	2.060	11.442	11.442
2	2.284	12.688	31.007	1.949	10.827	22.269
3	1.733	9.628	40.635	1.921	10.672	32.941
4	1.545	8.584	49.220	1.796	9.976	42.917
5	1.385	7.696	56.915	1.609	8.939	51.856
6	1.178	6.542	63.458	1.464	8.136	59.992
7	1.028	5.711	69.169	1.403	7.792	67.784
8	1.006	5.587	74.756	1.255	6.972	74.756
9	.785	4.359	79.115			
10	.745	4.138	83.253			
11	.601	3.337	86.590			
12	.552	3.065	89.655			
13	.511	2.842	92.497			
14	.402	2.231	94.728			
15	.307	1.704	96.432			

16	.279	1.552	97.984			
17	.204	1.134	99.117			
18	.159	.883	100.000			

Extraction Method: Principal Component Analysis.