

# Factors Influencing Growth of Micro Enterprises: A Survey of Mombasa County

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### ABSTRACT

The study aims at establishing and analyzing the factors influencing growth of microenterprises in Mombasa. The data to be utilized in this research will be directly obtained from entrepreneurs in various business ventures in the economy handling both farm and non-farm activities and other services such as transport. The study will establish how level of education, technology, government legislations and credit accessibility affects the growth of micro enterprises. Most micro enterprises are unable to access credit facilities due to lack of adequate assets to offer as security which serves as a commitment to firms for repayment. It also provides assurance to lenders that the loan will be repaid and if the firm fails, the assets will be sold to recover the loan. Education level of an entrepreneur will also be identified as another influential factor in the growth of micro enterprises. Educated entrepreneurs are identified as less constrained in accessing loan facilities because of acquired knowledge and skills in successful management and effective business proposal writing. The study will also establish how the technology of an enterprise affect its growth. Firms with high level of technology a long time of existence, have a well established financial base hence are regarded as creditworthy by many formal and informal financial institutions.

To achieve the objectives of the study, descriptive research design will be used. The study will be carried out in Mombasa County, targeting 1200 microenterprises. A proportionate sample of 120 will be selected using stratified random sampling technique. Questionnaires and interviews will be used for primary data collection. Data collected will be analyzed using tables, pie charts and graphs with the help of SPSS computer package. Conclusions and recommendations will be made and drawn from the findings.

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### 1. Introduction

There's an agreement among economists, policy makers and business experts that microenterprises are key drivers of economic growth. A microenterprise sector contributes heavily to the economy through creating more employment opportunities, generating higher production volumes, increasing exports and introducing innovation and entrepreneurship skills. According to the Economic Survey (2006), the sector contributed over 50 percent of new jobs created in the year 2005. Despite their significance, past statistics indicate that three out of five businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2007). The dynamic role of microenterprises in developing countries insures them as engines through which the growth objectives of developing countries can be achieved. It is estimated that microenterprises employ 22% of the adult population in developing countries.

Kenya economic survey 2012 estimates shows that MSEs contributes about 18% of GDP and sector contributes to employment in Kenya. Microenterprises therefore, is an important tool to address the challenges of unemployment, economic growth and equity in our country. Despite their significant importance, microenterprises across the whole world are still faced with numerous challenges that prevent entrepreneurial growth.

Microenterprises are the most important ventures in any developing country's economic growth. 'The microenterprises provide a solid base for the economic efficiency by directly responding to the needs of the society in terms of activities, goods and services. They range from family, small and medium enterprises comprising various sectors while addressing the market needs. Microenterprises provide the basis for various innovations, and inventions thus creating employment opportunities among many entrepreneurs, income generating activities and sustainable job creation. The microenterprises in Kenya have taken the centre stage as a primary source of employment and income generation. According to the session paper (NO.3 of 2004); the sector expanded from employing 3.7 million people in 1999 to 5.1 in 2002. Their existence in Kenya can be traced back to 1972 when it was introduced by the international labour organization (ILO). Micro enterprises are one of the fastest growing industrial sectors in the world today. Micro enterprises are noted around the world as a vital sector to the economic development of a country and are often referred to as the backbone of society's growth Hallberg (2001). The importance of microenterprises is obvious but till now there is no unified definition of it. There has been considerable discussion related to appropriateness of categorizing SMEs based on the number of employees. According to Doole and Lowe (2007) a number of definitions of enterprises sector

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exist, but the most commonly used terms relate to the number of employees in the company. The capacity for microenterprises to fulfil their potential in an economy depends on the availability of finance. Finance in general and credit in particular is especially important for microenterprises since they are unable to finance themselves through retained earnings or equity financing. Despite the fact that financing is a major factor for growth of microenterprises, a number of studies and government enquiries have mentioned that microenterprises face problems when accessing bank finance due to market failure in credit markets.

The Jubilee government in Kenya launched the Uwezo fund in 2013 which was one of its campaign promises. The Uwezo Fund would provide youth and women access to grants and interest-free loans, as well as mentorship opportunities to enable them to take advantage of the 30% government procurement preference for youth, women and persons with disabilities through its Capacity Building Programme. Although a considerable number of research papers and consultancy reports have mentioned that the access to finance has been a major problem in the microenterprise sector, a survey of literature dealing with this area indicates there's significant gap in knowledge of the determinants of access to finance by the microenterprise in developing countries. There are few studies undertaken which investigated the determinants of bank credit. However; these studies are limited to one category of determinants and do not give an overall picture of determinants of access to credit. Microfinance concept has operated for centuries in different parts of the world.

The demand for microfinance services in Kenya is high yet the industry is only able to meet about 20% of their demand because of lack of financial resources and the capacity to access risk process and monitor loans. Microenterprises are dynamic entities where some grow into larger enterprises some stabilize without changing the scale of operation while others disappear. Microfinance sectors in Kenya have rapidly expanded as a source of credit for small scale businesses. The ability of entrepreneurs to borrow money on reasonable terms depends on a number of interrelated factors that collectively affect the risks associated with lending, specifically the likelihood of full and timely repayment. These "risk factors" include a mix of public policies, laws and regulations; the local credit culture; the strength of property rights; and the effectiveness of settlement mechanisms such as the enforcement and bankruptcy regimes.

Microenterprises, women, rural borrowers, and other less secure groups typically have limited capital, short entrepreneurial histories, or precarious social situations, conditions which are deemed to present greater risks. The situation is further exacerbated by the fact that lenders often lack the experience and knowledge necessary to understand the needs of small businesses, those based in the agricultural sector in particular.

Despite the fact that microenterprises are the major contributors to the efficiency of the Kenyan economy, through creation of employment opportunities, generating income and provision for livelihood to a greater population, they are faced with many challenges. The potential of micro enterprises in both employment creation and raising income for many Kenyan families makes them important elements in poverty reduction strategy GOK (2005). In Kenya many micro entrepreneurs, both men and women have attempted to

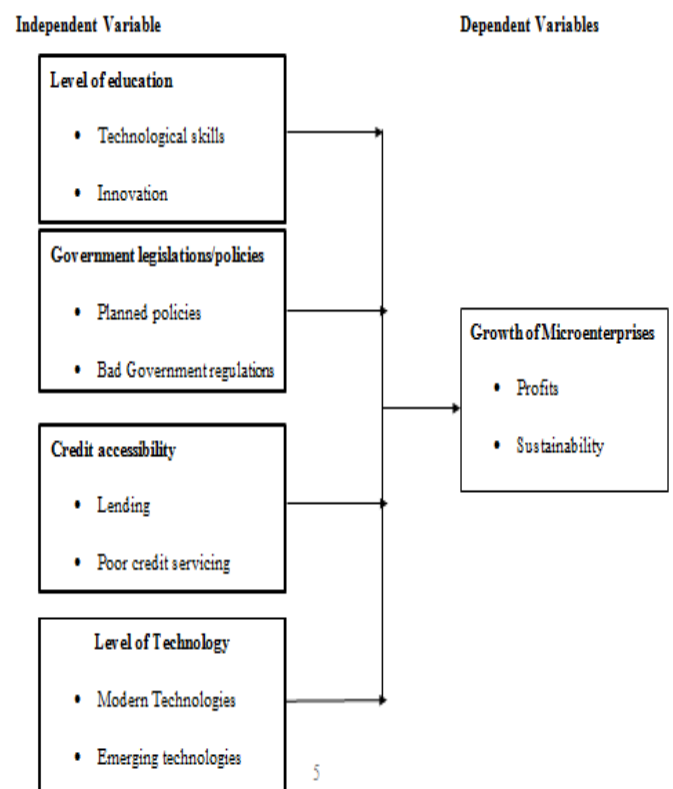
improve and expand but majority have given up while others remain stagnant. A general observation reported in literature and publication by Kenya government suggests that micro enterprises in many developing countries including Kenya do not appear to grow beyond the micro level (Mbugua et.al 2013). This however has been attributed to lack of entrepreneurial skills, education, experience in various venture activities and access to credit facilities.

Previous studies such as wanjau, Gakure and Kahiri (2010) on SME growth in Kenya have focused on the contributions of quality initiatives towards growth and industrialization of micro enterprises. Available literature also suggests that some SMEs have grown in the recent past through expansion of shops, products and services Kinyanjui & McCormick (2003).

Access to financial credit facilities has also been determined by the type of financial institutions and their lending policies which often define the problem of inaccessibility to credit facilities. Where the credit duration, terms of payment, required collateral and provision of supplementary services which are unaffordable to the target group makes potential borrowers not to apply for the credit even if it is available and if they apply, they are denied due to the collateral required as an assurance and commitment for the repayment. Although a considerable number of research papers and consultancy reports have mentioned that the access to finance has been a major problem in the microenterprise sector, a survey of literature dealing with this area indicates there's significant gap in knowledge of the factors influencing growth of microenterprise in developing countries. This triggered the need for the researcher to explore more on the factors that influence growth of microenterprises in Kenya taking into consideration the microenterprises in Mombasa County.

## 2. Related Literature

### 2.1 Conceptual Framework



### 2.1.1 Government legislations/policies

Regulations and procedures are requirements for any orderly development and /or business activities. However, excessive regulations inhibit business competitiveness in the developing countries. As developing countries struggle to undertake economic reforms, it has become necessary to reduce/free business from cumbersome procedures and regulations. In Kenya, existing regulations and procedures have been observed to be major problem affecting growth of microenterprise Owino Eliud (2008).

Problems created by bad regulations can take the form of high costs, wasted time and slow growth and missed opportunities Gitu (2000).the author proposes simpler regulations which are objective which can improve the growth and performance of microenterprises. Currently every county in Kenya have come up with by-laws governing business most of which are not favourable to small enterprises.

### 2.1.2 Level of Technology

Micro enterprises are widely assumed to use technologies that are outdated or less modern compare to large enterprises, they believe that combination of emerging technologies and traditional and existing technologies would contribute to greater technical efficiency. The indication of technological development of a country is determined by the level of industrialization. Unfortunately, Kenya still relies heavily on imported technology Oketch (2002). The author asserts that there is need to combine human skills, information and organizational structures if growth is to be realized. He argues that limited access to technological information, technical services, lack of innovation, weak linkage between MSEs and large enterprises lead to slow growth of enterprises. Oketch et al (2002) says that much of the existing technology available in our environment for micro enterprises is either insufficient or outdated. Small micro enterprises should adopt new technologies in order to remain competitive ( Hisrich Peters and Shepherd 2009)

### 2.1.3 Education level

There exists a relationship between the education level of the entrepreneur and the growth of enterprise resulting in easy accessibility to credit facilities. The knowledge acquired helps one in enhancing innovative skills, improvement of communication skills and foresight which contributes to effective loan proposal preparation and convincing the lender during screening for viability of the project to be funded. Educated owners/ managers posses the required skills in managing the functions of the firm especially in marketing and finance leading to high performance of the firm. Education and skills are needed to run microenterprises, research shows that majority of the lot carrying out SMEs in Kenya are not quite well equipped in terms of education and skills. Research suggests that those with more education and training are more likely to be successful in the sector King and McGrath (2002). Tushabomwe-Kazooba (2006) found out that poor recordkeeping and lack of basic business management skills are major contributors to micro enterprises failure in Africa. Lack of basic skills in business management and entrepreneurship according to GOK (2005) is a major drawback in growth and development of micro enterprise sector. The integration of entrepreneurial training into country's education system expose potential MSE entrepreneurs to modern business management skills.

### 2.1.4 Credit accessibility

Credit accessibility is one of the major determinants on growth of microenterprises in Kenya. Access to such facilities has been a major problem for entrepreneurs who want to expand their businesses. In a review of the cost of credit in Kenya FSD (2009) notes that credit is crucial in the growth of enterprises, bank and other financial institutions lending is prime source of credit to microenterprises.

According to mwangi and sichei (2011) lending institutions refer to the CAMPARI framework for credit assessment which looks at character of the borrower, amount to borrow, margin or profit from lending, purpose of loan, ability to repay, repayment amounts, insurance for loan or security. This leads to most microenterprises being rated credit unworthy in most cases which in turns affects growth of these enterprises. In a bid to accelerate growth of microenterprises government and other financial institutions have played a huge role in promoting microenterprises and development in Kenya. Through capacity building of business associations and financial institutions in the sector, micro enterprises have been able to benefit significantly in returns and sales due to loans through the conventional banking system Atieno (2001).

### 2.2 Empirical literature review

The prior researches apparently show that financial markets have not fully honoured their obligation in credit advancing to microenterprises. Lending policies by the credit institutions in Kenya, however have not favored efficient and profitable use of credit facilities especially by microenterprises thus leading to a disparity of credit demand and supply Atieno (2001). The 1995 survey by the Kenya rural enterprise programme (KREP) also supports the idea by showing that, credit being an important factor in enterprise expansion, will likely lead to enterprise contraction if not given in considerable large amount (Hisrich , Peters and Shepherd 2009)

However on the other hand accessibility and growth of microenterprises depends on the owner's characteristics which are inseparable from that of the business. Lucas, (2009) observed that individuals have certain business or management abilities that influence their success in the business. Nteere (2012) also highlighted that the small scale producers in any given country fail to expand because they lack managerial abilities that propels the enterprise to success. Past research findings and from the human capital theory review, show that there exists a positive relationship between the higher level of education and the growth of the business. This is evident enough since the investment made in the human being is worthwhile rather than the physical investment, since the knowledge and skills gained translates to creativity and innovation that transforms the image of the enterprise. Hamilton, (2007) also observed that education helps to enhance the exploratory skills, improve communication abilities and foresight and they are related positively to present a plausible case for loan to a banker at the time of preparing a loan proposal and convincing the banker during the client interview.

Another important factor on both formal and informal financial markets relates to the penalties. In the absence of formal contract enforcement mechanisms, both formal and informal sector rely on lending practices that emphasize on loan screening rather than monitoring, thus it seems to be more concerned with adverse selection than moral hazard. Differences do arise in the methods used by formal and

informal institutions where formal lenders rely on project screening while informal lenders insist on character and history of the borrower, particularly on personal knowledge of the borrower. Loan monitoring is rarely done by informal sector due to lender's knowledge of the borrower, while in formal lending, it is mainly due to lack of facilities.

Thorsten, (2011) presents recent research on access to finance by microenterprises. Microenterprises form a large part of private sector in many developed and developing countries. While cross-country research sheds doubt on a causal link between microenterprises and economic development, there is substantial evidence that small firms face larger growth constraints and have less access to formal sources of external finance, potentially explaining the lack of microenterprises contribution to growth. Financial and institutional development helps alleviate microenterprise growth constraints and increase their access to external finance and thus levels the playing field between firms of different sizes. Specific financing tools such as leasing and factoring can be useful in facilitating greater access to finance even in the absence of well-developed institutions, as can systems of credit information sharing and a more competitive banking structure.

Philippe, (2013). The review of economics and statistics, provides data on the use of basic financial services by households and firms across a sample of countries, assesses the desirability of universal access, and provides an overview of the macroeconomic, legal, and regulatory obstacles to access. Despite the benefits of finance, the data show that use of financial services is far from universal in many countries, especially developing countries. Universal access to financial services has not been a public policy objective in most countries and would likely be difficult to achieve. Countries can, however, facilitate access to financial services by strengthening institutional infrastructure, liberalizing markets and facilitating greater competition, and encouraging innovative use of know-how and technology. The review of economics and statistics shows that the growth of most firms is constrained by internal finance.

### 3. Methodology

The study will employ a descriptive research design method to collect data so as to utilize both qualitative and quantitative approaches. These approaches are preferred so as to provide an opportunity to the author to make some observations on the aspect of entrepreneurs' behaviors in the enterprise. According to Orodho, (2012), he observed that descriptive study sampling is a method of collecting data by interview or administering a questionnaire to a sample of individuals. This however, results, formulation of principles of knowledge and providing possible solutions to tedious problems. A sample size of 120 from a target population of 1200 was drawn proportionately from the stratas. For homogeneous group 10% of the sample is considered representative (Mugenda & Mugenda, 2004).

### 4. Research Findings

#### 4.1 The effect of entrepreneur's level of education on the growth of microenterprises in Kenya

The first objective was to investigate the effect of entrepreneur's level of education on the growth of microenterprises in Kenya. This was to enable the researcher to establish the extent of microenterprises success and understanding of accessibility of credit facility and how to use it to facilitate the growth of the firm.

From table 4.4 respondents say that Knowledge in credit facilities helps customers select the best products for their projects with a mean of 4.4. They believe that training SME owners on financial management improves performance of microenterprise improves growth of microenterprises with a mean 4.1. Respondents also agree to the statement lack of basic business management skills are major contributors to micro enterprises failure in Africa. This generally shows that respondents agree that education is a major component of growth of microenterprises management.

**Table 4.4. level of education.**

	N	Minimum	Maximum	Mean	Std. Deviation
Knowledge in credit facilities helps customers select the best products for their projects	102	1	5	4.4	1.161
Training SME owners on financial management improves performance of microenterprise	102	1	5	4.1	1.191
lack of basic business management skills are major contributors to micro enterprises failure in Africa	102	1	5	3.50	1.055
Valid N (listwise)	102				

in construction confirmed education leads to high growth with 10% suggesting medium growth and 5% with low growth. 75% of those in service industry believe that education has high impact to growth of microenterprise with 20% saying it will bring medium growth and 5% low growth.

#### 4.2 Effect of government legislations on the growth of microenterprises in Kenya

Majority of the respondents in the study agreed that they used legislation as part of growth; legislation is a must for any business person in Kenya. The policies should provide an enabling environment for small business so that Kenya's need for growth can be met effectively and sustainability

**Table 4.5 Effect of government legislations**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Does government regulations inhibit business competitiveness	101	1	5	3.53	1.174
Government policies help to foster SMEs in the market	102	1	5	3.94	1.195
Bad Government regulations leads to high costs of products, wasted time and slow growth and missed opportunities	102	1	5	3.67	1.030
Simpler and well planned policies improve the growth and performance of microenterprises	102	1	5	3.53	1.117
Valid N (listwise)	102				

Most respondents agrees that legislation is a must in every business environment with most of them agree to the following statement Does government regulations inhibit business competitiveness with a mean of 3.53, Government policies help to foster SMEs in the market with a mean of 3.94, Bad Government regulations leads to high costs of products, wasted time and slow growth and missed opportunities with a mean of 3.67 and Simpler and well planned policies improve the growth and performance of microenterprises with a mean of 3.53

According to the table 4.5 above, the majority of respondents in all the different types of industry felt that government regulations have more negative than positive impact. Most of the respondents cited implementation part as the major problem. Majority of the respondents admitted that Legislation affected the growth of their businesses. Respondents said that problems created by bad regulations can take the form of higher costs, wasted time and energy, restrictions on choice, inflexibility stifling initiative and missed opportunities. They proposed simpler rules and regulations which were objective can improve growth. Respondents could not be comfortable with the cumbersome Policies because from time to time they got harassed by the authoritative county council officers as well as the tax authorities.

#### 4.3 The effect of the technology in the market on the growth of microenterprises in Kenya

**Table 4.6. Effect of the technology in the market.**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Technologies used in microenterprise are modern	98	1	5	3.62	1.035
SME owners are trained on the emerging technologies in the SME sector	98	1	5	3.55	1.141
Lack of technological skills can hinder proper running of micro enterprise	102	1	5	4.44	1.043
Innovation input from staff and customer is encouraged in microenterprise	101	1	5	3.25	1.099
Valid N (listwise)	98				

From the table above, respondents believe that technology is used as part of growth in business. They agreed to the statement Technologies used in microenterprise are modern with a mean of 3.62, and also agreed to the statement that SME owners are trained on the emerging technologies in the SME sector with a mean of 3.55. Respondents believe that use of appropriate technology will lead to growth in their businesses. However respondents were neutral on when asked if Innovation input from staff and customer is encouraged in microenterprise with a mean of 3.25

The table above clearly shows that the growth of a firm is dependent on the technology in the market. This therefore indicates that technological advancement will lead to growth of a firm due to its efficiency. The use of appropriate technology by the respondents was mandatory in order to produce quality competitive products for the market.

#### 4.4 Determine the effect of credit accessibility on the growth of microenterprises in Kenya.

The researcher objective was to know whether access to credit facilities have any impact on the growth of micro enterprises and the table below show the responses from different from a sample population of different sectors.

**Table 4.7 ways of accessing credit**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Credit accessibility helps in growth and performance of micro enterprise	102	1	5	3.19	1.138
Lending has led to poor performance of micro enterprise in Mombasa	102	1	5	3.51	1.110
Poor credit servicing techniques by customers leads to poor performance of micro enterprise in Mombasa	102	1	5	3.32	1.179
Valid N (listwise)	102				

When asked if Credit accessibility helps in growth and performance of micro enterprise. Respondents were neutral to the statement with a mean of 3.19 and standard deviation of 1.138. Respondents were also neutral to the statement Poor credit servicing techniques by customers leads to poor performance of micro enterprise in Mombasa with a mean of 3.32. However Respondents agreed to the statement Lending has led to poor performance of micro enterprise in Mombasa with a mean of 3.51. From the table above it is clear that use of collateral for extending loans across the business types made more respondents opted to use own savings to start and operate the business instead of going for debt financing which becomes a burden with time.

The table shows that majority of the entrepreneurs believes that one does not need access to credit for expansion of their enterprises. However, credit plays a very crucial role in a business because it reduces the financial stress of the entrepreneur and also gives hope for growth and expansion.

#### 4.5 Growth of Microenterprise

The researcher objective was to know whether access to level of financial education, technology and credit facilities have any impact on the growth of micro enterprises and the table below show the responses from different sectors.

**Table 4.8 Growth of Microenterprise**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Growth of microenterprises is determined by entrepreneur's need for achievement	102	1	5	3.05	1.169
Access to financial services guarantees improvements in SME	102	1	5	3.54	1.109
Sustainability is determined by good management of SMEs	102	1	5	3.44	.922
Lack of financial skills and training hinders growth of SMEs	102	1	5	3.70	.965
Valid N (listwise)	102				

When respondents were asked if growth of microenterprises is determined by entrepreneurs need for achievement majority were neutral to the statement with a mean of 3.03. This means that not only does an entrepreneur invests due to their need to achieve but also due to another factors. Respondents agreed to the statement Access to financial services guarantees improvements in SME with a mean of 3.54 They also agree that Lack of financial skills and training hinders growth of SMEs with a mean of 3.70. Respondents were neutral to the statement Sustainability is determined by good management of SMEs with a mean of 3.44

#### 4.6 Coefficient of Determination (R<sup>2</sup>)

Table 4.9 shows that the coefficient of determination was 0.310. This explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (growth of microenterprises) that is explained by all independent variables in the study. From the findings this means that 31% growth of microenterprises is attributed and determined by combination of the all independent factors investigated in this study.

**Table 4.9 Coefficient of Determination**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.557 <sup>a</sup>	.310	.281	.68075

a. Predictors: (Constant), Credit Accessibility, Government policies, financial education, Technology

#### 4.7 ANOVA

Analysis of Variance commonly referred to as ANOVA is used to establish the significance of the regression model from which f-significance value of p is less than 0.05 (< 0.05). From the table 4.10 below, the df of (4,97) and F- of 10.78 p is at 0.00 significant level thus < than 0.05. This shows that the model was statistically significant in predicting growth of microenterprises and that it was not by chance. The null hypothesis is therefore is rejected thus adopting the hypothesis that entrepreneur's level of education affect the growth of microenterprises in Mombasa County, government legislations affect the growth of microenterprises in Mombasa County, technology affect the growth of microenterprises in Mombasa County and that credit accessibility affect the growth of microenterprises in Mombasa County. This therefore means that the regression model had a confidence level of above 95% hence high reliability of the results obtained.

**Table 4.10 ANOVA**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.990	4	4.997	10.784	.000 <sup>b</sup>
	Residual	44.488	97	.463		
	Total	64.478	101			

a. Dependent Variable: Performance

b. Predictors: (Constant), Credit Accessibility, Government policies, financial education, Technology

#### 4.8 Multiple Regressions

**Table 4.11. Regression**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.532	.338		4.529	.000
	financial education	.104	.113	.106	.920	.360

Government policies	.154	.140	.150	1.096	.276
Technology	-.094	.137	-.104	-.688	.493
Credit Accessibility	.411	.109	.456	3.775	.000

The researcher conducted a multiple regression analysis as shown in Table 4.11 so as to determine the relationship between growth of microenterprises and the four variables investigated in this study. The regression equation was:

$$Y = 1.53 + 0.104 + 0.154X_2 + -0.094X_3 + 0.411X_4 + \epsilon$$

Where

$\alpha$ : is a constant term,

$\beta_n$ : coefficients to be determined

$\epsilon$ : the error term.

Y: the dependent variable (growth of microenterprises) measured by the factors influencing organization.

X1: Financial education

X2: Government policies

X3: Technology

X4: Credit Accessibility

Regression equation established above indicates that taking all factors constant at zero, organization growth will be 1.523.

The data findings analysed indicates that taking all other independent variables at zero; a unit increase in financial education will lead to a 0.104 increase in growth of microenterprise. It also indicates that a unit increase in Government policies will result to a 0.154 increase in growth of microenterprise. However a unit decrease in technology will result to a -0.094 decrease in microenterprise growth; a unit increase in credit accessibility will lead to a 0.411 increase in growth of microenterprise.

#### 5. Conclusion

#### 6. Recommendations

The researcher recommends that the microenterprises in Kenya should understand the importance of advancing the level of education for better understanding and knowledge on credit and also have the skill on how to use the credits for the growth of the firms. The knowledge will also enable the firm to understand the market and its environs which will in turn influence on the viability of their businesses. It also established that the credit worthiness of the firm should not be based on the period of existence of a firm but rather its capability to effectively manage its funds. Additionally, the researcher further recommends the financial institutions should have alternative collateral requirements of enabling entrepreneur's access credit facilities.

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