

## **An insight into small business success**

Small Medium Enterprises (SMEs) are extremely important as they are an effective mechanism to generate employment and promote economic growth (Dobbs and Hamilton, 2007). An understanding of why they succeed or fail is crucial to the economy and the society. Therefore, identifying and further exploring the Critical Success Factors underpinning this success or failure becomes of great importance.

The purpose of this paper is to review empirical contributions in the area of Small Medium Enterprises growth and ultimately identify and propose a more comprehensive set of factors critical to their success (CSFs).

Overall, it is evident that there is no unifying theory on small businesses success and the current literature features a wide range of growth measures and a large number of conceptual frameworks that attempted to capture aspects of small business growth (Chawla *et al.*, 2010). In fact, even though SMEs is an area well researched, there is yet no universally accepted definition of what constitutes a SME and there are still variations in their definitions from country to country. In addition, there is also no single agreed-upon definition of business success or business failure; the most prevailing one defines success as sales growth (increase in sales turnover) and / or increase in profitability (Rogoff et al., 2000).

To that end and to further promote research in the area of SMEs, this paper will firstly establish their overall importance and detail the various definitions currently existing in the business literature. Then, to further define the nature of Small Business, the most important characteristics that distinguish them from their larger counterparts will be presented, followed by the various definitions of business success and failure. Most importantly, this paper will synthesize / bring together the existing literature on Critical success factors using a framework adopted in previous reviews where all of the variables of business growth / success can be classified into one of three categories: factors relating to the entrepreneur / individual (personal), factors relating to the enterprise / firm and factors relating to the business environment.

The contribution of this presentation is to develop a more comprehensive framework on CSFs for SMEs in an area critical in terms of the advice given to policy makers and business owners and also identify any new research approaches that are needed to advance understanding of the small business growth process.

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