**ABSTRACT**

Small and medium-sized enterprises (SMEs) have long been established as an effective mechanism to generate employment and promote economic growth. However, there is still no unifying theory on SMEs success with knowledge development being more fragmented than cumulative. Even though business literature features a wide range of critical success factors (CSFs), their importance appears to be relative and varies with the business environment, that is the country and industry SMEs operate in. Therefore, developing a better understanding of the factors that contribute to small business success, especially within a specific country and industry context, becomes crucial.

Notably, SMEs have a strong presence in the UK chemical distribution industry and play an important role in its overall growth and performance. The chemical distribution sector is a developing, well-established, fragmented, subject to strong consolidation, significant part of the chemical industry and a major contributor to the UK economy and employment. However, there is limited bibliography and research both on an academic and a professional level on this industry and equally on the small businesses operating in it, creating a need for more empirical research. Therefore, identifying and exploring the critical factors underpinning SMEs success in the specific industry becomes of great importance.

The aim of this study is to identify the factors critical to the success (CSFs) and sustainable growth of SMEs in the UK chemical distribution industry. Following an in-depth literature review, twenty two (22) factors critical to small business success are identified and their impact is investigated. These are categorised in entrepreneurial (relating to the personal characteristics of the owner/manager), enterprise (relating to the firm) and business environment (external) factors. This research follows a positivistic philosophy, is deductive in its approach, uses a concurrent embedded mixed methodology and utilises a survey strategy involving the use of self-administered questionnaires. The survey is based on the opinions of owners and very senior managers (Managing Directors, Directors, CEOs and CFO’s), an approach extensively used by other researchers. A total of 180 SMEs fulfilling the criteria of this study are identified in the UK chemical distribution industry with 118 owners/managers participating, generating a very satisfactory response rate of 65.5%.

This study establishes a positive relationship between eight (8) factors and SMEs success in the UK chemical distribution industry. Regulatory Compliance, Entrepreneurial Orientation, Customer Relations Management, Market and Product development, Prior Work Experience and Management Skills, Human Capital, Economic Environment and Strategic Planning are, in order of importance, the critical success factors for the specific industry. Findings strongly suggest that success is a multidimensional phenomenon, where both firm-internal and firm-external factors need to be optimal simultaneously. Considerable variations between SMEs in this industry based on their size are also found, suggesting that these are not a homogeneous group and as such different strategies are needed for different sized businesses.

This research addresses the gap in small business success in the UK chemical distribution industry as it is the first study to provide an integrative perspective of CSFs for SMEs in this sector. The original and significant contribution of this thesis lies with the identification of the factors critical to the success and sustainable growth of UK chemical distribution SMEs. This study does not only fulfil the need for more empirical studies in the specific research area but also contributes to the knowledge and expands the literature on SMEs success and entrepreneurship. It further improves the understanding of the chemical distribution industry and of the small businesses operating in it. This study also provides guidelines and recommendations to various stakeholders so as to improve their strategy formulation and decision-making process in order to support chemical distribution SMEs in being successful, achieving sustainable growth and strengthening them against failure.

**ACKNOWLEDGEMENTS**

*‘Σα βγεις στον πηγαιμό για την Ιθάκη,  
να εύχεσαι νάναι μακρύς ο δρόμος,  
γεμάτος περιπέτειες, γεμάτος γνώσεις.  
Τους Λαιστρυγόνας και τους Κύκλωπας,  
τον θυμωμένο Ποσειδώνα μη φοβάσαι,  
τέτοια στον δρόμο σου ποτέ σου δεν θα βρεις,  
αν μέν’ η σκέψις σου υψηλή, αν εκλεκτή  
συγκίνησις το πνεύμα και το σώμα σου αγγίζει…’*

*‘As you set out for Ithaka  
hope the voyage is a long one,  
full of adventure, full of discovery.  
Laistrygonians and Cyclops,  
angry Poseidon; don’t be afraid of them:  
you’ll never find things like that on your way  
as long as you keep your thoughts raised high,  
as long as a rare excitement  
stirs your spirit and your body…’*

(Cavafy, C. P., *Collected Poems,* Translated by Edmund Keeley and Philip Sherrard, Edited by George Savidis, Revised Edition, Princeton University Press, 1992)

The above refers to Odysseus' ten year struggle to return to his native land, Ithaca, after the Trojan War, during which he faced the wrath of the gods and battled with mystical creatures. This poem transpires that what is really important is the journey that one man makes (and what he learns from it) rather than the end destination.

Indeed, this has been a long and strenuous journey and I have most certainly strayed off my path many times but I was never alone. I always had the encouragement and support of certain people to whom I will always be grateful.

First of all, I would like to extend my gratitude and appreciation to my supervisors, Dr. George Lodorfos and Dr. Brian Jones, for their continuous support, guidance and above all their patience, which I put to the test on numerous occasions.

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If I have forgotten to thank anyone that has contributed is because of an error of the mind and not of the heart.

**DEDICATION**

This thesis is wholly and heartily dedicated to my dearest wife Niki, without her advice, love and support I would still be lost out at sea and never have found my Ithaca…

I find very few words to express my gratitude and appreciation for her encouragement during the dark times and the unlimited amount of patience she had to exercise with me… Thank you.

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**LIST OF ABBREVIATIONS**

BACS British Association of Chemical Specialties

BCG Boston Consulting Group

BRTF Better Regulation Task Force

BPR Biocidal Product Regulation

CAGR Compound Annual Growth Rate

CBA Chemical Business Association

CEFIC Conseil Européen des Fédérations de l'Industrie Chimique

(European Chemical Industry Council)

CEO Chief Executive Officer

CIA Chemical Industry Association

CGSG Chemistry Growth Strategy Group

CIM Chartered Institute of Marketing

CLP Classification, Labelling and Packaging

CRM Customer Relations Management

CSR Corporate Social Responsibility

CSFs Critical Success Factors

ECHA European Chemicals Agency

EFCs Entrepreneurial Framework Conditions

EO Entrepreneurial Orientation

EU European Union

EUR Euro

FDA Food and Drug Administration

FECC European Association of Chemical Distributors

FDI Foreign Direct Investment

GBP Great Britain Pound

GDP Gross Domestic Product

GEM Global Entrepreneurship Monitoring

GHS Globally Harmonised System

GVA Gross Value Added

HC Human Capital

HSA Health and Safety Authority

HSE Health and Safety Executive

ICCA International Council of Chemical Associations

ICI Imperial Chemical industries

ICT Information and Communications Technologies

IORs Inter-organisational Relationships

LEPs Local Enterprise Partnerships

M&A Mergers and Acquisitions

MPD Market and Product Development

MRS Market Research Society

NACD National Association of Chemical Distributors

NEPIC North East Process Industry Cluster

NES National Experts Survey

OECD Organisation for Economic Cooperation and Development

PEFs Private Equity Firms

PICR Prior Informed Consent Regulation

R & D Research and Development

REACH Registration, Evaluation, Authorisation and Restriction of Chemicals

RSC Royal Society of Chemistry

SBRC Small Business Research Centre

SBS Small Business Statistics

SEFs Specialised Engineering Firms

SFs Success Factors

SMEs Small and Medium-sized Enterprises

SPSS Statistical Package for Social Sciences

SIEF Substance Information Exchange Forum

SVHC Substance of Very High Concern

TCI Trade Competitiveness Indicator

UKTI United Kingdom Trade and Investment

VES Vienna Entrepreneurship Studies

VCI Verband der Chemischen Industrie

(German Chemical Industry Association)