Determinants of Success and Failure of Entrepreneurs of SMEs in Bangladesh- An Explorative Study

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Abstract

Entrepreneurs and entrepreneurship are significantly correlated with the economic development of a country. Entrepreneurs cannot easily succeed in doing successful business venture without facing risk that arises from internal and external conditions. So, the present study has been undertaken in order to identify the factors contributing to the success; and influencing the failure of entrepreneurs of SMEs in Bangladesh by employing sophisticated multivariate technique-Varimax Rotated Factor Analytical Technique. The study has collected and used only primary data; and consulted available literature for designing the questionnaire and study. The study has considered 18 variables responsible for failure, and 10 variables contributing to the success of entrepreneurs. The study has identified factors responsible for success of Entrepreneurs of SMEs: Relationship Factor; and Organization Factor in order of magnitude. It has identified factors influencing the failure of Entrepreneurs of SMEs: sustainable Factor, Supply Factor, and Product Related Factor in order of magnitude. The study has suggested entrepreneurs of SMEs to consider these factors while developing policies and strategies for SMEs.

Keywords: Entrepreneurs, Entrepreneurship, SMEs, Economic Development, and Strategies.

1.1 Statement of the Problem

Entrepreneurs are directly involved into activities contributing to the development of economy of any country. Entrepreneurship and economic development are highly correlated (Khan, 2000). Entrepreneurs are creating values for socio-economic development through employment generation, meeting demand of customers, contribution to national exchequer & foreign exchange reserve, poverty reduction etc. So, entrepreneurs play a vital role in bringing technological change, innovation and growth of output in general, and rapid employment generation in particular which finally results in changing standard of living of the common masses (Park and Taher, 2010, p.17). The success and failure in doing business has profound impact on the economic development of a country. So, Government and other development agencies are found generating a congenial business environment for entrepreneurs in the country. Entrepreneurial environment plays an important role in development of industrial entrepreneurship (Tandon, 1975). A Study (Rahman, 1970) has mentioned that growth of industrial entrepreneurship is

possible in an environment which regards the world as orderly, determinable and capable of being managed and manipulated. In fact, enabling business environment such as adequate supply of utility and infrastructural services influence the entrepreneurs to come out with innovative business ideas and their success in doing business and contributing to the socio-economic development of the country (Ahmed, 1994).

Bangladesh is characterized by different business ventures-small, medium, and large. Small businesses are numerous in Bangladesh and form a large majority in the domestic markets. According the estimate of BSCIC there are about 523 thousands of small enterprises including cottage industries in the country employing about 2.3 millions of people, which is around 82 percent of total industrial labor forces [Khan, 1999]. Quoting informal planning commission estimates, the SMDF puts the number medium enterprises to be around 20,000 industrial units. Its development is largely dependent on the contribution of small and medium enterprises, and so on the role being played by the entrepreneurs of SMEs. The growing economic significance of SMEs as source of development of entrepreneurship- traditional and technology social venture, and employment generation in the developed, OECD countries especially since 1970s is now widely recognized in an increasingly growing volume of literature (OECD, 1997). The world economy has been experiencing a paradigm structural shift from mass production to more flexible production in order to cope with the change and avail of opportunities in the market. This has led SMEs to a notable resurgence in the developing countries like Bangladesh. Theses sectors are expected to offer ample opportunities to different cross sectional people of the society to get involved into income generating activities-traditional, technological, vocational and other activities and thereby strengthening the efforts towards achieving high and sustainable economic growth which are most important prerequisites for triggering an exit from vicious poverty circle. A recent study (Papanek, Financial Express, April 19, 2010) has found that the decline in china's ability to compete opened up a once-in-a- lifetime opportunity for 10% growth, economic transformation and dramatic cut in poverty. This can be accomplished by establishing labour intensive SMEs in rural areas of the country where cheap labour should be key competitive advantage.

SMEs of Bangladesh have been vulnerable to frequent policy changes of Government from time to time. Besides, they are facing severe competition in and outside the country. As a result, the profitability of SMEs has got squeezed and many of them have got financially distressed. Besides, Entrepreneurs of SMEs are experiencing both success and failure in different sectors for internal factors as well. Country's half of the ready-made garments (RMG) units have fallen sick due to global crises, slump in the business as well as other industrial constraints at home. The sick industries in various sectors include textile, leather, medicine, loom, food, chemical and rubber. At least 200,000 employees were employed in those industries, and now at least 50,000 of them are unemployed leading inhuman life in absence of any alternative income source. Country's civil society that includes noted economists, entrepreneurs and chamber leaders called for revival of such sick industries in order to protect jobs and boost economy. In view of this, the present study has been undertaken aiming at identifying factors contributing to the success and responsible for the failure of entrepreneurs of SMEs in Bangladesh.

1.2 Objectives of the Study

The principal objective of the study is to identify the factors influencing the success and failure of entrepreneurs of SMEs in Bangladesh. To accomplish this objective, following specific objectives have been covered:

    a)   To identify factors influencing the success of entrepreneurship;

    b)   To identify the factors responsible for the failure of entrepreneurs of SMEs;

    c)   To identify the factors contributing to the success of entrepreneurs of SMEs ; and

    d)   To suggest some strategic policy measures for turning failure into success.

1.3 Hypothesis of the Study

The following hypotheses have been developed and tested against the objectives set forth above:

Ha_1 : Following Factors are hypothesized to contribute to the success of entrepreneurs of

      SMEs in Bangladesh:

X_1 : A Willingness to Succeed;

X_2 : Self Confidence;

X_3: Understands the competition;

X_4: Uses a Targeted Marketing Strategy;

X_5: Clear Idea for Their Next Start up;

X_6: Wealthy Managerial Support;

X_7: Firms Well with Others;

X_8: Well Structured in Life and Business;

X_9 : Keeps Close Tabs on Financ es; and

X_{10}: The Business Plan.

Ha_2 : Following factors are hypothesized to influence the failure of entrepreneurs of

      SMEs in Bangladesh:

X1: Inadequate Funding;

X2: Non-Availability of Raw Materials;

X3: Rise-in –Price of Raw Materials

X4: Labour Unrest;

X5: Cut-throat Competition;

X6: Out-dated Plant and Machinery;

X7: Availability of Better Substitute in the Market;

X8: Poor Management;

X9: Non-Payment of Bills from the Parties;

X10: Un-Economic Production Size;

X11: Power Failure;

X12: Natural Calamity;

X13: Ineffective Sales Performance;

X14: Unreliable Suppliers;

X15: Lack of Marketing Strategies;

X16: Lack of Planning;

X17: Staffing Imbalances; and

X18: Lack of Focus on Core Idea.

1.4 Scope of the Study

The study has covered the opinion of 23 Entrepreneurs of small and medium enterprises of different economically important sectors as follows:

Table 1: List of Sample Entrepreneurs of SMEs

Industry Sub-Sector	Number of Samples	Percentage
Light Engineering Works	4	17.40
Printing and Publishing	5	21.75
Readymade Garments	8	34.75
Plastic Products	3	13.05
Automatic Servicing and Repairing	3	13.05
Total Number of Sample	23	100

Note: Data has been compiled by the researchers.

1.5 Methodology of the Study

The study has been an explorative study. It has used only primary data.

 1.5.1 Collection of Primary Data: Researcher has prepared a questionnaire for collecting primary data on the basis of literatures survey and opinion of experts/professionals. For that researcher has selected 30 entrepreneurs of SMEs for the purpose of collecting data conveniently. He has attempted to conduct interview of 30 Entrepreneurs of SMEs. Finally he has been able to conducted interview of 23 entrepreneurs of SMEs. In this case, the opinions of sample respondents have been captured on five point likert scale (5-Most Important, 4-Important, 3- Indifferent, 2-Less Important, and 1-least Important). The study has consulted existing literature, journals, magazines, websites, and annual reports of the sample SMEs for designing questionnaire and rationalizing the present study.

1.5.2 Analysis of Data: The data thus collected has been tabulated first. Then the data have been analyzed by employing sophisticated multivariate technique-Varimax Rotated Factor Analysis or Principal Component Method as follows:

Factor Analysis: Factor analysis is a method of reducing a large number of variables (tests, scales, items, persons and so on) to a smaller number of presumed underlying hypothetical entities called factor (Fruchter, 1967). It tries to simplify and diverse relationship that exist among a set of observed variables by uncovering common dimensions or factors that link together the seemingly unrelated variables and consequently provides insight into the underlying structures of the data(Dillion and Goldstein, 1984). The purpose of factor analysis is mainly two folds: data reduction and substantive interpretation. In the present study, 'Principal Components Varimax Rotated Method' of factor analysis has been used in order to identify the factors influencing the success and failure of Entrepreneurs of SMEs in Bangladesh.

Principal component factor explains more variance that the loadings obtained from any method of factoring. In order to define the group membership, an algorithm may be used to uncover a structure purely on the basis of the correlation structure of the input variables. Then the number of principal components to be retained in the study has been decided on the basis of Kaiser's criterion (1958) of Eigen value ≥ 1. Principal components having higher reliability coefficients are more reliable in the sense that the corresponding factors would be replicable in other similar kind of studies. Then Communality, symbolized by h^{2-----} are then worked out which show how much of each variable is accounted for by the underlying factors taken together. Then, factor scores have been generated on the basis of weighted average of Principal Factor loadings and average of respective variables included into the concerned group. Ranking of each factor has been made on the basis of scores derived.

1.6 Organization of the Study

The study has been segmented into three sections. First section has covered statement of the problem, objective, hypothesis, and research methodology of the study; second session has focused on the findings and their analysis; and third session has covered summary of the findings, policy implications and conclusion.

2.0 Findings and their Analyses

Entrepreneur and Entrepreneurship are interwoven. Entrepreneurship is considered as the act of assuming the risk and the tasks of an entrepreneur (Khan, 200,p.4). The success and failure of entrepreneurs depend largely on the entrepreneurial capacity. Entrepreneur believes that success is possible because of i) the uniqueness of the idea; ii) the strength of the product; and iii) self-perception of quickness, and hard work, or some other fact known mainly to the entrepreneur which will guarantee success (Khan, 2000, p.2). This is why, the present study has attempted to identify the key factors for successful entrepreneurship in order to facilitate the study over the factors influencing the success and failure of entrepreneurs of SMEs. These have been discussed in the following paragraphs:

2.1 Identifying the Key Factors for Successful Entrepreneurship of SMEs

Successful Entrepreneurship is not an unmixed pleasure and blessing. The success of business depends not only internal and external condition; but also on the capability and quality of entrepreneurship. The study has consulted different literatures (Khan,2000; Hold, 2002; Khanka,2001; Ahmed, 1994 and *www.google.com*) for identifying the Key factors for successful entrepreneurship. It has collected opinion of 23 entrepreneurs of SMEs on these factors on five point liker scale. The study has expressed the collected opinions of the sample entrepreneurs in terms of percentage weight as follows:

Table-2: Key Factors for Successful Entrepreneurship (in percentage)

Factors	Most Important	Impor-tant	In-different	Less Important	Least Important
Prior Work Experience	58	30	-	12	-
Lessons Learned from Failure	48	20	11	05	16
Own Luck	41	30	3	18	08
Professional Networks	36	41	12	6	5
Availability of Financing	36	30	14	12	08
Lack of Ability to Take Risks	48	30	12	6	4
Ease of Management	54	18	10	8	10
Difficulty in Raising Capital	56	16	8	8	12
Business Management Skills	36	40	6	12	8
Knowledge About to Start a Business	56	26	4	4	10
Industry and Market Knowledge	30	56	-	14	-
Pressure to Keep a Traditional Steady Job	32	30	20	18	-

Note: Data has been compiled by the researchers.

It is evident from the analysis of above table that most of the sample entrepreneurs have given highest importance to the factors like prior work experience, difficulty in raising capital, ease of management, lessons learned from failure and ability to take risk in order of magnitudes. Aggregately on important side, most of the sample entrepreneurs are of the opinion that prior work experience, industry and market knowledge, knowledge about to start a business, ability to take risk, professional network, and business management skills are key successful factors for entrepreneurship. This implies that these entrepreneurial factors are most important for entrepreneurship. The entrepreneurs have to concentrate more on to these entrepreneurial factors in order to have a profitable niche in the competitive business environment.

2.2 Identification of Factors Contributing to the Success of Entrepreneurs of SMEs in Bangladesh

Apart from entrepreneurial factors as have been mentioned in the above section-2.1 the success of an entrepreneur depends on both internal and external factors. A Study (Ahmed 1981) has segmented the various factors for the success into four categories. They are: a) psychological factors, b) socio-cultural factors, c) personal factors, and d) opportunity factors. A summary of the success factors of entrepreneurs based on available literature is shown as follows:

Table-3: Success Factors of Entrepreneurs

Factors	Canti-llon R. 1975	McClenlland D. 1961	Rahman, A, 1979	Ahmed, S.U. 1981	Hornaday, J.A. 1982	Kao, J.J. 1989
Risk Taking	√	√	√	√	√	√
Innovativeness	√		√	√	√	
Well-Coordinates				√	√	√
Self Awareness		√		√	√	√
Self Confidence	√	√			√	
Personal Initiative	√		√	√	√	
Knowledge Information					√	
Dynamism		√			√	
Long-term Involvement				√		
Perseverance and Determination					√	
Opportunity Seeking						√

Note: Data have been compiled by the researchers.

On the basis of available literature and counseling with the experts, the present study has selected a set of factors (shown in the table under section 1.3) that influence the success of entrepreneurs of SMEs. The study has collected opinion of 23 sample entrepreneurs of SMEs on five point liker scales; and employed multivariate technique –Varimax Rotated Factor Analysis for analysis of data. So, the analysis is subject to correlation analysis, principal component analysis, rotated factor analysis, and finally factor score for ranking the factors derived from principal component analysis.

2.2.1 Analysis of Correlation Matrix

The study has estimated zero-order correlation of all 10 variables that contributes to the success of entrepreneurs of SMEs, considered for study. The correlation matrix (see Appendix-IV) has shown that Variables understudy have formed several groups on the basis of relationship underlying between variables. Variables within the group have been found to have significant relationship at different level of significance ranging from 1% to 10%. It is observed that variables $X2$ has been found significantly correlated with variables $X3$, and $X5$ at 1% level; variable $X4$ is found correlated with variable $X8$ at 1% level of significance; and Variable $X10$ is found significantly correlated with variables $X5$, and $X6$ at 1% level of significance. These relationships between variables finally lead to the formation different orthogonal factors.

2.2.2 Principal Component Analysis

The correlation matrix of all 10 variables has been further subjected to principal component analysis. The Eigen values, the percentage of total variance, and rotated sum of squared loadings have been shown in Appendix-V. The factor matrix as obtained in the principal component analysis has also been further subjected to Varimax Rotation. An examination of Eigen values has led to the retention of four factors. These factors have accounted for 24.45%, 23.05%, 19.90%, and 13.32% of variation. This implies that the total variance accounted for by all eight factors is 80.71% and the remaining variance is explained by other factors.

2.2.3 Factor Analysis

The rotated factor matrix has been shown in Appendix-VI. This shows that variables understudy have constituted four groups/factors. It can be mentioned that the variable with factor loading of 0.50 and above has been considered for inclusion into the factors. These have been discussed in the following paragraphs:

Factor-I: Organizational Factor

Factor-I explains 24.45 percent of the total variations existing in the variable set. This includes variables- X_5, X_6 and X_{10}. This factor has significant factor loadings on these variables which have formed this major cluster. This factor belongs to idea generation, managerial support for implementation through effective business plan of SMEs. So, this factor provides a basis for conceptualization of a dimension, which may be identified as 'Organizational Factor.'

Factor-II: Strategic Management Factor

Factor-II explains 23.05 percent of the total variations existing in the variable set. This includes variables- X_4, X_8, and X_9. This factor has also significant factors loading on these variables which formed second important cluster with respect to the variation. This factor is concerned with strategic relationship and fund factors of entrepreneurs of SMEs. So, this has provided a dimension of conceptualizing this strategic variables, which may be identified as 'Strategic Management Factor.'

Factor-III: Personal Factor

Factor-III explains 19.90 percent of the total variations existing in the variable set. This includes variables- X_1, X_2, and X_3. This factor has high to higher factor loadings on these variables which have formed a third important cluster. This factor is related basic entrepreneurial capacity of entrepreneurs of SMEs. So, this has provided a dimension of conceptualizing capacity related variables as 'Personal Factor.'

Factor-IV: Relationship Factor

Factor-IV explains 13.32 percent of the total variations existing in the variable set. This includes only one variable- X_7 : Corporates Well with Others . This factor has also higher factor loadings on the variable which have formed a fourth important cluster. This factor has provided a basis for conceptualization of dimension which may be called 'Relationship Factor'.

Finally, the rankings obtained on the basis of factor wise average scores are shown in the following Table:

Table-4: Rankings of the Factors Influencing Failure of Entrepreneurs of SMEs

	Factor	Average Score	Rank
I	Organizational Factor	3.30	2
II	Strategic Management Factor	3.28	3
III	Personal Factor	1.10	4
IV	Relationship Factor	3.7	1

Note: Data has been compiled by the researchers.

The factor ranking show that Factors IV: Relationship Factor is the most important factor that leads the entrepreneurs of SMEs to the failure of business. This factor includes only one variables X7: Corporates well with Others. This implies that an entrepreneur with competitive advantage and core competence can be a market leader and maintain a very good relationship even with the competitor among others. This has

really reflected the true picture of entrepreneur's success in doing SMEs. The second most important factor is Organization Factor. This factor includes variables such as generation of innovative idea, good business plan and healthy management support. These variables have been found contributing to the success of entrepreneur in doing SMEs. The third important factor is the Strategic Management Factor which includes variables well structured in life and business, tabbing funds and strategic marketing of products. These three variables can be considered to be significant factors of entrepreneur's success in doing SMEs.

2.3 Identification of Factors Responsible For Failure of Entrepreneurs of SMES

Entrepreneurs are subject to both systematic and unsystematic risks. They are to deal with the different issues like moral hazard, adverse selection, agent cost and conflicts thereof. Entrepreneurs can succeed in the business taking all the risks arising out of these issues and conditions reasonable care. The present study has consulted available literature, and considered the opinions of experts while determining the factors responsible for failure of of entrepreneurs of SMEs for study (shown in section 1.3). The study has collected opinions of 23 entrepreneurs of SMEs on five point likert scale. Then, the data has been analyzed by employing 'Varimax Rotated Factor Analysis' in the following paragraphs:

2.3.1 Analysis of Correlation Matrix

The study has estimated zero-order correlation of all 18 variables that influence the   failure of entrepreneurs of SMEs considered for study. The correlation matrix (see Appendix-I) has shown that Variables understudy have formed several groups on the basis of relationship underlying between variables. Variables within the group have been found to have significant relationship at different level of significance ranging from 1% to 10%. It is observed that variables X1 has been found significantly correlated with variables X2, X3, X4 and X15 at 1% level; variable X10 is found correlated with Variables X7 and X8,and X9 at 1% level of significance; and Variable X5 is found significantly correlated with variables X10, X12, and X14 at 1% level of significance. These relationships between variables finally lead to the formation different groups.

2.3.2 Principal Component Analysis

The correlation matrix of all 18 variables has been further subjected to principal component analysis. The Eigen values, the percentage of total variance, and rotated sum of squared loadings have been shown in Appendix-II. The factor matrix as obtained in the principal component analysis has also been further subjected to Varimax Rotation. An examination of Eigen values has led to the retention of six factors. These factors have accounted for 22.50%, 21.16%, 14.99%, 14.39%, 11.36% and 10.74% of variation. This implies that the total variance accounted for by all eight factors is 95.14% and the remaining variance is explained by other factors.

2.3.3 Factor Analysis

The rotated factor matrix has been shown in Appendix-III. This shows that variables understudy have constituted six groups/factors. It can be mentioned that the variable with factor loading of 0.50 and above has been considered for inclusion into the factors. These have been discussed in the following paragraphs:

Factor-I: Strategic Cost and Fund Management Factor

Factor-I explains 22.50 percent of the total variations existing in the variable set. This includes variables- X_1, X_2, X_3, X_4 and X_{15}. This factor has significant factor loadings on these variables which have formed this major cluster. This factor belongs to materials, marketing and funds of SMEs. So, this factor provides a basis for conceptualization of a dimension, which may be identified as Strategic Cost and Fund Management Factor.

Factor-II: Product Management Factor

Factor-II explains 21.16 percent of the total variations existing in the variable set. This includes variables- $X_7, X_{8,}$ and X_{10}. This factor has also significant factors loading on these variables which formed second important cluster with respect to the variation. This factor is concerned with products of the firm and of the market, and their management. So, this has provided a dimension of conceptualizing Product related variables, which may be identified as Product Management Factor.

Factor-III: Fund Management and Credit Crunch

Factor-III explains 14.99 percent of the total variations existing in the variable set. This includes variables-X_5, $X_{12,\ and}$ $X_{14.}$ This factor has moderate to high factor loadings on these variables which have formed a third important cluster. This factor is related to supply and competition in the market. So, this factor has provided a basis for conceptualization of a dimension, which may be called 'Systematic Factor'.

Factor-IV: Sustainable Factor

Factor-IV explains 14.39 percent of the total variations existing in the variable set. This includes variables-$X_{6,}$ and X_{16}. This factor has also higher factor loadings on these variables which have formed a fourth important cluster. This factor has provided a basis for conceptualization of dimension which may be called 'Sustainable Factor'.

Factor-V: Supply Factor

Factor-V explains 11.36 percent of the total variations existing in the variable set. This includes variables-X_{11} and X_{13}. This factor has high factor loadings on these variables which have formed a fifth important cluster. This factor has provided a basis for conceptualization of dimension which may be called 'Supply Factor.'

Factor-VI: Operating Factor

Factor-V explains 10.74 percent of the total variations existing in the variable set. This includes variables-X_9, $X_{17,}$ and X_{18}. This factor has factor loadings ranging from moderate to high on these variables which have formed a sixth important cluster. This factor is concerned with the core idea and human resource factor. This factor has provided a basis for conceptualization of dimension which may be called 'Operating Factor'.

Finally, the rankings obtained on the basis of factor wise average scores are shown in the following Table:

Table-5: Rankings of the Factors Influencing Failure of Entrepreneurs of SMEs

	Factor	Average Score	Rank
I	Strategic Cost Management Factor	2.45	4
II	Product Related Factor	3.00	3
III	Systematic Factor	2.40	5
IV	Sustainable Factor	4.60	1
V	Supply Factor	3.98	2
VI	Operating Factor	2.37	6

Note: Data has been compiled by the researchers.

The factor ranking show that Factors IV: Sustainable Factor is the most important factor that leads the entrepreneurs of SMEs to the failure of business. This factor includes variables such as X6: Out-dated Plant and Machinery, and Lack of Planning. This has really reflected the actual scenario of being failure in doing SMEs. The second most important factor is Supply Factor. This factor includes variables such as Power Failure and Ineffective Sales Performance. These variables have been found rendering SMEs gross failure. The third important factor is the Product Related Factor which includes variables such as better substitute product, poor management, and un-economic production size. The fourth important factor is the Strategic Cost Management Factor which includes inadequate finance, non-available raw materials, labour problem and lack of marketing strategies.

The study has adopted two alternative hypotheses for testing against the objectives two and three. The methodology, the researcher has employed, does not allow taking all variables as significant for policy and decision makings. The study has identified first three ranking factors influencing the failure of

entrepreneurs; and identified first two ranking factors influencing the success of entrepreneur in doing SMEs. It can therefore be concluded that null hypotheses adopted for testing have been rejected.

3.0 Summary of the Findings, Policy Implication and Conclusion

The inference of the study is confined to the economies of SMEs in Bangladesh. The present study has been an explorative one. It has tried to explore the variables contributing to the success and responsible for failure of entrepreneurs of SMEs by employing sophisticated multivariate technique-Varimax Rotated Factor Analysis. In this case, the study has used SPSS -9th Version. The study has found following factors as significant for entrepreneurial policies and strategies:

Factors Responsible for Success of Entrepreneurs of SMEs:

- Relationship Factor; and
- Organization Factor.

Factors Influencing the Failure of Entrepreneurs of SMEs:

- Sustainable Factor;
- Supply Factor; and
- Product Related Factor.

The study has suggested present and future entrepreneurs to take above factors into consideration while making policies and strategies for SMEs. This is expected to give entrepreneurs a competitive and sustainable advantage of understanding and doing business in the globally competitive business.

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X1	x2	x3	x4	x5	x6	x7	x8	x9	x10	x11	x12	x13	x14	x15

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Appendices: Appendix-I: Zero-Order Correlation Matrix-Factors Influencing the Failure of Entrepreneurs

	X1	X2	X3	X4	X5	X6	X7	X8	X9	X10	X11	X12	X13	X14	X15	X16	X17
X1	1																
X2	-0.7*																
X3	0.67*	-0.81*															
X4	0.6*	-0.46#	0.41#														
X5	-0.18	0.41#	-0.1	-0.617*													
X6	0.06	-0.07	0.01	-0.296~	0.303~												
X7	0.44#	-0.43#	0.45	-0.236	0.443#	-0.06											
X8	0.4#	-0.38#	0.37	-0.283	0.444#	0.211	0.86*										
X9	0.01	-0.56	0.39#	-0.299	-0.045	0.367#	0.37#	0.46#									
X10	0.34#	-0.41	0.47#	-0.361	0.586*	0.178	0.92*	0.84*	0.51*								
X11	-0.08	0.03	0.17	-0.128	0.256	0.163	-0.15	-0.16	0.12	0.15							
X12	0.11	0.34	0.02	-0.012	0.572*	-0.4#	0.36*	0.25	-0.42#	0.335~	0.15						
X13	0.34~	-0.03	-0.2	0.29	-0.256	-0.16	0.15	0.16	-0.12	-0.15	-0.62*	0.014					
X14	0.13	0.27	-0.1	-0.074	0.639*	0.067	0.39#	0.44#	-0.1	0.374#	-0.09	0.727*	0.374#				
X15	0.91*	-0.72	0.64*	0.636	-0.244	-0.13	0.48*	0.37#	-0.08	0.311~	-0.31~	0.082	0.311~	0.02			
X16	0.18	-0.09	-0.05	-0.128	0.256	0.844*	-0.02	0.18	0.27	0.15	0.23	-0.34~	0.15	0.2	-0		
X17	0.33~	0.04	0.21	0.205	0.316~	-0.36#	0.24	0.08	-0.63*	0.185	-0.03	0.708*	-0.13		0.36#	0.49*	
X18	0.2	-0.5	0.39	0.385#	-0.467#	-0.55#	0.26	0.14	0.43#	0.12	-0.12	0.021	0.349#	0.05	0.23		

Notes: Data have been compiled by the researcher.

* Significance at 1% level; #Significance at 5% level; and ~ Significance at 10% level.

Appendix II: Total Variations, Eigen Values, and Extracted Factors (Factors Responsible For Failure of Entrepreneurs)

Component	Initial Eigen values	Variations		Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings	h^2	
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.997	27.762	27.762	4.997	27.76	27.762	4.050	22.497	22.497
2	3.899	21.662	49.424	3.899	21.66	49.424	3.809	21.158	43.656
3	3.322	18.458	67.882	3.322	18.46	67.882	2.699	14.994	58.650
4	1.943	10.794	78.676	1.943	10.79	78.676	2.591	14.393	73.043
5	1.932	10.735	89.412	1.932	10.73	89.412	2.045	11.363	84.406
6	1.031	5.730	95.142	1.031	5.730	95.142	1.932	10.736	95.142
7	.401	2.228	97.370						
8	.212	1.177	98.546						
9	.153	.853	99.399						
10	9.156E-	.509	99.907						
11	1.667E-	.009259	100.00						
12	6.206E-	3.448E-	100.00						
13	4.039E-	2.244E-	100.00						
14	2.293E-	1.274E-	100.00						
15	1.123E-	6.240E-	100.00						
16	-8.905E-	-4.947E-	100.00						
17	-2.514E-	-1.397E-	100.00						
18	-4.463E-	-2.480E-	100.00						

Note: Data has been extracted from Analysis of Data through SPSS.

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Appendix III : Rotated Component Matrix (Factors Responsible for Failure of Entrepreneurs)

	Component					
	1	2	3	4	5	6
X1	.915					
X2	-.780					
X3	.762					
X4	.796					
X5			.557			
X6				.920		
X7		.910				
X8		.885				
X9						.649
X10		.928				
X11					.896	
X12			.864			
X13					-.870	
X14			.888			
X15	.917					
X16				.973		
X17						-.553
X18						.839

Note: Data has been extracted from Analysis of Data through SPSS.

Appendix IV: Zero Order Correlation Matrix (Factors Influencing the Failure of Entrepreneurs of SMEs)

	X1	X2	X3	X4	X5	X6	X7	X8	X9	X10
X1	1									
X2	-0.351#	1								
X3	0.314~	-0.511*	1							
X4	0.06	-0.056	-0.046	1						
X5	0.104	-0.498*	0.58*	0.112	1					
X6	0.136	-0.3068~	0.549*	-0.134	0.614*	1				
X7	0.069	0.01	-0.101	-0.172	-0.265	0.376#	1			
X8	-0.06	-0.171	-0.251	0.507*	0.131	0.024	-0.065	1		
X9	0.088	-0.166	-0.428	0.335~	0.049	-0.195	-0.058	0.825*	1	
X10	-0.199	-0.08	0.15	-0.303~	0.572*	0.652*	0.052	0.124	0.086	1

Notes: Data have been compiled by the researcher.

* Significance at 1% level; #Significance at 5% level; and ~ Significance at 10% level.

Appendix V: Total Variations, Eigen Values, and Extracted Factors (Factors Influencing the Success of Entrepreneurs)

	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		h^2
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.936	29.360	29.360	2.936	29.360	29.360	2.445	24.451	24.451
2	2.314	23.139	52.499	2.314	23.139	52.499	2.305	23.045	47.496
3	1.576	15.764	68.263	1.576	15.764	68.263	1.990	19.896	67.392
4	1.245	12.450	80.713	1.245	12.450	80.713	1.332	13.320	80.713
5	.797	7.967	88.679						
6	.565	5.653	94.332						
7	.263	2.634	96.966						
8	.144	1.436	98.402						
9	.118	1.175	99.577						
10	4.227E-02	.423	100.000						

Note: Data have been compiled by researchers.

Appendix: VI. Rotated Component Matrix (Factors Influencing the Success of Entrepreneurs)

	Component			
Variables	1	2	3	4
X1			.785	
X2			-.736	
X3			.688	
X4		.589		
X5	.767			
X6	.816			
X7				.939
X8		.937		
X9		.930		
X10	.915			

Note: Data have been compiled by the researchers.