
An Exploratory Case Study of the Factors Hindering the Success of Small and Medium Enterprises

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Some small and medium-sized enterprises (SMEs) in Sri Lanka have expanded and succeeded, while others have declined or remained stagnant. What variables impact the failure of entrepreneurs in small and medium-sized businesses? The objective of this study is to identify the characteristics of enterprises that have an impact on the success of SMEs in Sri Lanka. An exploratory case study was conducted to investigate the factors that impact business success. Qualitative comparative analysis with within-case and cross-case analysis was used to analyze the data. Results revealed a positive impact of personal values and attitudes, knowledge management and experience, skilled labor availability, local infrastructure availability, and access to finance on the SME's success. Government policies and support do not play a significant role in the success of the SME.

1. Introduction and Background

Several recent studies focused on the success of small-scale enterprises (SMEs), but few considered the reasons for their failure. SME entrepreneurs can use this knowledge to improve their businesses by lowering the risk of loss and increasing the chances of success. The high failure rate has a substantial negative impact on the economy, particularly in a developing economy with limited capital. SMEs are projected to account for over 90 percent of all enterprises in Sri Lanka, 45 percent of overall employment, and a significant contribution to the country's gross domestic product (GDP). This sector has been recognized by the Sri Lankan government as a priority area for development to produce jobs and economic growth (Ministry of Industry and Commerce, 2016).

SMEs have played a significant role in the growth and development of the world's major economies (OECD/Eurostat, 2018). SMEs comprise a wide range of enterprises, such as village handcraft businesses, tiny auto shops, restaurants, and computer software stores, that operate in tough markets and social settings and have a wide range of complexity and skills. Owners can be wealthy, active, innovative, and growth-oriented, while others are traditional enterprises content to remain small (Hallberg, 2000). Some businesses, however, struggle at first due to various factors (Kumarasinghe, 2017). This study will look into the characteristics that determine the SME's success.

1.1. Problem Background

Several SMEs in Sri Lanka face failure when they run their business operations. Lack of awareness, lack of pre-

vious feasibility studies, inadequate financial capacity, lack of government support, lack of conformity with country laws or societal norms, and other reasons for these failures (Naidu & Chand, 2013).

Due to their small size and limited resources, SMEs face unique challenges in adapting to new challenges and competitors in the ever-changing business climate. SMEs are increasingly competing with their peers and large corporations in niche areas that were once regarded as the exclusive domain of SMEs. Local markets are no longer a viable source of business growth for many SMEs. As a result, they must understand, prioritize, and effectively solve these challenges to be more competitive and relevant in the corporate world. The Sri Lankan government has greatly emphasized the growth of SMEs as a means of fostering self-employment, alleviating poverty, and advancing the economy. New research suggests that despite their relevance, SMEs fail within the first few months of operation. SMEs have difficulty receiving money from financial institutions since they lack essential financial records.

High inflation, as well as other economic issues such as foreign currency shortages, interest rates, and exchange rates, hurt the performance of small and medium firms in Harare, Zimbabwe's manufacturing sector (Abdullahi et al., 2015). As indicated, several research projects were conducted related to the factors impacting SMEs' success. This study focused on the factors affecting the success of SMEs in the Attanagalla Division in the Western Province of Sri Lanka.

It is evident that all who are in the category of SME have not been able to successfully carry out their businesses, and

only a minority has been able to successfully carry out their business operations (pilot study).

In such a context, this research aims to study the factors that determine the success of successful SMEs compared to their less successful counterparts.

The more specific research question of this study, therefore, is:

What factors determine the success of small and medium-sized business entrepreneurs in Sri Lanka?

The study used the exploratory case study method as the appropriate methodology and the qualitative comparative analysis with within-case and cross-case analysis for the data analyses to find the factors that determine the success of SMEs.

2. Literature Review

2.1. Small and Medium Enterprise (SME)

Based on the preceding criteria, it is obvious that various Sri Lankan entities have different definitions for SMEs. For the Sri Lanka Export Development Board's support programs for export-oriented enterprises, SMEs are defined as businesses with less than 300 employees and an annual revenue of less than LKR 750 million (Sri Lanka Export Development Board, 2021). SMEs shall be defined as those with a yearly turnover of less than LKR 750 million, according to the definition of an SME adopted by the Department of Industry and Commerce in its National Policy Framework for SME Development (Central Bank of Sri Lanka, 2017). SLFRS defines SMEs as businesses that are not publicly accountable and do not produce general-purpose financial statements for external users (CA Sri Lanka, 2012).

2.2. Success of Small and Medium Enterprises (SMEs)

Firms with a longer track record of survival are, by definition, more successful than those that have just opened their doors (Lussier & Pfeifer, 2001). In spite of the lack of a unified SMEs success theory, there is considerable research suggesting that the variables of small business success can be grouped into three broad categories: factors relating to the individual (personal or entrepreneurial), factors relating to the firm (enterprise) and factors relating to the business environment (external) (Simpson et al., 2012; Tell & Andersson, 2009). Several empirical studies conclude that the success of small businesses is directly influenced by individual determinants, external factors and company characteristics (Karpak & Topcu, 2011). The result of the study conducted by Navarathne (2014) revealed that the diversity in identifying opportunities, was positively related to business success. Indarti & Langenberg (2004) discloses that marketing, technology and capital access significantly affect business success positively, while legality does it in a negative direction.

Successful SMEs are important for a country's economic development because they create jobs and subsidize economic growth (Chang, 2017), and motivate SMEs owners based on their confidence, rewards, and personal goals.

Whatever the scale or time since the business started, the failure of a small business will depend on the relationship with each independent variable, as detailed below.

2.3. Factors Hindering for Success of SMEs

2.3.1. Personal Values and Attitude

Entrepreneurship is both a science and an art, and business owners can profit from understanding how to operate their companies (Jack & Anderson, 1999). Understanding the management style is necessary but not sufficient for the company's success (Zubair et al., 2021). Recognition is the goal of an individual to gain prestige, respect, and acknowledgment from family, friends, and other members of the community (Bonjean, 1996). The desire for freedom, control, and flexibility in using one's time can be described as independence (Schein, 1978). Taking responsibility for one's own decisions rather than mindlessly accepting others' assertions is the definition of independence (Shane, 2003). Many researchers have found that the entrepreneurial role necessitates independence: (1) the entrepreneur takes responsibility for pursuing a previously untapped opportunity; (2) entrepreneurs are accountable for results, whether achieved or not; and (3) individuals may pursue entrepreneurial careers because they desire independence (Hisrich, 1985).

Proposition 1 (P1): Higher the personal values and attitudes possessed by a business higher the business success

2.3.2. Knowledge Management and Experience

Yew Wong (2005) define knowledge management as one of the essential driving engines for company success, noting that as businesses become more information-intensive, hiring minds rather than hands, the need to capitalize on the intrinsic value of knowledge is growing. The majority of SMEs are run by ordinary people with little or no formal education, and as a result, they may be unqualified to perform managerial tasks for their companies (Kiggundu, 2002). According to Tushabomwe-Kazooba (2006), poor recordkeeping and a lack of essential business management experience and competencies were essential causes of SMEs' failure. In addition, researchers discovered a lack of business experience, specifically a lack of technical understanding, as well as poor administrative skills, planning, and market research (Lussier, 1996). Further, human capacity has become such an essential indicator of competition in the corporate world that training to build such capabilities has become a top priority in commercial enterprises' strategic objectives (Mooney & Brinkerhoff, 2008). The results of the Navarathne (2015) study revealed that successful business operators were managerial in their endeavors.

Proposition 2 (P2): Higher the knowledge management and experience possessed by a business higher the business success

2.3.3. Skilled Labor Availability

A company’s start-up, survival, growth, and overall market success can all be influenced by the right kind of skill education, on-the-job training, and experience (Eriksson, 2012). Employees and business owners are in the same boat (Hashi & Krasniqi, 2011). The availability of qualified personnel is crucial for companies that are highly inventive and/or use new technologies. In such situations, the availability of appropriately skilled people enables business growth, resulting in spin-off enterprises that promote growth and further development of the local knowledge base (Dahlstrand, 2007).

Proposition 3 (P3): Higher the skilled labor availability possessed by a business higher the business success

2.3.4. Local Infrastructure Availability

Water, power, paved roads, telecommunications, telephones, electronic media, and postal services are all required for a business’s start-up, expansion, and growth. SME sustainability is hampered by a lack of access to local infrastructure services, which limits operations and hinders access to markets and raw materials, among other factors. The quality of local infrastructure has a direct impact on businesses’ ability to communicate with customers; physical transportation alternatives, as well as the power of employees to commute, are critical for businesses. Being able to travel to and from consumers and make quick deliveries quickly is all important. However, having a solid and high-quality infrastructure is necessary for moving people and products and complements capital investments, stimulating growth (Hashimazade & Myles, 2010). Sometimes, business people are unable to get information about their operations, transportation services, and utility facilities at the right time and the correct cost if local infrastructure is not updated and advanced. As a result, better decision-making on issues influencing SMEs’ performance is leading to a failure (Levy et al., 2002).

Proposition 4 (P4): Higher the local infrastructure availability possessed by a business higher the business success

2.3.5. Access to Finance

Financial constraints are a major stumbling block to SMEs’ growth, not least because they hinder them from investing in new technologies that could improve their competitiveness and productivity (Eniola, 2021). Additionally, according to (Akhtar & Liu, 2018), financial decision-making is vital for business success. Kamunge et al. (2014) examined money as a restraining issue, citing collateral, interest rates, additional bank charges, incapacity to analyze financial feasibility, and a lack of financial management skills as barriers to business growth.

Proposition 5 (P5): Higher the access to finance possessed by a business higher the business success

2.3.6. Government Policies and Support

Due to qualities linked to existing resources such as capital, technology, and labor, young people have developed their potential (Athukorala et al., 2017). Corruption, inadequate infrastructure, poor location, failure to undertake market research, and the economy have all been mentioned as negative issues. For example, Kalabule (Ghana) and Magneto (Uganda) were highlighted as two behaviors that challenge African entrepreneurship (Devine & Kiggundu, 2016). Corruption harms business owners’ trust and confidence and erodes the legal framework, national integrity, and regulatory structure (Kjennerud et al., 2019). Tax incentives for SMEs, political stability, local government support, and fiscal policy implications are the key factors that affect the success of SMEs. Local laws and regulations must be developed, implemented, and applied consistently for SMEs to grow. SME failure occurs when they change within a short period (Hashi & Krasniqi, 2011).

Proposition 6 (P6): Higher the government policies and support possessed by a business higher the business success

2.4. Conceptual Framework

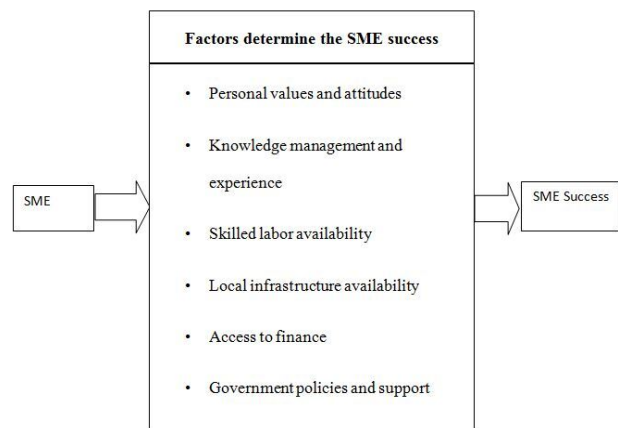


Figure 1. Conceptual Framework

3. Research Methodology

3.1. Exploratory Case Studies

Yin (2014) stated that a case study is an empirical study that investigates a contemporary phenomenon within its actual context, especially when the limits between phenomenon and context are not evident and rely on multiple sources of evidence. An explanatory case study is preferred when uncovering causal links that are too complex for investigative or experimental strategies (Yin, 2014). Further, the exploratory case studies explore situations where the assessed case (intervention, for example) has no clear or unique outcomes.

The evidence for case studies comes from six sources, including documents, archival records, interviews, direct observation, participant observation, and physical artefacts (Yin, 2014). Apart from the attention given to these kinds of individual sources, some dominant principles are essential to any data collection effort in case studies (Yin, 2003). This

will include the use of (1) multiple sources of evidence (evidence from two or more sources but meeting on the same set of facts or findings), (2) a case study database (a formal assembly of evidence distinct from the final case study report), and (3) a chain of evidence (clear links between the research question, the data collection, and the conclusion drawn). With large volumes of data to exploit, the case study researcher can explore the issue in-depth and promote data credibility (Baxter & Jack, 2008).

Yin (2014) says that case study research has become an incredibly popular as a research strategy. Generally, case studies are the preferred strategy for situations where (a) ‘how’ or ‘why’ questions are being presented, (b) the investigator has little control over the events, and (c) the focus is on a contemporary phenomenon within some real-life context (Yin, 2014).

This type of design seeks to define the research questions of a subsequent study or to decide the viability of research procedures, and it is often a lead-up to additional research efforts (Hancock & Algozzine, 2011). They struggle to establish cause-and-effect relationships, determining how events occur and which ones may influence particular outcomes (Hancock & Algozzine, 2011).

3.2. Pilot Testing

It is evident that all who are in the category of SME have not been able to successfully carry out their businesses, and only a minority has been able to successfully carry out their business operations.

3.3. Population, Sample Size, and Sampling

The population is regarded as the study’s sample. 22 SMEs, which were started in 2012 and situated in Attanagalla Division in the Western Province of Sri Lanka, were considered the study sample. These SMEs represented various business sectors such as trading, manufacturing, services, clothing, printing, and stationery businesses.

3.4. Scale for Measuring Success

The scale for Measurement of success was based on a study of scales used by Kumar (1990), Akhouri (1979), and Rao (1986). They were (a) the rate of growth of employees during the last five years, (b) the rate of growth of sales turnover during the last five years, and (c) the rate of growth in investment during the last five years.

3.5. Data Collection Procedure

For data collection, the researcher chooses active and inactive small and medium-sized businesses. The researcher chose ten years of data for the study, beginning in 2012 and ending in 2022. The researcher considered all SMEs as a population that started within the period mentioned above, and 22 SMEs were chosen as a sample. 31.81 percent of the sample is made up of active SMEs, whereas 68.18 percent is made up of failed SMEs. Data was collected from the respondents using the study guide including the open-ended questions.

There were 20 interviews with SME operators. All interviews were conducted in Sinhala and then transcribed and finally translated into English, and the reliability was assured by using the back translation technique (Merriam, 2009). The semi-structured interview is a widely used technique for eliciting information within a time constraint and also giving opportunities to clarify unclear snippets (Gnanarajan et al., 2020; Hitchcock & Hughes, 1995; Kengatharan, 2019).

Before conducting the interviews, the researcher prepared a study guide that included the interview questions, which consisted of open-ended and closed-ended questions. As suggested by Karabag (2019), the information bias was minimized, and individual case analyses were performed.

3.6. Data Analysis Techniques

The results of the primary data will be examined using qualitative comparative analysis. The relationship between the variables was investigated and understood utilizing the within-case and cross-case studies. Furthermore, the conclusions of the analysis will be displayed in the form of tables, graphs, and charts, allowing for comparison with the original data (King et al., 2000). Pattern-matching logic is one of the most desirable techniques when using a case study analysis (Yin, 2003).

4. Results and Discussion

4.1. Response Rate

The research focused on 22 participants because the sample size for the study was the same. A total of 22 were in the sample, and 20 were interviewed, yielding a 90.90 percent response rate. According to (Mugenda & Mugenda, 2003), a more than 70 percent response rate is excellent, 60 percent is acceptable, and 30 percent is unworkable.

Description	Frequency	Responds %
Respondents	20	90.90%
Non-Respondents	2	9.10%
Total Sample Size	22	100.00%

Table 1. Response Rate

4.2. Demographic Data Analysis

This section examines the research findings about the demographic features of the respondents. Following Table 2, the summary detailed statistics for all demographic variables will be described and analyzed to identify the relationship between SMEs and success of the same.

Gender: From the research findings, the researcher sought to establish the relationship of business. This gender diversification is well-matched with overall respondents and indicates female interest in business is 25 percent while male interest in business records 75 percent, as revealed in Table 2.

Demographic Variables		Frequency	Responds %
Gender	Male	15	75%
	Female	5	25%
		20	100.00%
Age	18 to 40	11	55%
	41 to 60	5	25%
	61 and above	4	20%
		20	100.00%
Education	A/L or Below	8	40%
	Diploma or Bachelor Degree	8	40%
	Master Degree or above	4	20%
		20	100.00%

Table 2. Demographical statistics of SME sector respondents

Age: Of the 20 business people polled, 55 percent (11) were under 40, while only 25 percent (5) were between the ages of 41 and 60. Further, 20 percent (4) were above the age of 61 years, as indicated in [Table 2](#).

Education: According to the findings of the 20 business owners, 40 percent (8) of respondents said the secondary school was their most significant level of education, 40 percent (8) said diploma or university graduates, and 20 percent (4) claimed master’s degree or higher graduates. Education levels impact management levels and SME performance and success; therefore, the greater an individual’s education level, the more likely they are to make better business judgments. This, however, may differ from one businessperson to the next.

4.3. Analysis of the Factors Affecting SME Success

4.3.1. Personal Values and Attitude

The SME businesses’ personal values and attitudes impacted the SME’s success in the given division. There were 6, 6, 4, and 4 successful SMEs that showed passion, independence, the need to serve society, and the need for recognition, respectively. By comparison, only 5, 1, 3 and 3 of the less successful SMEs showed passion, independence, a need to serve society, and a need for recognition, respectively. The result is consistent with the proposition.

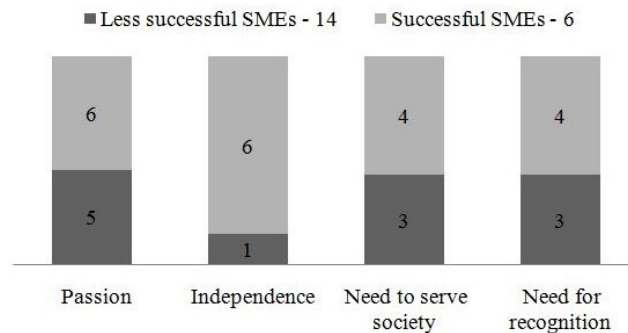


Figure 2. Personal Values and Attitude

4.3.2. Knowledge Management & Experience

Knowledge management and experience of the SME businesses impacted the success of SME in the given division. The chart below shows that the majority of the successful SME businesses in the sample grew through training and development. In addition, all the successful businesses ran mentorship programs, while only three of the less successful businesses did so. Similarly, all the successful ones also have good knowledge, while only two of the less successful ones do. The result is consistent with the proposition.

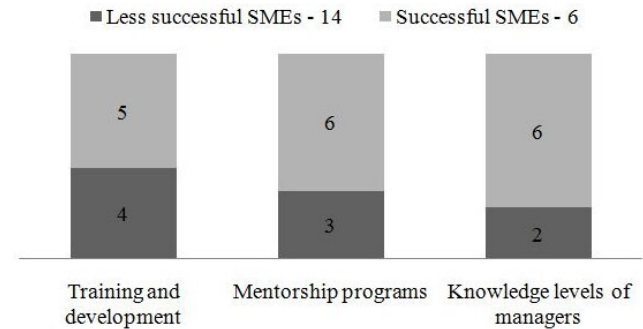


Figure 3. Knowledge management and experience

4.3.3. Skilled Labor Availability

The skilled labor availability of the SME businesses impacted the success of SMEs in the given division. The experience level, education level, as well as performance level, had a great impact on the business’s success when compared with the less successful business operations. The result is consistent with the proposition.

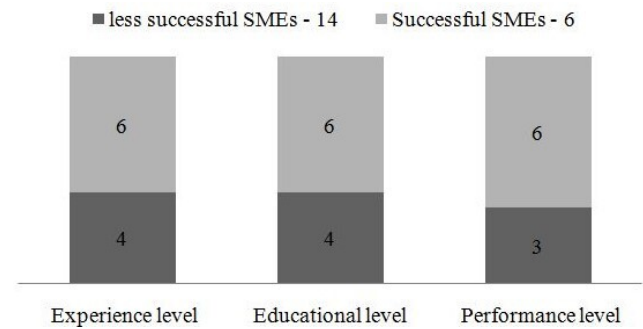


Figure 4. Skilled labor availability

4.3.4. Local Infrastructure Availability

Local infrastructure availability impacted the success of SMEs in the given division. All the successful businesses in the sample had a sound communication system compared to the less successful businesses. In addition, the quality of transportation and the utility facilities also played a major role in the business’s success.

According to Oshikoya & Hussain (2007), introducing various information and communication technologies has substantially improved access to commercial information and telecommunication infrastructure services over time.

Businessmen may readily communicate with other market players using their mobile phones, allowing them to get timely information about their systems' functions. The result is consistent with the proposition.

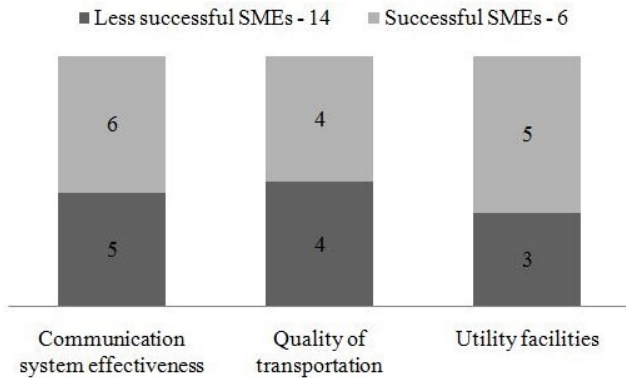


Figure 5. Local Infrastructure Availability

4.3.5. Access to Finance

Access to finance for the SME businesses impacted the success of SMEs in the given division. All the successful businesses used different sources of capital, while only five of the less successful ones did. Collateral for securing loans, accessibility to loans, and ability to repay loans were limited only for the successful businesses in the sample. The result is consistent with the proposition.

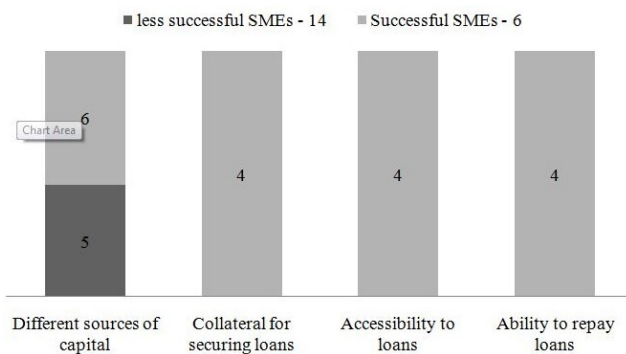


Figure 6. Access to Finance

4.3.6. Government Policies and Support

Government policies and support of SME businesses do not impact the success of SMEs in the given division. The sample's successful and less successful SMEs received the tax incentives. The stability of the political environment, local authority support, and the fiscal policy impact do not play a major role in the success and failure of SME businesses. Therefore, all these indicate that government policies and regulations do not affect the successful operations of SMEs in the division. The result is not with the proposition.

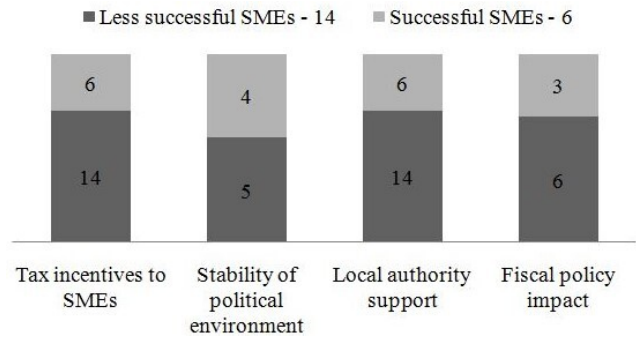


Figure 7. Government Policies and Support

5. Conclusion

In keeping with the above discussion and implications, the researcher came to the following conclusions based on the major factors affecting SMEs' success in Sri Lanka.

The study concludes that personal values and attitudes positively impacted the success of SMEs. The study also discovered that the independence of managerial decision-making influenced the success of SMEs. As a result, the views and attitudes of business owners influenced the success of SMEs and their capacity to make timely and high-quality decisions to move their operations forward.

Due to a lack of management expertise and experience, the study observed and concluded that SME business operators were not well equipped to face challenges in the business environment and to plan suitable alterations to operational activities. The absence of managerial skills was the major impediment that the entrepreneurs faced. It had a positive impact on the SME's success. According to the study, SME owners are poorly equipped to deal with the changes in their company environment and plan to take necessary technology upgrades due to poor managerial abilities (Kiggundu, 2002). Most SMEs are run by ordinary people with little or no formal education. Most SMEs in rural areas of Sri Lanka have not developed the management expertise and experience to run their businesses properly.

The survey concluded that the availability of skilled labor is critical for small firms to run smoothly and profitably. Many small firms operate in rural locations, making skilled labor a vital issue for SMEs in these places. Skill education, on-the-job training, and experience, according to (Hashi & Krasniqi, 2011), can substantially impact a company's start-up, survival, expansion, and overall market success. However, most SMEs do not provide regular skill education, on-the-job training, or experience in the Sri Lankan environment. As a result, it substantially impacts SMEs' operating efficiency at all levels.

The availability of well-developed local infrastructure is fundamental to operate SMEs efficiently and profitably. Many small businesses operate in village areas, so it is critical for the SMEs. Furthermore, according to (Hashimazade & Myles, 2010), having a solid and high-quality infrastructure is necessary for moving people and commodities, complements capital investments, and stimulates SME growth. The Sri Lankan context shows the average good local infra-

structure in some main cities compared to several rural areas.

The study says that the findings are consistent with those of a previous researcher (Eniola, 2021), who found that a lack of credit or funding is almost always recognized as a significant challenge for SMEs. Access to capital and financing substantially impacts SME growth, expansion, and success. Entrepreneurs with limited access to capital and funding may be unable to capitalize on opportunities when they arise.

Finally, the study found that government programs and assistance do not major in SME success. This will impact funding, taxation, local infrastructure development, and knowledge and skill development through the educational system. Therefore, government policy and support are not significant for small businesses' success.

In summary, personal values and attitudes, knowledge and experience, skilled labor availability, local infrastructure, and access to finance all impact the success of SMEs. Government policies and support do not play a significant role in the success of the SME.

5.1. Implications

Findings revealed that personal values and attitudes influenced the success of SMEs to some extent.

SME owners were well prepared to address changes in the business environment and plan suitable alterations, considering the available management knowledge and experience and its effects on the success of SMEs. The respondent's managerial expertise and experience were great for the business's success. Because most family-owned small businesses lack managerial education and experience, this significantly impacts the quality of decisions made and the organization's success (Kiggundu, 2002).

The respondents showed a considerable influence of the availability of skilled workers on the success of SMEs to some extent. It affects the operational and management skilled labor requirements of the SME sector in Sri Lanka. This is acceptable because most people in Sri Lanka have attended primary and secondary school.

The study concluded that local infrastructure availability did have a significant impact on the success of SMEs. According to (Hashimazade & Myles, 2010), the local infrastructure is vital for small businesses because it allows them to develop their operations, communicate effectively, and get their products and services to end customers on time.

The study found that access to finance also impacts the success of SMEs. The survey found that SMEs' funding sources vary and include personal savings, bank loans, and contributions from family and friends, among other things. However, it was revealed that the SME owners in this sector did not have enough money to run their businesses. As a result, they were limited in their ability to seize the expansion opportunities that was available to them. According to the respondents' views, access to finance is the most challenging problem of the initial capital requirements, and the financial system is not adequately supported.

Finally, the study discovered that government policy and support substantially impacted SMEs' success. According to (Kjennerud et al., 2019), government policy and support is especially important for businesses since it helps them to expand their operations, obtain needed finances through the banking system, and simplify taxation.

5.2. Recommendations

The study recommends that SME owners' and managers' personal values and attitudes need to be improved with the help of educational and training programs. Further, these educational and training programs should be conducted regularly, and the feedback from SME owners and managers should be evaluated to see if there are further improvements which should not negatively impact the performance of SMEs.

According to the findings, all market businesses should have access to skilled labor. The essential abilities were available to the business owners, but they were limited and only to a limited extent. As a result, according to this study, skilled labor should be developed once job market requirements are identified. The government may do this by establishing and expanding standard vocational training programs and training centers nationwide.

The researcher also suggests that local infrastructure be established in all business sectors for the benefit of all stakeholders. SMEs will gain from the convenience of transporting goods, communicating with internal and external parties, promoting, and pricing their products as a result.

Regarding access to finance, the researcher recommends that the Sri Lankan government look at how it can help SMEs get funding. This has been allowed to some extent by establishing SME circles through banks, but it is still not widespread. Therefore, it is recommended to introduce simple funding programs for SMEs in Sri Lanka to obtain the funds they require to expand and thrive.

Finally, the report recommends that government policies, regulations, and tax laws that affect the success of SME businesses be evaluated to ensure that they do not hurt SMEs.

5.3. Suggestions for future study

This research looked at the factors that affect the success of SMEs in Attanagalla Division in the Western Province of Sri Lanka. To simplify generalization of the findings, this study advises that a future research be undertaken to understand better the factors affecting the success of SMEs in a certain sector. Also, investigators can change the variables they would like to measure by considering the areas of the country. Further, the investigators can consider a longitudinal study of the same successful and unsuccessful ones who tried to launch different or new businesses later.

5.4. Significance of the Study

From an academic point of view, the findings of this study should help advance this line of research in the future, particularly in a developing country like Sri Lanka.

As a result, both practitioners and academics will find the current helpful study. From an industry perspective, Sri Lanka's open economy includes international trade. It is better to understand the growth stage of SME entrepreneurs, who play an important role in supplying supplementary services to multinational firms, adding value to the local economy by creating new job possibilities, and contributing to regional development. Also, this study highlights the critical need for specialized management strategies to improve the efficacy and sustainability of SME entrepreneurs in Sri Lanka, as well as the essential infrastructure requirements.

This will also help identify of major uncertainties for SME business operators, which will aid policymakers and financial institutions in encouraging the establishment or expansion of SME entrepreneurs. Because small businesses are so crucial to a country's economic growth and poverty reduction, this research suggests that a thorough understanding of the factors influencing small business enterprise success in Sri Lanka is required as the first step in managing and preventing the massive failure of these SMEs.

5.5. Limitations of the Study

The sample size was limited to 22 case studies. The study did not give enough information to determine integration or the importance of possible interactions among the variables.

Also, the research did not measure factors such as the impact of inflation, foreign currency shortages, interest rates, and exchange rates, which are essential to evaluate.

This study focused on SMEs in the Attanagalla division in the Western Province of Sri Lanka, which have fewer infrastructure facilities when compared with other divisions in Sri Lanka.

Declaration of Conflicting Interests

The author declared no potential conflicts of interest concerning the research, authorship, and publication of this article.

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