

Factors Affecting to Success of Micro Enterprises (With Special Reference to Kandy District)

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The small and medium enterprises (SMEs) play a critical role in the development of the country. As a part of SMEs', Micro Enterprises have a major role in employment and contribution to the Gross Domestic Production. Nowadays half of the Micro Enterprises are failing in the early stage of their life cycle. Although half of businesses fail in the early stage, there are successful Micro Enterprises which occupy dominant positions in the economy. This study examines the role of key factors affecting to success of Micro Enterprises in Kandy district. The study empirically tested the three factors affecting to success of micro enterprises, namely Personal factors, Organizational factors and External environmental factors. Thus, the study based on the three objectives; first, to develop the profile of successful Entrepreneur, second, to identify the relationship between success factors and success of Micro Enterprises, and finally to identify the most influencing factor for success of Micro Enterprises. Five-point Likert scale questionnaires were distributed by using stratified random sampling technique to collect primary data from 100 owners of Micro Enterprises' in Kandy district. The data were analyzed by using descriptive statistics, correlation coefficient and multiple linear regression. This study concludes that owners' personal qualities directly influence to be a successful entrepreneur and there is a positive relationship between Enterprise success and its success factors. The result shows that Personal factors are the most influencing factor for the success of Micro Enterprises. Most of the Micro Enterprises fail in their early stage because lack of Personal, Organizational and Environmental factors. The study has recommended to Entrepreneurs of Micro Enterprises, policy makers and other interest parties to consider these factors while developing policies and strategies for Micro Enterprises.

Keywords: Business Factors, Enterprise Success, External Environmental Factors, Micro Enterprises, Personal Factors