Effect of business development services on the performance of small scale entrepreneurs in Kenya. A survey of small scale enterprises in Kisii municipality

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Abstract:
Small Scale Enterprises are acknowledged in Kenya as significant contributors to economic growth and are estimated to contribute 20% and 72% to the Gross Domestic Product and employment respectively. Despite this, it is estimated that they continue to have a deteriorating performance with 3 in every 5 failing within months of establishment. Likewise, the new jobs created by the sector declined from 485.5 thousand in 2007 to 467.3 thousand in 2008 and their contribution to the GDP of the country has only registered a marginal growth of 3.8% in the last 10 years. Poor management skills have been blamed for this wanting performance. Therefore, the purpose of this study was to investigate the effect of business development services on the performance of Small Scale enterprises in Kisii Municipality. A cross-sectional survey research design was used in the study. The target population was 2665 owners or managers of 1224 trading, 394 manufacturing, 748 service, 54 agricultural processing and 245 food and beverages/restaurants SSEs. Stratified random sampling technique was used to obtain a sample size 96 SSEs. This sample size consisted of 44 trading businesses, 14 manufacturing SSEs, 27 service SSEs and 2 agricultural processing SSEs and 9 food and beverages SSEs. A Structured questionnaire was administered to SSE owners or managers to collect primary quantity data. The data was coded and subjected to analysis using SPSS version 17.0. Descriptive data analysis was done to summarize data using frequencies and percentages and the results presented using tables and appropriate graphs. Further analysis was carried out to evaluate the influence of training, technical services and networking on the SSE's performance using cross tabulations and the Chi square test. The study found out that the SSEs who received business development services recorded an improvement in the growth of sales and growth in market shares on the various businesses they were operating. The Government of Kenya should establish micro and small centers of excellence in each county for information dissemination, research, and product development and program promotion. The Government of Kenya should develop and implement innovative curriculum materials and methods for training needs related to self-employment and entrepreneurship. The findings of the study are expected to assert the importance of the provision of business development services in the enhancement of business performance.

Description:
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microfinance lending on the financial performance of small and medium enterprises remain in doubt. Loans for small scale industries and small manufacturing plants are easily being sanctioned by the microfinance and as a result, lower and middle class people are more attracted towards microfinance [2]. At the same time, microfinance has also made necessary and user friendly repayment options to repay the loan well in time and to take a fresh loan after the closure of the. Effect of microfinance services on the financial Empowerment of youth in Migori county, Kenya.