

Successfulness of rural innovative micro and small enterprises: A case in Pambahinna area

K.K.A. Kiriveldeniya^{1*}, N.R.D.S. Dharmathilake² and S.H.R. Rosairo¹

¹Department of Agribusiness Management, Faculty of Agricultural Sciences, Sabaragamuwa University of Sri Lanka, Belihuloya, Sri Lanka

²Torrens University, 88, Wakefield St, Adelaide, South Australia

Abstract

The level of success of an innovative entrepreneur who creates income generating Micro and Small Enterprises (MSEs) can be measured using eight dimensions; quality of the products and services, consumer satisfaction, owner satisfaction, social recognition, capacity utilization, profitability of the business, diversification and product recognition. This study focused to assess entrepreneurial success level (ESI) of MSEs who serve the needs and wants of a temporary resided university community. A sample of 47 MSEs was selected through the snowball sampling technique from Pambahinna area who serve the residencies of Sabaragamuwa University. Interviewer administrated and pre-tested questionnaire was used in the collection of primary data on the socio-economic status, business operations, dimensions of ESI, and discussions. Descriptive analysis, index calculation and SWOT analysis were adapted in the data analysis. Most of the MSE owners were females (68%) around the age group of 31 to 40 years (45%). The SME was the key income source of the majority (83%) which conducted mainly as a sole-proprietorship (92%). Forty percent (40%) earned an income over 60,000.00LKR per month from a range of industry types (food: 62%, grocery stores: 11% beauty parlor: 11% communications: 9% tailor shop: 6%, hardware store: 2%) from enterprises of two to 10 years of age (46%). Entrepreneurial Successful Levels (ESL) were very high in 32% enterprises while high in 43% enterprises as MSEs. As the respondents indicated, they as MSEs who serve the diverse needs and wants of temporarily residing university community were considerably successful with their own sole-proprietors. However, the lag periods of the resided community especially due to current pandemic situation most the MSEs faced difficulties in continuing the same level of the profitability and majority have left the business due to post-covid business failure. Therefore, MSEs needed to be strengthened to serve not only for a temporary residing community but also to inter-link with other possible buyers and to be diversified their business operations to serve a constant consumer group.

Keywords: Micro-small enterprises, Entrepreneur, Entrepreneurial success index, Rural development

***Corresponding Author:** kalani.kiriveldeniya@gmail.com