Towards establishing long term surviving small and medium enterprises (SMEs) in South Africa: An entrepreneurial approach

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The question of why some businesses survive and others do not is still a central focus in entrepreneurship studies. Considering that entrepreneurs/owner-managers are the key decision makers in small and medium enterprises (SMEs) and have direct control over the day to day operations of their business, ensuring the long term survival of their businesses remains a crucial issue to them. The objective of this paper is to establish a unique set of entrepreneurial competencies (entrepreneurial mindset, entrepreneurial characteristics and business practices) that can help entrepreneurs to create long term surviving SMEs. This study adopts the theoretical framework on achieving long term SME survival established by Neneh et al. (2011) and empirically tested the validity of their findings. The population for the study comprised of entrepreneurs in the SME sector in Bloemfontein, Botshabelo and Thaba'Nchu (Free State province in South Africa). The results corroborated with the theoretical assumptions established in the framework. The key finding was that all entrepreneurs who possessed all the entrepreneurial competencies had a very high probability of achieving long term SME survival. This study provides empirical evidence to endorse the theoretical framework for achieving long term SME survival. It is assumed that this study will act as a guide for business consultants and academics to gain a better understanding of the type of learning tools they need to adopt to take entrepreneurs through the learning process in order to ensure the long-term survival and sustainability of SMEs.

Key words: Small and medium enterprises (SMEs), entrepreneurial mindset, entrepreneurial characteristics, business practices, long term survival.

INTRODUCTION

In a vigorous business world, entrepreneurship has inferred an extraordinary significance, as it is a key driver to economic development. Interest in entrepreneurship is extreme as developed economies see entrepreneurial activities as a means of stimulating the economy, an incubator for technological progress, a product and market innovation and a way of coping with unemployment problems, while developing countries see entrepreneurship as an engine of economic progress, job creation and social adjustment (Mueller and Thomas, 2000; Jack and Anderson, 1999).

Kuratko (2009) define entrepreneurship as an integrated concept that permeates an individual's business in an innovative manner. It is a dynamic process of creating incremental wealth by individuals who assume major risks in terms of equity, time, and/or career commitment of providing value for a product or service which may or may not be new or unique but the entrepreneur must somehow infuse value by securing and allocating the necessary skills and resources.

Lumpkin and Dess (1996) describe entrepreneurship to include “every step taken by an entrepreneur in entry to a new business and its concomitant problems of new start-ups”. These views of entrepreneurship often refer to entrepreneurial activities and are substantially different depending on the type of organization and creativity involved.

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Taatila (2010) propose that “without an entrepreneurial attitude societies can stagnate, which can hinder the long term growth and prosperity of a region”. Shane (2002) established that in order to start an entrepreneurial activity, the existence is required of entrepreneurial opportunities, which must be discovered and exploited. O’Connor and Fiol (2002) observed that entrepreneurial activities are pursued by people “who are innovative, creative and open to change as well as having the ability to identify opportunities and organize resources to achieve their goals”.

Davidsson (2005) describes an entrepreneurial firm as one that engages in creating wealth through new economic activities by putting together unique packages of resources to exploit market place opportunities. Thus, entrepreneurship should be encouraged as it is believed that entrepreneurial activity promotes economic growth and development.

The 2006 Global Entrepreneurship Monitor report indicates that South Africa has the lowest opportunity for entrepreneurial activity amongst participating developing countries and also a low survival rate for local start ups as entrepreneurs start businesses but are unable to turn them into sustainable businesses (Maas and Herrington, 2007).

Also, In South Africa, the number of SME failures in year 5 varies between 50 and 95% (Willemse, 2010) and about 75% of new SMEs do not become established firms, which is one of the highest in the world. Fatoki and Garwe (2010) call attention to the fact that most new SMEs in South Africa do not move beyond their first stage (existence) of growth to other stages such as survival, success, take off and resource maturity and as a result, they do not offer their benefits to society.

Bosma et al. (2008) established that the predominant rate for new businesses in South Africa is only 2.2 and 2.3% for established business owner-managers when compared to other Global Entrepreneurship Monitor (GEM) sampled country. Maas and Herrington (2007) further note that SME survival rates in South Africa does not compare favourably to that of similar developing countries due to the stigma of failure which inhibits budding entrepreneurs from venturing into the sector or potential entrepreneurs from taking calculated risks in furthering their businesses.

The lack of entrepreneurial competencies amongst others factors have been identified to be the reasons for the low survival rates of SMEs in South Africa. Because entrepreneurs are the key decision makers in SMEs, their critical resources are likely to be held by the individual entrepreneurs that are revealed in their skills, knowledge, abilities, experience and education (Edelman et al., 2002). Entrepreneurs also have a high influence on the creation of the business strategy of the SME and are responsible for setting a roadmap for their firms to move towards their set goals. Recent research on entrepreneurship has tried to analyze entrepreneurs' personalities, skills, attitudes and the conditions fostering entrepreneurship (Hariri and Osman, 2011).

However, a review by Trust (2006) reckons that the top priority amongst other factors should be to promote SME's development by influencing the employment creation potential of SMEs; ensuring an appropriate support and a favourable environment for opportunity-driven entrepreneurs who recognise and seize opportunities to establish new businesses. This is because the creation and sustainability of new SMEs is imperative to the economic prosperity of South Africa and an essential component to the solution to South Africa's development issues (Maas and Herrington, 2007).

The long term survival of SMEs is important in the theory of sustaining entrepreneurship, considering that it can lead to permanent job creation, which a critical issue in most developing countries (Glancey et al., 1998: 250). Kalleberg and Leicht (1991) assert that organisational survival is an essential aspect of performance and a necessary condition for sustained business success. Several characteristics and factors have been identified as key determinants of SME's survival although with inadequate empirical results (Galiano et al., 2008).

Kalleberg and Leicht (1991) established that differences in survival and success depend on the organizations' abilities to adapt its internal structures to the contingencies linked with its technologies or task environment. As such, in order for entrepreneurs to achieve long term survival in their business operations, it is pertinent that its owners/ managers create surviving businesses. Creating surviving SMEs calls for total reliance on entrepreneurship and the needs for entrepreneurs to possess an entrepreneurial mindset, entrepreneurial characteristics and good business practices that can enable them create sustainable SMEs.

Faltin (2007) notes that in order to identify opportunities and create sustainable SMEs, SME owners and managers need to develop “entrepreneurial mindsets” that will help them create new ideas and bring them to the market in an appropriate way that can create value for an external audience. MacGregor and Varzalic (2005) further established that for SMEs to survive and succeed in their business operations, it is pertinent that its owners/ managers possess certain entrepreneurial characteristics and carry out specific business practices. Hence, an increase in the long-term survival of SME will result in sustainable job creation; poverty eradication and improved standards of living.

This study has as objective to establish a unique set of entrepreneurial competencies that can help entrepreneurs to create long term surviving SMEs. In particular, the research will focus on entrepreneurial mindset, entrepreneurial characteristics and business practices, since these variables can be controlled directly by the owner/manager of an SME. This study adopts the framework developed by Neneh et al. (2011) on establishing long term surviving SMEs to empirical test
the validity of their findings. This theoretically oriented understanding will be used to guide the empirical research to be executed via potential research in order to clearly establish the right mix of competences necessary to attain long term surviving SMEs.

The empirical findings from this study can then help business consultant and academics to gain a better understanding of the type of learning tools they need to adopt to take entrepreneurs through the learning process in order to ensure the long-term survival and sustainability of SMEs.

ENTREPRENEURIAL MINDSET AND ITS IMPACT ON THE LONG TERM SURVIVAL OF SMALL AND MEDIUM ENTERPRISES (SMES)

Entrepreneurial mindset is defined by Dhiwayo and Vuuren (2007) as a way of thinking about business and its opportunities in a way that captures uncertainty. It is also an important success factor for SMEs without which a business will fail.

Emerson (2011) stresses that the number one essential principle that all successful SME owners need to possess is an entrepreneurial mindset. To Özelik (2010), entrepreneurial mindset is the mental frame that each SME owner needs to have in order to put the success and well-being of his/her SME first by continually identifying the opportunities that the SME has. This goes to show, that without an entrepreneurial mindset, the prospect of an entrepreneur to succeed is low while his/her probability of failure is very high. In this light, the life span of an SME can be estimated by the entrepreneurial mindset of the owner/entrepreneur.

Dweck (2000) established that entrepreneurs have either a fixed mindset or a growth mindset. Entrepreneurs with a fixed mindset are of the belief that one’s intelligence, abilities, talents and attributes are stable and unchangeable. He further emphasized that one’s ability comes from talents rather than from their slow development of skills through learning and thus enable them to either give up or decline in the face of setbacks (Dweck, 2006).

Johnson (2009) further inferred that entrepreneurs with a fixed mindset are believed to have low confidence, tend to adopt low performance goals, thoughts, and feelings, when faced with challenges. Individuals with a growth mindset are of the believed that one’s ability and success are as a result of learning and that a person’s intelligence can grow/change in their efforts of either trying other approaches or seeking help when faces with challenges (Dweck, 2006; Johnson, 2009). These set of entrepreneurs are believed to react with either a high or a low confidence respond with a typical response pattern of thoughts, behaviours, and feelings in any situation they face by focusing on learning new ideas.

McGrath and MacMillan (2000) identified the typical entrepreneurial mindset to possess the following characteristics: passionately seeking new opportunities; pursuing opportunities with enormous discipline; pursuing only the very best opportunities; focusing on execution; and engaging everyone’s energy in their domain.

Passionately seeking new opportunities means entrepreneurs should be alert and constantly look for possibilities to make profits based on changes and disruptions in the way business is done. Pursuing opportunities with enormous discipline entails that entrepreneurs should not only being alert but also act on opportunities if they perceived them to be attractive and viable, while maintaining some form of register or unexploited opportunities.

Pursuing only the very best opportunities involves remaining ruthlessly disciplined about limiting the number of projects entrepreneurs pursue and not run after every opportunity that seem viable in order to avoid putting stress on both the organization and its employee. Moreover, focus on execution indicates the entrepreneurs’ extent of being flexible by being able to change directions in their process of exploring an opportunity.

Lastly, engaging everyone’s energy in their domain means entrepreneurs should be able to create and sustain networks of relationships both within and outside their businesses. This therefore, emphasis the need by entrepreneurs/ owners managers to develop an entrepreneurial mindset since it is an important success factor for entrepreneurs which help them to identify opportunities, without which a business will fail.

ENTREPRENEURIAL CHARACTERISTICS AND ITS IMPACT ON THE LONG TERM SURVIVAL OF SMALL AND MEDIUM ENTERPRISES (SMES)

What defines successful and potential entrepreneurs from different individual are those characteristics that are distinctive to them. Numerous studies on the characteristics of successful entrepreneurs have placed extensive attention to the particular features or traits that make a person act entrepreneurially, and a list of very important characteristics has been discussed, in an attempt to develop a typical personality profile. In this study, we adopt the definition by O’Connor and Fiol (2002) which defines entrepreneurial characteristics as a typical feature or quality that someone or somebody has such as being innovative, creative and open to change, have the ability to identify opportunities and achieve stated goals, which can build something of recognised values around perceived opportunities.

Numerous studies on the characteristics of entrepreneurs have incorporated a number of variables - psychological attributes, personality, attitudes, and the behaviour of the entrepreneur (Rasheed and Rasheed, 2006). Timmons and Spinelli (2007) established
commitment and determination; leadership; opportunity obsession and tolerance of risk, ambiguity and uncertainty as the ideal characteristics desirable for an entrepreneur, which most authors agree is amongst the distinctive characteristics of an entrepreneur.

Timmons et al. (1985) notes that individual’s odds of becoming successful can be improved, while entrepreneurial skills and behaviour can be nurtured, developed and acquired. However, in painting a clear picture of the reality around us, we observe that individuals with those characteristics are not evenly present in all groups but can be developed at earlier stages of the education process in order to enhance entrepreneurial talents.

Neneh (2011) identified creativity, self-reliance and ability to adapt; tolerance of ambiguity and uncertainty; opportunity obsession; commitment and determination to be the necessary entrepreneurial characteristics required for the long-term survival of SMEs. This study thus adopts these characteristics established by Neneh (2011) as the necessary characteristics for the long term survival of SMEs. More details of these characteristics are explained subsequently.

Creativity, self-reliance and ability to adapt

Collura and Applegate (2000) define creativity, self-reliance and ability to adapt as an entrepreneur’s capacity to be open-minded, learn quickly, and develop new capabilities and perspectives. Timmons et al. (2010) highlight that successful entrepreneur that possesses these characteristics believe their achievements lie within their control and power and that they can determine their outcomes. To them, entrepreneurs possess the following characteristics; self-reliant innovator; adaptive and resilient; and have a strong desire to know how well they are performing.

Trevisan et al. (2002) in trying to examine the importance of entrepreneurial qualities amongst small business owners and non-business owners, found creativity to be one of the strongest characteristics that distinguish small business owners from non-small business owners. The ability to adapt to change is an important characteristic for business performance.

According to Timmons (1999) entrepreneurs who possess these traits are adaptive, resilient and constantly looking out for how well they are performing. These entrepreneurs actively seek out and utilize feedback to improve their performance and place themselves in conditions which enable them to be responsible for the success and failures of their businesses.

Furthermore, Dess et al. (2002) adds that creativity, self-reliance, and ability to adapt should have a lot of confidence in themselves, confidence to surround themselves with smarter people from which they can be able to learn, have an inherent restlessness with a status quo and always look for better ways to serve their clients.

Tolerance of ambiguity and uncertainty

Teoh and Foo (1997) define ambiguity as one’s ability to respond positively to ambiguous situations. Dess et al. (2002) stress that entrepreneurs that possess tolerance of ambiguity and uncertainty should enjoy taking calculated risk, realise that change is a constant competition and have problem solving ability. Koh (1996) asserts that a person with a high tolerance of ambiguity finds ambiguous situations challenging and strive to overcome unstable and unpredictable situations inured to enhance performance.

To Good (2003), these set of entrepreneurs take change and challenges in stride and strive with the changeability and excitement of such undefined condition, but still do not see job security and retirement as being of a great concern to them.

Henry et al. (2003) further notes that with tolerance of risk, ambiguity and uncertainty enables entrepreneurs sustain their commitments and become more determined to continue with a course of action, even when the results seem uncertain.

Opportunity obsession

According to Zacharakis (2006) opportunity obsession entails having an intimate knowledge of customers needs, market drive, and obsesses with value creation and enhancement. Successful entrepreneurs are sustainable, market driven and constantly obsessed with the process of searching through their ideas to identify one or two opportunities that will create value for their clients (Dess et al., 2002). This obsession with opportunity is a guide in the manner in which entrepreneurs deal with important issues.

Shane and Venkataraman (2000) are of the opinion that the manner in which individuals explore opportunities appears to be a function of the joint characteristics of the opportunity and the nature of the individual. These set of entrepreneurs are believed to be aware of their market and customers’ needs and are not obsessed with money; resources; contacts and networking, but with new opportunities and are orientated to the goal of executing and pursuing the goal of accumulating resources (Longenecker et al., 2006).

Commitment and determination

Collura and Applegate (2000) describe commitment and determination as the passion with which entrepreneurs pursue an opportunity. With commitment and determination, entrepreneurs are able to overcome obstacles and compensate enormously for their weaknesses. Timmons and Spinelli (2008) believe that individuals with commitment and determination can overcome many obstacles and also compensate for their
Longenecker et al. (2006), remark that such entrepreneurs are decisive, able to decommit/commit quickly, tenacious, willing to undertake personal sacrifice, total immersion and very persistent on problem solving. Hatch and Zweig (2000) established that most of the entrepreneurs that possess commitment and determination displayed a formidable will to succeed in the face of challenges encountered on their pathway to growth. This implies that this trait is not only important to the survival of businesses in their start-up stages but also vital for the perpetual growth of a business.

THE RELATIONSHIP BETWEEN BUSINESS PRACTICES AND THE LONG-TERM SURVIVAL OF SMALL AND MEDIUM ENTERPRISES (SMES)

Business practices are the methods, processes, generally-accepted techniques and standards used by a business in the pursuit of objectives to accomplish a set of outlined tasks. Business practices facilitate information strategies and could potentially ensure quality and improvement in organisational performance.

An entrepreneur’s day-to-day business practices are directly related to his organisational performance, and as such differ from that of other entrepreneurs and business sectors (Nezlek and Hidding, 2000). Because entrepreneurs are the key decision makers in SMEs, they have a high influence on the formation of the business strategy of the SME and are responsible to set the roadmap for their firms to move towards their set goals (Masurel et al., 2003).

This sequentially is seen as their choices of business practices, which are often developed as part of the entrepreneur’s personal life strategy, as a means of earning a living, which is largely influenced by the entrepreneurs personality characteristics (Littunen, 2000).

However, Grayson and Dodd (2007) assert that most SMEs do not engage in responsible business practice in a formal way because their activities are frequently not documented and are not part of any drafted strategy.

Philipson (1998) identified six critical dimensions of business practice that are used in distinguishing entrepreneurship and administratively oriented management, namely: strategic orientation; the commitment to opportunity; the resource commitment process; the concept of control over resources; the concept of management; and compensation policy.

Shuying and Hui (2006) on exploring the effects of Chinese business management practices on business performance, concluded that business leaders should adopt certain management practices to enable the strong performance of their businesses. These practices are role-specific and differ in terms of environment analysis, operations planning, control and follow-up as well as the entrepreneur’s personality and cultural background.

Equally, an extensive study by Neneh (2011) identified five business practices (marketing practices; performance management practices; strategic planning practices and teamwork) to be the necessary business practices required for the long-term survival of SMEs. She further believes that businesses that have a mixed bag of these practices, alongside a set of desired entrepreneurial characteristic will attain long term survival.

This study thus adopts the five business practices established by Neneh (2011) as the necessary practices for the long-term survival of SMEs. More details of these practices are explained subsequently.

Marketing practices

Keefe (2004) defines marketing as “the performance of business activities that direct the flow of goods and services from producers to consumers”. Ghouri et al. (2011) point out that carrying out proper marketing strategies adds excellence to a firm’s activities and strengthens the competitiveness and market share of the firm.

Arsalan et al. (2011) state that carrying out marketing practices is a necessity for every business since a firm’s performance has been established to directly depend on efficient marketing practices (Andres et al., 2009). Therefore, in order for entrepreneurs to survive in their business operations, they must have a clear understanding of who their customers are and how to measure the improvement an innovation can bring.

This can be done by mapping out the customer’s processes, listening to their needs and desire and thus assessing how more customer value can be delivered.

Performance management (PM) practices

Performance management is the process of defining goals, selecting strategies to attain those goals, allocating decision rights, and measuring and rewarding performance (Heinrich, 2002). PM practices include identifying which goals to achieve, assigning decision rights, and measuring and evaluating performance. Performance management permit organizations to attain their goals by aligning the right information and resources to strategic objectives and helping managers create strategies for profit growth, align strategies with organizational plans, and actively examine the organization’s day-to-day operations (Garengo and Bernardi, 2007).

PM practices contribute to firm’s performance and are critical to the profitability and long term success of SMEs (Wiesner et al., 2007). Aslam and Sarwar (2010) further add that PM practices provide evidence whether
anticipated results have been achieved and also the extent to which each member in the organisation has efficiently completed his/her job well, as the information will serve as a good base for feedback to managers and help employee to help monitor their strength and weaknesses.

Therefore, in order for entrepreneurs to survive in their business operations, they must continuously improve and develop their performance by ensuring they maintain adequate resources such as information, employees, and instruments and use them to generate the greater benefit for their businesses (Vichitdhanabadee et al., 2009).

**Strategic planning practices**

Every organization has to make some sort of decisions that addresses the biggest and most important issues facing the business, which might affect the entire destiny of the business for years into the future. This big decision into the future is what is termed planning. Planning is the foundation of every business because without planning, a business will never know where it is heading to and more or less never know if it will ever get there. The reasons why some SMEs do not engage in strategic planning is not well understood (O'Regan and Ghobadian, 2002).

Berry (1998) affirms that SMEs that neglect strategic planning will not attain their full performance and growth potentials, and their survival could as well be placed at risk. Ennis (1998) argues that enterprises "must actively plan for the future" to compete effectively and survive.

SMEs that engage in strategic planning are more likely to; reach higher sales growth, higher returns on assets, higher margins on profits and higher employee growth than those that do not (Gibson and Casser, 2005). Thus, SMEs that engage in strategic planning experience increase the firm’s performance and are less likely to fail (Perry, 2001).

To facilitate business survival therefore, entrepreneurs should ensure that major strategic issues are addressed; they should evaluate to ensure that they do not violate any constraints and rate the strategic options against the objectives.

**Teamwork**

Employees may regard teamwork as any type of collaboration with colleagues or a clearer idea of a team that works towards a common goal, by means of joint decision making and taking responsibility for the task.

Teasley (2008) ascertained that businesses that embraced the concept of teamwork, have reported increased performance in work production; problem solving; new growth stimulation; enhanced employee morale and increased input when managed correctly. The advantages of teamwork are to help improve a company’s performance and to boost employees’ well-being (Hayes, 2005); to reduce fluctuations in performance and improve work morale (Hayes, 2005) and to create an environment that facilitates knowledge, information exchange and so-called knowledge sharing.

However, Guest (1995) reckons that teamwork is not always an answer to all a company’s problem but rather a form of enterprise intervention required within all levels of organizational changes. He further observed that in order to ensure that teamwork does not become ineffective, there is the need for it not only to be integrated into the entire organizational structure of the enterprise, but also to ensure that the structure adapts to the new model.

**DETERMINING THE PERCEIVED LONG TERM SURVIVAL OF SMALL AND MEDIUM ENTERPRISES (SMES)**

Survival means the business continues to operate as a self-sustaining activity, is effectual in achieving profitability, effective in attracting resources, and is tailored properly to the environment (Chrisman et al., 1998). Cooper (1993) asserts that the question of why some businesses survive and others do not is still the centre of focus in entrepreneurship study.


Alone complementary lines, Churchill and Lewis (1983) cited in Young (2009), recognises survival as a major strategy of SMEs that continued until the business had a divisional management style. Alasadi and Abdelrahim (2007) on the other hand affirm that survival is a significant performance criterion for newly established enterprises that reflects successful business creation.

In the study of SME long-term survival, many researchers have brought forth vital factors that can be used to measure the perceived long term survival of an SME. Neneh (2011) found that firm’s survival rates increase with the age of the business. McPherson (1996) in their analysis considered the number of employees to have a positive relationship with the long term survival of SMEs, by stating that SMEs that added more workers were more likely to survive than SMEs that maintain their start up sizes. Furthermore, the start-up size in terms of the number of equipment/assets a business owned was seen to have a positive relationship with the long term survival of SMEs. In this consideration, the start-up size is one of the most important characteristics for the survival of SMEs based on López-Garcia and Puente (2006) view point.

However, Mata and Portugal (2003) stress that when considering the start-up size, the current size of a firm should also be taken into consideration. Likewise, Reid
(1993) established that a key variable to consider in an analysis of a small firm’s long run survival criterion is net profit. With regards to the number of business owners, Irastorza (2006) established that firms created by two or more entrepreneurs survived longer than those created by individuals. Liedholm and Mead (1999) identified a firm’s location, composition of activities, labor force characteristics and gender of the entrepreneur as important determinants of firm survival and growth. Drawing from the previous literature, the following variables (business age; number of employees; number of customers; net profit; equipments/ assets) are considered in this study as determinants of survival. It is presumed that a number of these factors that positively impacted on the SME determined the SMEs’ perceived probability of achieving long term survival. For an SME to be considered to have long term survival, the SME has to relate to the following criteria: (1) the number of employees of the SME had to have increased from the time of creation. (2) The net profit of the SME had to have increased by at least 20% from creation to date. (3) The number of customers of the SME had to have increased by at least 20% from creation. (4) The assets of the SME had to have increased by at least 10% from creation.

For these four factors (number of employees; number of customers; net profit; equipments/ assets), a numerical value of 1 was used to represent an SME that fulfilled the conditions and 0 otherwise. In regards to the business age, businesses between age 3 to 5 years, 6 to 10 years and greater than 10 years where given numerical values of 1, 2 and 3, respectively, which represented the effect the business age had on the business survival. The total numerical values for each SME were then calculated to see its probability of achieving long term survival. A SME could thus achieve a total numerical value of 7 and a least value of 1.

Table 1 determines the probability of an SME in achieving long-term survival. The validity of the criteria reflects in the fact that age has been widely recognized as a critical factor in determining the survival of SMEs (Neneh, 2011) and most SMEs in South Africa fail within 5 years of existence (Willemse, 2010). Therefore, this criterion permits older businesses to have more survival probability, business less than 5 years of age to have a high probability of survival and the need to demonstrate that SMEs need to have positive impacts on all the other four factors in order to have a high probability of achieving long term survival.

This criterion further ensures that business less than 5 years of existence, chosen to have a high probability of survival have enough capabilities to drive them into long term survival. Moreover, the criterion caters for businesses older than 10 years of age which are considered as having a very high probability of long term survival. However, there are cases where businesses are older than 10 years but have only one or less of the other factors impacting on their survival. A possible explanation could be that these businesses are at the level of either shedding jobs, selling assets, losing customers or losing profits.

### THEORETICAL FOUNDATION TO THE STUDY

Literature studies point out that an entrepreneurial mindset is an important success factor for SMEs without which a business will fail (Dhliwayo and Vuuren, 2007). Likewise, a study by Neneh (2011) established the following entrepreneurial characteristics (creativity, self-reliance and ability to adapt; tolerance of ambiguity and uncertainty; opportunity obsession; commitment and determination) and business practices (marketing practices; performance management practices; strategic planning practices and teamwork) to be necessary characteristics and practices necessary for the long-term survival of SMEs.

However, although all of these factors amongst others have been established to contribute to survival/success
of SMEs, South Africa still experience a high failure rate amongst SMEs, as 75% of new businesses fail within the first two years of operation (Von Broembsen et al., 2005), which is one of the highest in the world (Fatoki and Smit, 2011). As such, there is a need for new dimensions to provide a roadmap to guide entrepreneurs on which right mix of competencies they should have to achieve long-term SME survival. It is thus the basis on which this study presume that a unique set of entrepreneurial competencies (entrepreneurial mindset; entrepreneurial characteristics and business practices) can help entrepreneurs to create long-term surviving SMEs and empirically test the validity of this proposition.

### ENTREPRENEURIAL MINDSET; ENTREPRENEURIAL CHARACTERISTICS AND BUSINESS PRACTICES: THE THEORETICAL LINK

In an attempt to establish key entrepreneurial competencies that indicates how entrepreneurs can achieve long term SME survival, Neneh et al. (2011) links key entrepreneurial competencies by focusing on entrepreneurial mindset, entrepreneurial characteristics and business practices of the entrepreneur to develop a concrete theoretical framework that clearly indicates a roadmap on how entrepreneurs can achieve long term SME survival. This paper relates the framework (Figure 1) to empirical test the validity of their framework to bring out the right mix of entrepreneurial competencies that ensures the long term survival of SMEs.

This entrepreneurial roadmap is based on a set of three questions: Does the entrepreneur have an entrepreneurial mindset; does the entrepreneur have the necessary entrepreneurial characteristics and does the entrepreneur carry out the necessary business practices. The three questions of the framework can also be explained as follows:

1. Firstly, does the entrepreneur have an entrepreneurial mindset? If the entrepreneur has an entrepreneurial mindset, then he/she can successfully move forward in an entrepreneurial process. On the other hand, if the entrepreneur does not have an entrepreneurial mindset, then the performance of the SME he/she controls will be very low and thus the SME has a very high probability of failure.

2. Secondly, does the entrepreneur have the necessary entrepreneurial characteristics? If the entrepreneur has the necessary entrepreneurial characteristics, then he/she is able to carry out strategic decision making which is vital for the survival of his/her business. If the entrepreneur does not have the necessary entrepreneurial characteristics, then his/her level of strategic decision making will be low.

3. Thirdly, does the entrepreneur carry out the necessary business practices? If the entrepreneur does not carry out the necessary business practices, then the SME he/she runs will only attain temporal sustainability. This is because an entrepreneur’s mindset, entrepreneurial characteristics and strategic decision making abilities will only last for a short period since it is only enough to take

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**Figure 1.** An entrepreneurial roadmap for SME long-term survival.
him/her successfully through certain circumstances due to poor implementation of the strategies and decisions he/she makes. If the entrepreneur carry outs the necessary business practices and has an entrepreneurial mindset and entrepreneurial characteristics, then his/her business will attain long term survival.

The suitability of this entrepreneurial roadmap is supported by the fact that entrepreneurial mindset influences the success or failure of an SME as Dhlilwayo and Vuuren (2007) emphasizes that entrepreneurial mindset is an important success factor for SMEs without which a business will fail. Neneh (2011) identified some key entrepreneurial characteristics and business practices to be the necessary required for the long-term survival of SMEs. This framework furthered inferred that through learning, re-learning and synchronization of ideas, entrepreneurs can motivate themselves enough to become creative and innovative which will thus enable them to build an entrepreneurial mindset, possess the necessary entrepreneurial characteristics and fully understand how to successfully implement the necessary business practices.

METHODOLOGY

This study has as objective to establish a unique set of entrepreneurial competencies (entrepreneurial mindset, entrepreneurial characteristics and business practices) that can help entrepreneurs to create long term surviving SMEs. The research framework used in the study is adapted from an entrepreneurial roadmap proposed by Neneh et al. (2011). The framework suggests, among other things, that an entrepreneurial mindset, certain entrepreneurial characteristics and business practices predispose entrepreneurs towards the long term survival of their businesses. We considered an experimental approach using both quantitative and qualitative methods in order to maximize the benefits each of the methods have. Interviews and self-administered questionnaires were used to obtain data from entrepreneurs in Bloemfontein, Botshabelo and Thaba‘Nchu (Free State province in South Africa).

A total of 130 questionnaires were issued, 100 questionnaires were received but only 76 questionnaires were considered in the study because they were those fully completed by the respondent (58.5% response rate).

The questionnaire was pre-tested through prearranged interviews with 15 entrepreneurs and the results were used to redesign and remove questions that were blurred. The questionnaire comprised of four major sections. The first section measured the entrepreneurial mindset specified in five questions. The second section measured the entrepreneurial characteristics (creativity, self-reliance and ability to adapt; tolerance of ambiguity and uncertainty; opportunity obsession; commitment and determination) identified as the necessary characteristics for the long term survival of SMEs. The respondents were asked 16 questions pertaining to their level of entrepreneurial characteristics.

The questions on the entrepreneurial mindset and entrepreneurial characteristics were developed through a review of the literature studies and also through a modification of entrepreneurial self-assessment tools such as general enterprise tendency (GET); entrepreneurial (EO), self-assessment questions extracted from Mind Prober 3.0 and entrepreneurial mindset tool) based on their credibility and fitness to this research topic. A 5 point Likert scale was used where 1 = Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, 5 = Strongly Disagree. The third section focused on the business practices. Questions asked regarding the business practices of entrepreneurs included: teamwork; strategic planning practices, marketing practices and performance management practices. These questions were developed through a thorough review of the literature studies and later refined through exploratory research and pretesting.

Lastly, the fourth section looked at the factors determining the long term survival of SMEs. Businesses between the age groups of three years and above were chosen. The following variables (business age; number of employees; number of customers; net profit; equipments/ assets) were selected as the determinants for long-term SME survival.

The criterion for perceived long term survival established in Table 1 was used to determine the probability of SMEs’ to achieve long term survival. Data was analysed using the statistical package of sciences (SPSS) and GNU PSPP statistical software. The interpretations were done using descriptive statistics and cross tabulation.

RESULTS AND DISCUSSION

Section A: Descriptive statistics

Table 2 illustrates the test results on the reliability for the variables that make up entrepreneurial mindset, entrepreneurial characteristics and business practices. Each of these variables (entrepreneurial mindset, entrepreneurial characteristics and business practices) was determined using a 5 point Likert scale with 3 to 5 items (Number of Items).

Reliability is sufficient measure if the value of Cronbach’s alpha is 0.70 and above. The Cronbach's alpha test shows that all the variables have a high internal consistency rate and thus all the data is reliable, with the lowest alpha value being 0.83 and the highest being 0.96. Hence, the entire tests performed using entrepreneurial mindset, entrepreneurial characteristics and business practices are considered valid.

Table 3 shows that the business age of the SMEs examined by this study. Only businesses that had been in existence for at least three years were considered by this study. From the results, it is seen that, 40.79% of entrepreneurs have been in businesses for over 3 to 5 years, 27.63% of entrepreneurs have been in businesses for over 6 to 10 years and 31.58% of entrepreneurs have been in business for greater than 10 years.

The result in Table 4 depicts that 57.9% of the entrepreneurs have an entrepreneurial mindset, while 42.1% do not have an entrepreneurial mindset. Given that an entrepreneurial mindset has been established to be an important success factor for SMEs without which they will fail (Dhlilwayo and Vuuren, 2007) and with up to 42.1% of the entrepreneurs not having an entrepreneurial mindset, becomes a call for concern.

Neneh et al. (2011) draw attention to the fact that if an entrepreneur does not have an entrepreneurial mindset, then the performance of the SME he/she controls/runs will be very low and thus the SME will have a very high
Table 2. Reliability of data.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of Items</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial mindset</td>
<td>5</td>
<td>0.90</td>
</tr>
<tr>
<td>Commitment and determination</td>
<td>3</td>
<td>0.90</td>
</tr>
<tr>
<td>Tolerance of ambiguity</td>
<td>3</td>
<td>0.83</td>
</tr>
<tr>
<td>Creativity, self-reliance and ability to adapt</td>
<td>3</td>
<td>0.87</td>
</tr>
<tr>
<td>Opportunity obsession</td>
<td>3</td>
<td>0.86</td>
</tr>
<tr>
<td>Business practices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teamwork</td>
<td>4</td>
<td>0.96</td>
</tr>
<tr>
<td>Strategic planning Practices</td>
<td>4</td>
<td>0.90</td>
</tr>
<tr>
<td>Marketing practices</td>
<td>4</td>
<td>0.90</td>
</tr>
<tr>
<td>Performance management practices</td>
<td>4</td>
<td>0.86</td>
</tr>
</tbody>
</table>

Table 3. Descriptive statistics of business age of entrepreneurs.

<table>
<thead>
<tr>
<th>Years</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-5</td>
<td>40.79</td>
</tr>
<tr>
<td>6-10</td>
<td>27.63</td>
</tr>
<tr>
<td>&gt;10</td>
<td>31.58</td>
</tr>
</tbody>
</table>

Table 4. Descriptive statistics of entrepreneurs that have an entrepreneurial mindset.

<table>
<thead>
<tr>
<th>Entrepreneurial mindset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurs that have an entrepreneurial mindset (%)</td>
</tr>
<tr>
<td>Entrepreneurs that do not have an entrepreneurial mindset (%)</td>
</tr>
</tbody>
</table>

Table 5. Descriptive statistics of long-term surviving businesses.

<table>
<thead>
<tr>
<th>Long-term surviving businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Businesses that have a very low probability of achieving long term survival (%)</td>
</tr>
<tr>
<td>Businesses that show temporal sustainability (%)</td>
</tr>
<tr>
<td>Businesses that show a very high probability of long term survival (%)</td>
</tr>
</tbody>
</table>

Osalor (2010) accentuates that an entrepreneurial mindset can enable an entrepreneur to take any business to higher heights and also lead the business to achieve significant growth. It is therefore necessary for entrepreneurs in South Africa to ensure they develop the right entrepreneurial mindsets as a means of nurturing surviving SMEs.

Table 5 illustrates that 11.84% of the businesses demonstrate a very low probability of achieving long term survival, 39.47% of the businesses show temporal sustainability and 48.68% of the businesses show a very high probability of achieving long term survival. Given that less than 50% of businesses show a very high probability of achieving long term survival, it is a clear indication of the fact that SMEs in South Africa have a low survival rate. This is in line with a study by Von Broembsen et al. (2005), which established that the possibility of a new SME surviving beyond 42 months in South Africa is less likely than in any other global entrepreneurship monitor (GEM) sampled country. SME support mechanisms in South Africa therefore, need to
ensure they help South African SMEs enhance their chances of achieving long term survival.

The results in Figure 2 reveals that for the entrepreneurs that have entrepreneurial characteristics, 68.42% have creativity, self reliance and ability to adapt; 52.63% have commitment and determination; 47.37% have tolerance of ambiguity and 44.74% have opportunity obsession. Considering that more that 50% of the entrepreneurs have a low tolerance of ambiguity and opportunity obsession and given that these characteristics were identified as vital characteristics necessary for the long-term survival of SMEs (Neneh, 2011), raises the need to enhance the development of these characteristics as a means of nurturing the long term survival of SMEs. It becomes imperative.

Figure 3 displays the descriptive statistics of entrepreneurs that have business practices. From the results, it is observed that 76.32% of entrepreneurs engage in teamwork; 68.42% engage in marketing practices; 67.11% engage in performance management practices and 53.95% engage in strategic planning practices. It is encouraging to note that more than 65% of the businesses carry out teamwork, marketing practices and performance management practices.

However, the least popular practices amongst SMEs is strategic planning and seeing that strategic planning has been identified to be very beneficial for SME performance (Eriksen, 2008), it becomes necessary to promote its
Table 6. Entrepreneurs that have an entrepreneurial mindset.

<table>
<thead>
<tr>
<th>SME long term Survival</th>
<th>Entrepreneurial mindset (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do not have entrepreneurial mindset (%)</td>
<td>Have entrepreneurial mindset (%)</td>
</tr>
<tr>
<td>Demonstrate very low probability of achieving long term survival</td>
<td>88.9</td>
</tr>
<tr>
<td>Show signs of temporal sustainability</td>
<td>56.7</td>
</tr>
<tr>
<td>Show a very high probability of achieving long term survival</td>
<td>18.9</td>
</tr>
</tbody>
</table>

development and implementation.

Section B: Entrepreneurial roadmap analyze

The results in this section will be explained based on the set of three questions on the entrepreneurial roadmap adopted by this study. This study will clearly establish the validity of the entrepreneurial roadmap and determine if it is a suitable benchmark for entrepreneurs to adopt as an ideal entrepreneurial profile for establishing long term surviving SMEs. The results in this section will carefully analyze each stage of the entrepreneurial roadmap.

Question one: Does the entrepreneur have an entrepreneurial mindset

The results represented in Table 6 illustrate that for entrepreneurs who demonstrate a very low probability of achieving long term survival, 88.9% of them do not have an entrepreneurial mindset and 11.1% have an entrepreneurial mindset. For those entrepreneurs who show signs of temporal sustainability, 56.7% of them do not have entrepreneurial mindset and 43.3% have an entrepreneurial mindset.

Lastly, for the entrepreneurs who show a very high probability of achieving long-term survival, 18.9% of them do not have entrepreneurial mindset and 81.1% have an entrepreneurial mindset. Given that for the entrepreneurs whose businesses demonstrate a very low probability of achieving long term survival, most of the entrepreneurs (88.9%) do not have an entrepreneurial mindset while for those entrepreneurs whose businesses achieve long-term survival, most of the entrepreneurs (81.1%) have an entrepreneurial mindset, indicates that without an entrepreneurial mindset a business has a very low performance and high probability to fail (Neneh et al., 2011) while with an entrepreneurial mindset, an entrepreneur can successfully move forward in an entrepreneurial process. This is in line with the assumptions made in the framework which indicates that if an entrepreneur does not have an entrepreneurial mindset, then he/she has a low probability of survival and if the entrepreneur has an entrepreneurial mindset, then he/she can move forward in the entrepreneurial process.

Question two: Does the entrepreneur have the necessary entrepreneurial characteristics

Based on the entrepreneurial roadmap framework, entrepreneurs can only move forward in an entrepreneurial process if they first possess an entrepreneurial mindset, but some entrepreneurs sometimes possess only an entrepreneurial mindset without having the necessary entrepreneurial characteristics.

This section provides answers to question two of the framework. Firstly, it focuses on entrepreneurs that have only an entrepreneurial mindset but do not have the required entrepreneurial characteristics and business practices.

Secondly, it looks at entrepreneurs that have only an entrepreneurial mindset and entrepreneurial characteristics. The results in Table 7 shows that for entrepreneurs who have an entrepreneurial mindset but do not have the required entrepreneurial characteristics and business practices, 22% have high strategic decision making abilities and 77.8% have low strategic decision making abilities. Also, observed for these entrepreneurs is the fact that 11% demonstrate a very low probability of achieving long term survival; 66.7% show signs of temporal sustainability and 22.2% show a very high probability of achieving long term survival.

Because a higher percentage (77.8%) of these entrepreneurs do not have strategic decision making abilities and only 22.2% of the entrepreneurs show a very high probability of achieving long term survival, goes to point out the importance of entrepreneurial characteristics and business practices to entrepreneurs.
Table 7. Entrepreneurs that have an entrepreneurial mindset but do not have the required entrepreneurial characteristics and business practices.

<table>
<thead>
<tr>
<th>Entrepreneurial mindset</th>
<th>Strategic decision making</th>
<th>SMEs long-term Survival</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Have high strategic</td>
<td>Demonstrate very low</td>
</tr>
<tr>
<td></td>
<td>decision making abilities</td>
<td>probability of achieving</td>
</tr>
<tr>
<td></td>
<td>(%)</td>
<td>long term survival (%)</td>
</tr>
<tr>
<td>Have an entrepreneurial</td>
<td>High</td>
<td>Show signs of</td>
</tr>
<tr>
<td>mindset but do not have</td>
<td>low strategic decision</td>
<td>temporal sustainability</td>
</tr>
<tr>
<td>the required</td>
<td>making abilities (%)</td>
<td>(%)</td>
</tr>
<tr>
<td>entrepreneurial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>characteristics and</td>
<td>Low strategic decision</td>
<td></td>
</tr>
<tr>
<td>business practices</td>
<td>making abilities (%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Show a very high</td>
</tr>
<tr>
<td></td>
<td></td>
<td>probability of achieving</td>
</tr>
<tr>
<td></td>
<td></td>
<td>long term survival (%)</td>
</tr>
<tr>
<td></td>
<td>22.2</td>
<td>11.1</td>
</tr>
<tr>
<td></td>
<td>77.8</td>
<td>66.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>22.2</td>
</tr>
</tbody>
</table>

Table 8. Entrepreneurs that have only an entrepreneurial mindset and entrepreneurial characteristics

<table>
<thead>
<tr>
<th>Entrepreneurial mindset and entrepreneurial characteristics</th>
<th>Strategic decision making</th>
<th>SMEs long-term Survival</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Have high strategic</td>
<td>Demonstrate very low</td>
</tr>
<tr>
<td></td>
<td>decision making abilities</td>
<td>probability of achieving</td>
</tr>
<tr>
<td></td>
<td>(%)</td>
<td>long term survival (%)</td>
</tr>
<tr>
<td>Have only an entrepreneurial mindset and the required</td>
<td>High</td>
<td>Show signs of</td>
</tr>
<tr>
<td>entrepreneurial characteristics</td>
<td>low strategic decision</td>
<td>temporal sustainability</td>
</tr>
<tr>
<td></td>
<td>making abilities (%)</td>
<td>(%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>83.3%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>16.7%</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>50%</td>
</tr>
</tbody>
</table>

that the high percentage (77.8%) of these entrepreneurs with low strategic decision making abilities is because they lack entrepreneurial characteristics, which have been identified as important factors that matter most in the strategic decision making process of a business (Uru et al., 2011).

This acknowledgement is further investigated in the results in Table 7.

From Table 8, it is seen that for entrepreneurs that have only an entrepreneurial mindset and the required entrepreneurial characteristics, 83.3% have high strategic decision making abilities and 16.7% have low strategic decision making abilities.

Furthermore, 50% show signs of temporal sustainability and 50% show a very high probability of achieving long term survival. Given that most of these entrepreneurs (83.3%) have high strategic decision making abilities, confirms with the acknowledgement that entrepreneurial characteristics are vital for strategic decision making in a business.

This result also indicates that all of these entrepreneurs show at least signs of temporal sustainability, which goes to show that entrepreneurs with an entrepreneurial mindset and the required entrepreneurial characteristics will at least attain temporal SME sustainability as established in the framework.

Hence, entrepreneurs are encourage to enhance their entrepreneurial characteristics so as to improve upon their level of strategic decision making abilities, attain sustainability and also help them advance successfully in the entrepreneurial process.

Question three: Does the entrepreneur carryout the necessary business practices

Table 9 depicts that for entrepreneurs that have both an entrepreneurial mindset and entrepreneurial characteristics and who also carry out the necessary business practices, all of them show a very high probability of achieving long term survival. This corresponds with the theoretical assumptions in the framework that these entrepreneurs will have a long term SME survival.

This can be explained by the fact that at this stage, the entrepreneur has a mindset that can help him/her move forward in the entrepreneurial process, possess the necessary characteristics that can help him/her make strategic decisions and also carry out the business practices that
will help him/her to fully implement his/her business strategies and thus attain long term survival.

### Correlation analysis

The results in Table 10 show a positive and significant relationship between business age and survival. This result is not surprising as business age has been widely recognized (Liu and Pang, 2006; Audretsch, 1991; Neneh, 2011 and Neneh and Vanzyl, 2011) as a significant factor in determining the survival of a business venture.

The results also show a positive and significant relationship between entrepreneurial mindset and survival ($r = 0.33$); combination of entrepreneurial mindset and characteristics with survival ($r = 0.38$); combination of entrepreneurial mindset and business practices with survival ($r = 0.37$); and combination of entrepreneurial mindset, characteristics and business practices with survival ($r = 0.66$). This results show that a combination of all three factors (entrepreneurial mindset, entrepreneurial characteristics and business practices) have a stronger positive relationship with business survival.

Although it is important that each entrepreneur should possess at least any of the three competencies since each of them have a positive relationship with survival (Neneh, 2011), it is necessary for the entrepreneurs to try to possess a combination of these competencies as a means to have a high probability of survival. This provides a possible explanation to the results established in Table 8 (for entrepreneurs with all three competencies, all of them possess a high probability of achieving long-term survival).

### Conclusions

The empirical findings obtained in this study indicate clearly the validity of the entrepreneurial roadmap framework adopted by this study. In order to achieve SME long term survival, entrepreneurs are expected to have the right mix of entrepreneurial competencies (entrepreneurial

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**Table 9.** Entrepreneur that have an entrepreneurial mindset, entrepreneurial characteristics and carry out the necessary business practices.

| Entrepreneurial mindset, entrepreneurial characteristics and business practices | SMEs long-term Survival |
|---|---|---|
| Demonstrate very low probability of achieving long term survival | Show signs of temporal sustainability | Show a very high probability of achieving long-term survival |
| Have an entrepreneurial mindset, entrepreneurial characteristics and the required business practices | 0% | 0% | 100% |

**Table 10.** Pearson correlation analysis to establish the relationship between entrepreneurial mindset, characteristics and business practices to long-term SME survival.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Survival</th>
<th>Business age</th>
<th>Mindset only</th>
<th>Mindset and characteristics</th>
<th>Mindset and practices</th>
<th>Mindset characteristics and practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survival</td>
<td>1</td>
<td>0.26</td>
<td>0.36</td>
<td>0.38</td>
<td>0.37</td>
<td>0.66</td>
</tr>
<tr>
<td>Business age</td>
<td>1</td>
<td>1</td>
<td>-0.02</td>
<td>0.16</td>
<td>0.08</td>
<td>0.13</td>
</tr>
<tr>
<td>Mindset only</td>
<td>1</td>
<td>1</td>
<td>0.10</td>
<td>-0.01</td>
<td>0.40</td>
<td>0.51</td>
</tr>
<tr>
<td>Mindset and characteristics</td>
<td>1</td>
<td>1</td>
<td>0.27</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Mindset and practices</td>
<td>1</td>
<td>0.66</td>
<td>0.37</td>
<td>0.38</td>
<td>0.33</td>
<td>0.37</td>
</tr>
</tbody>
</table>
mindset, entrepreneurial characteristics and the required business practices).

This study proposes the following unique set of entrepreneurial competencies to be adopted by entrepreneurs as a means to enable them achieve long term surviving SMEs.

Entrepreneurs should adopt the ideal entrepreneurial mindset (passionately seeking new opportunities; pursuing opportunities with enormous discipline; pursuing only the very best opportunities; focusing on execution; and engaging everyone’s energy in their domain) developed by McGrath and MacMillan (2000), develop the necessary entrepreneurial characteristics (creativity, self-reliance and ability to adapt; tolerance of ambiguity and uncertainty; opportunity obsession; commitment and determination) and business practices (marketing practices; performance management practices; strategic planning practices and teamwork) established by Neneh (2011) as the key entrepreneurial competencies for establishing long term surviving SMEs.

Since most of the entrepreneurs in South Africa do not have all these entrepreneurial competencies identified in this study as being necessary for the long term survival of SMEs, it becomes imperative for these factors to be enhanced as a means of nurturing SMEs survival. All these factors can be developed and enhanced through learning, re-learning and synchronization as elaborated in the in the entrepreneurial roadmap framework.

South African entrepreneurs need to create a positive attitude towards entrepreneurship education and training programs as a means to develop suitable entrepreneurial mindsets.

Business support mechanisms should use the life styles inventory (LSI) measures thinking styles and Neethling Brain profiling tool to identify the way entrepreneurs think and use the results to modify their teaching methods in a way that will enable the entrepreneurs to develop the necessary entrepreneurial characteristics for long term SME survival.

These support mechanisms should focus simultaneously on providing effective training through the formulation and implementation of focused strategies and programmes that will enable entrepreneurs to develop entrepreneurial characteristics and strategic decision making abilities vital for the long term survival of SMEs.

Furthermore, workshops, professional meetings and seminars should be encouraged as it is possible to improve the business practices of entrepreneurs. Through workshop, trainings programmes and interaction with other entrepreneurs, entrepreneurs can create a share understanding and learn the success strategies of other SMEs. This study concludes by endorsing the entrepreneurial roadmap framework as a key strategic tool to be used by entrepreneurs to benchmark their competencies as a means to project their ability to establish long term surviving SMEs.

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