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WHAT ARE SMALL ENTERPRISES FINANCE NEEDS?

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ABSTRACT

The paper aims at contributing to the knowledge in the area of small enterprise finance. The research is based on quantitative research design and a survey of the small enterprises in Sunyani Township that were selected using convenience sample method for a sample of 106. Data were analysed using percentages and one-ANOVA with SPSS 16.0. The findings indicate that Small business owners appeared to have high satisfaction with the products and services offered by their financial institution and hence have not changed their bank/financial institution. They have also experienced a change in terms and conditions of the financing arrangements, but have not experienced a change in charges, fees, and interests. More credit will be used to seize business expansion, fund business growth. Credit has not also been a problem over the years under consideration and that there has been a competitive banking and finance industry. Demographic variables significantly influence some of the responses of the respondents. In future, researchers should research into the issue of relationship lending and also the determinant of bank selection among the small businesses in the study area in a comparative analysis of the rural banks and the Big banks. Further study should look at the knowledge level of small businesses in relation to the various financing schemes available in the country.

KEY WORDS: Banks, Employment, Finance, Relationship lending, small enterprise,

INTRODUCTION

Financial institutions financing of small enterprises (SMEs) has recently received interest from policy makers, economist, financial experts, business people, sociologist, national as well as international organisations such as IMF and the world bank. “Large national and multinational companies in many industrialised countries are reported to be making increasing use of alternative sources of finance, such as stock market listing, international bond issues, and international markets for corporate lending which often involve transactions with financial actors other than just banks” (Lane & Quack, 2001).

These small enterprises are given such attentions in Ghana so they can play significant role in alleviating poverty in our developing economy. The small enterprises are to provide employment for the citizens, and to generate skilled labour for the large scale enterprise. They are also expected to help reduce the problem of rural urban migration.

Buckley (1997) asserts that SMEs create jobs, since they are more labour intensive; they are also involved in technological advances in the development and transferring of technology. In a thesis by Kroukamp (2009), it was argued that “SME’s role in the economy regardless of its size is to enhance the quality of human resources, foster innovation and penetrate new business opportunities and provide job opportunities”. The small enterprises in Ghana like their counterparts in the developing and developed economies face inadequate finance especially from the traditional banks or conventional financial institutions.

Most of these financial institutions are also located in the urban cities. Many researchers such as Hassan (2008) have indicated that there is “immense potential in small and medium sized enterprises (SMEs) for development as it is still an untapped segment of the country of Pakistan”. The issue of inadequate funding of SMEs is not limited only to developing economies such as Ghana but also an issue in developed economies such as UK and Germany.

According to Lane & Quack (2001) “small enterprises, which account for very significant parts of economic activity and employment in the two societies, have only limited access to such alternative sources of finance. They therefore still are, and in some countries even increasingly dependent on bank lending. At the same time, the degree and the forms of financing of SMEs through banks vary significantly between countries as a reflection of different institutional environments in which banks and firms engage in financial transactions”.

The small enterprises in addition to inadequate financing face the problem of unskilled labour, access to modern technology, and limited access to market (Aryeetey et al. 1994, Andrea 1981).

For some SMEs their sources of finance are from the informal credit sources such as friends and relatives, landlords, merchants and shopkeepers, and money lenders. Some of these sources are without interest while others attract interest on them.

There is also the formal sector financial from the banks and other financial institutions such as the commercial banks, the rural banks, loan schemes, credit unions, and the SUSU schemes. There is difficulty in getting credit from these institutions as a result of many factors such collateral, non-payment of loans and many others.

There are many official schemes that have been introduced over the years by government and donor agencies. Among the schemes are Austrian Import Program (1990), Japanese Non-Project Grants (1987-2000), and Canadian Structural Adjustment Fund and Support for Public Expenditure Reforms (SPER).

There are other lending scheme such as business assistance fund (1990s), Ghana Investment Fund (2002), and Export Development and Investment Fund (EDIF). There are many donor agencies involve in SMEs financing in Ghana. Among the agencies are USAID, UNIDO, UNDP, IFC, IFAD/AFD, CIDA, DANIDA, and GTZ. These agencies are involved in many activities such as deepening technological capacity, training and secondment, entrepreneurship development, and support for nontraditional export (Mensah, 2004).

Inspite of these sources many SMEs still do not get the needed funds to expand their activities so as to play their role in the economies. The study aim at exploring the satisfaction levels of small enterprise owners of the products offered by their current financial institutions. The motivation for this paper is to fill in the knowledge gap in the area of SMEs financing in the study area since little available data on the type of financing used by smaller enterprises and their satisfaction levels in the study area exist especially in the face of the recent global financial crisis. There is also an unequal empirical study on the financial decisions of firms. Studies on the larger firms far outweigh that on SMEs. In addition, studies on relationship banking have been relatively under researched especially in the area of small enterprises.

Small enterprise or SMEs have been defined in many ways by many researchers. Kang (2006) states “a firm is classified as an SME if the number of employees in a firm does not exceed 300”. According to Kang (2006) “SME’S vary from country to country as they are categorised based on the firm’s assets, number of employees, or annual sales. International Finance Corporation defines SME’S as businesses with total assets less than fifteen million US dollars and employees less than three hundred people. SMEs are defined as “business with less than twenty employees in countries with smaller economies” (Financing small, 2003).

Asia-Pacific Economic Cooperation (APEC) (2002) maintains that SMEs employs less than one hundred people, Whiles Kroukamp (2009), argue that there is “no consensus on what differentiates a micro firm from a small or a medium one” and that “the most common criterion to define SME’S for a statistical purpose is the number employed, and also indicates that “various economies use capitalisation, assets, turnover and production capacity as a criterion to define SMEs”.

APEC (2002) reports that SMEs can be put into various groups such as; SMEs less than five employees for micro firm that includes self employed managers; SMEs that employs between five and nineteen people for small firms and SMEs that also employs between twenty and ninety-nine people for medium sized (What is an SME, 2003).

Researchers such as Kroukamp (2009), Migiro and Wallis (2006), have indicated that the definition of SMEs depends on the country (for example, the definition in South Africa and Kenya). In Kenya, SMEs are put in groups such as; SMEs with less than five employees are referred to as micro-enterprises; those with employees between five to forty nine workers are known as small-scale enterprises; those that employ labour from fifty to ninety nine workers are referred to as medium-scale enterprises and while those employing from one hundred or more workers are classified as large-scale enterprises (Migiro & Wallis, 2006).

In a study by Ofei (2003) on perceptions of SME /Entrepreneurs in Ghana SME’s were defined by putting them into three groups. They are Micro enterprises (1-9 workers), Small enterprises (10-29 workers), and Medium enterprises (30-140 workers). These groups were based on the definition by Aryeetey et al (1994).

In the face of financial liberalisation many small enterprises are facing financial difficulties from the financial institutions. Many reseaons have been advanced to explain this from theory and empirical studies. The findings may be found in the works of Kroukamp (2009), Luo (2009), Abor and Biekpe (2007), Lee and McGuiggan (2008), Binks and Ennew (1996). Andersen (2000) study of the 26,998 MSMEs revealed that out of 26,998 MSMEs studied, only two per cent of the MSMEs were able to get funding from venture capital firms. Lownes-Jackson et al., (2003) identifies eleven financial obstacles that affect the survival of the MSMEs in Africa. These according to the study are inability to obtain outside financing, insufficient capital, heavy operating expenses, poor money management, large losses due to crime, meeting the payroll, inability to obtain trade credit, insufficient profit, ability to meet financial obligations, health insurance costs and cost of workers' compensation.

The study by Thevaruban (2009) points out that SMEs finds it extremely difficult to get outside credit because the cash inflow and savings of the MSMEs in the small scale sector is significantly low and concluded that bank and non bank financial institutions do not emphasise much on credit lending for the development of the MSMEs in the small scale sector.

Berger and Udell (2002) points out that there has been drastic reduction in the credit facilities to MSMEs. Pettit and Singer (1985) indicate that financing is the most difficult problems of the MSMEs in USA, while researchers such as Watson et al. (1998), Wu et al. (2008), and Datta (2010) contend that external finance is more expensive than internal finance.

The study by Yusuf (1995) revealed that "the non-indigenous entrepreneurs viewed access to capital as a much less critical factor because they have a network of business contacts, good reputation, and significant control of prime business locations". He also point out that the Indigenous South Pacific entrepreneurs "lack the capacity to access the lending facilities of the bank and non bank financial institutions due to the strict requirements imposed by formal and institutional capital sources".

In a study by Chand and Naidu (2008) on the obstacles to finances by MSMEs the results indicate the main obstacles as follows: inability to obtain external financing; inability to obtain internal financing; insufficient capital, start-up costs; expensive raw materials; high wholesale price; large losses due to scrap rate, sabotage, breakage and crime; decline in sales volume; bad debts and write offs; heavy equipment and maintenance costs; government tax, VAT and customs duty; payroll, rent and utilities; transportation and petrol costs; high interest rates on loans; ability to meet financial obligation; insurance costs and delay in account receivables payment, and that the less significance significant obstacles are "heavy advertising and promotional costs; and training and development costs".

They again revealed that "during the start-up stage of a MSME, the owners/managers will have to depend on both formal and informal channels of financing" which support the findings by researchers such as Longenecker et al. (2006), Bianchi and Bivona (2000). They indicate that "MSMEs are faced with heavy start-up costs because they need to secure enough finance for purchase of assets and meeting daily operational expenses". Their finding also confirms the findings of Lumme et al. (1998) and Levy et al. (1999). They report that "the need for finance by the MSMEs fluctuates due to the MSMEs age of maturity in the pecuniary life cycle".

Chand and Naidu (2008) argue that "owners/managers of MSMEs will distinctively rely on internal and external sources of funds to finance their businesses". Their assertion is supported by Baron and Shane (2008) and Mises (2002). According to Chand and Naidu (2008) "MSMEs in the manufacturing sector of Fiji find that debt financing is necessary. Particularly, internal sources of finance for the owners/managers of MSMEs include personal savings and borrowings from family and friends. When the internal financing is insufficient then the owners/managers of MSMEs will resort to external sources of funds. The external sources of financing for owners/managers in the manufacturing sector of Fiji include banks, business

suppliers and asset based lenders".

In a study by Ofei (2003) a good majority of the firms (62%), felt fully constrained in assessing funds while 19% felt partially constrained. Only 12% felt unconstrained in accessing funds. This means a good majority of firms 81% felt somewhat constrained in having access to funding. Ofei (2003) indicates that "regional differences occurred only in terms of the degree respondents perceived the level of constraint. Central region provided the most unfavourable findings on access to funding with 0% of unconstrained and 90% of full constrained access. Western region provided the most favourable results with 46% firms reporting of full unconstrained and 26% for both partially constrained and unconstrained access. Two regions, Volta and Central Regions, had worst report with the highest percentage of fully constrained firms, 80% and 90%, respectively".

Ofei (2003) concludes "evidence suggests that lending policies are not particularly designed to fit particular regions. Credit duration, terms of payment, required security and the provision of supplementary services do not fit the needs of target group or particular regions".

Kroukamp (2009) indicate that "59% applied for banking facilities while 42 % have been using funding from family members. Thirty five per cent of the respondents indicated that their application where successful while 30% indicated that they were unsuccessful. The information is contradicting; if 59% applied for finances and 34% were successful then the rejection rate should be 14%".

He concludes that the rate of application far outweighs the rate of acceptance. Kroukamp (2009) states that "clients with government contracts of tenders are more likely to be successful in accessing finance than those without, and that 65% of the respondents were awarded government contracts or tenders, while 35% do not have contracts or tenders. Forty one per cent have indicated that they provided collateral for loan agreements while 59% were not in a position to provide collateral". Among the reasons for rejection of application according to Kroukamp (2009) were "lack of financial information; lack of collateral; other reason, which includes credit judgments, lack of good credit record and respondents withdrawing from the process".

The study by Yesseleva (2010) indicate that majority of the respondents were not satisfied with the products and services offered by their current financial institution, and that they could not easily switch between financial institutions, due to the high costs involved. In addition majority of the respondents have experienced increase in fees, charges and interest rates in their financing arrangement over the years.

The findings also revealed that significant number of respondents in the study sees access to affordable credit/finance to operate a small business on a day to day basis as important and that credit is needed for expansion of the business and that additional credit/finance will be used to seize expansion opportunities, fund growth and improve cash flow.. It was also revealed that the global financial crisis has affected the terms and conditions as well as way business banking is conducted.

The results of the study show that there was competitive banking and finance industry which is very important for small businesses. Majority of the respondents in the study by Yesseleva (2010) believed that Government fund to finance small businesses would help them to get access to an affordable credit and finance.

It has been stated that an abnormally high small enterprise failure rate, little or no collateral to offer, inability to realistically assess small enterprise creditworthiness and soaring administrative costs, lack of credit history, improper risk management and information systems are some of the reasons financial institutions refuse to provide credit to SMEs (Shanmugam, 1988; Ulst & Raa, 2003). Small businesses do not also get the needed credit due the fact that they exhibit greater propensity to fail as compared to the larger businesses (Keasey & Watson, 1993; Storey, 1994; Timmons, 1978).

In a study by the Canadian Bankers Association (2011) in Canada, it was revealed that there is competitive banking for the SMEs and that in the face of recent economic downturn banks have continued to lend to SMEs that are credit worthy. The results of the study show that as of September 2010, Canada's nine largest banks authorized almost $83 billion in credit to SMEs across the country.

Out of the 77% of SME owners who have a credit relationship with a bank, 90% describe their credit relationship as good and almost six-in-ten (58 per cent) describe it as very good. Banks continue to provide credit through the economic downturn: only 7% of SME owners cite access to credit as their biggest economic challenge. The study revealed also that 43% of SMEs have had a credit relationship with their main financial institution for more than a decade, with 21% reporting a relationship of over 20 years.

It was again revealed that 70% have credit relationships with two or more suppliers, which may include credit card suppliers, finance companies, leasing companies, banks, credit unions, angel investors or other credit suppliers. The findings further show that, 20% of the respondents have only one credit relationship, 17% have two credit relationships, and 33% have five credit relationships or more. The above review has shown that SMEs face difficulties in obtaining credits, though the availability of it is very important to their survival.

OBJECTIVE OF THE STUDY

The paper aims at contributing to the body of knowledge that exists in the area of SMEs financing by assessing small enterprises and their finance needs.

Specifically, the paper seeks among other issues to

i. determine if there is financial constraints and the determinants of such constraints,

ii. determine the sources of financing for the SMEs,

iii. determine if the SMEs are satisfied with the products given to them by the financial institutions.

RESEARCH QUESTIONS

The following research questions were asked and answers provided for through the analysis and discussion of the results.

i. what are the sources of finance for SMEs?

ii. Are there significant finance constraints to the SMEs and why?

iii. What is the satisfaction level of the SMEs in relation to the products received from the financial institutions?

SCOPE OF THE STUDY AND LIMITATION

The study was conducted in the Sunyani Township using survey and not census data. The paper does not look at the various financing schemes for SMEs. It only looks at the finance needs of the SMEs in the study area. Respondents were selected using non-probability sample method and hence results may suffer from external validity. There is the tendency that some respondents might have being responding in a socially desirable way would tend to bias results against findings.

METHODOLOGY OF THE STUDY

The study is based on Quantitative descriptive survey design. The target population for the study is SMEs owners in Sunyani Township. Data for the study was collected from the owners through self designed and self administered questionnaire covering the various reasons provided in the literature. Non-probability convenience sampling technique was adopted.

This study is based on primary data collected in 2011 from the study area and secondary data were obtained from literature. In all 106 respondents were used for the study. The purpose of the study was explained briefly and respondents were made to agree to partake in the study. A literature review is made on both primary and secondary resources.

This covered all the key concepts that were used in the study to provide the theoretical framework and background against which an important tool of the study, the questionnaire was developed. The review in addition, provides the basis for discussions and support for many views that were presented in the study. It also, adds weight to the conclusions drawn, and recommendations made.

Data obtained were analysed using descriptive statistics such as frequencies of response, percentages, mean and standard deviation. In addition, One-way ANOVA was performed with the use of SPSS 16.0.

RESULTS AND DISCUSSION

The results from the field survey are provided in section A, B, and C

Demographic profiles of the samples

The results of the analysis on demographic variables are presented in Table 1. A total of 67 (63.2%) respondents are males with 39 (36.8%) been females. Majority (17.9%) belong to the age groups of 22-25; 26-29; 30-33 with the least age group being 18-21 (4.7%). The respondents belong to two main religious grouping with the largest group being the Christian group (75.5%) followed by Muslim group (24.5%). On educational status, majority (71%) has completed SHS and JHS, followed by diploma holders (23.6%).

Results on the attitude towards banks/financial institutions and the satisfaction level of respondents

Respondents were asked if they use banks/financial institutions in doing their business activities. Majority 99 (93.4%)

used banks/financial institutions while 6 (5.7%) did not use any banks/financial institutions, with one respondent not responding to the question. In addition to this, they were also asked to indicate their respective banks/financial institutions. The results indicate that most of the respondents use the rural banks 33 (31.1%), followed by GCB with 16 (15.1%) respondents. The results are shown in the table 2 below.

The satisfaction levels of respondents were also assessed. Respondents were asked to indicate on a scale their satisfaction level. Majority 64 (60.4%) were satisfied with their current bank/financial institutions, with few 5 (4.7%) not satisfied at all. The results are shown in table 3.

Respondent again were asked if they will leave their current bank/financial institutions. Majority 78 (73.6%) said they will not leave, while 24 (22.6%) respondent said they will leave for another bank/financial institutions. There were 4 (3.8%) non-response. This result further confirms that the respondents are really satisfied with the products offered them by their current bank/financial institutions.

Those Respondents who said they will leave their bank/financial institutions provided various reasons for their intention. Out of the 24 respondents who said they will leave their current bank/financial institutions majority 10 (9.4%) said they will leave as a results of bad customer care, while 8 (7.5%) said as a results of low cost of switching, with 6 (5.7%) respondents indicating that they will leave as a result of lack of credit. For those who indicated that they will not switch, dominant number 38 (35.8%) said because of good customer care they will not switch, while 22 (20.8%) will not leave because of the availability of credit. The other reasons given were high switching cost 14 (13.2%) and good location of the bank/financial institutions 8 (7.5%).

Respondents were also asked whether there has been a change in the terms of loan agreement. Majority 51 (48.1%) of the respondents confirmed that they had experienced a change in the terms of loan agreement in the past 2 years. Further to this question, dominant number 56 (52.8%) of the respondents indicated that they had not experienced an increase in fees, charges and interest rates in the past 2 years, while 43 (40.6%) indicated that there has been an increase in interest charges in the past 2 years, with 7 missing responses.

The means of financial businesses of respondents were also examined in the survey. Vast majority 61 (57.5%) of the respondents self financed their businesses. Significant majority 75 (70.8%) of the respondents indicates that they have not changed their financial institutions in the last 2 years. The results are shown in table 4.

Though Vast majority of the respondents self finance their businesses when asked of the success of getting credit from the financial institutions banks, a dominant number of respondents 59 (55.7%) said they have been successful at getting credit in the past 2 years, while a considerable number 46 (43.4%) indicted that it has not been successful at getting credit in the past two years. When asked for the reasons why they have not been successful at getting credits, majority of the respondents 15 (14.2%) said it is as a result of lack of security, while 13 (12.3%) respondents indicates that they do not get credit as a results of not been credit worthy, and another 13 (12.3%) respondents also said it is as a results of high interest rate. The results are shown in table 5.

It is belief that competitive banking is important for small business in getting credit. The views of respondents were found on this. Respondents were asked if competitive banking/finance is important for small business. A great majority of respondents 95 (89.6%) said yes to that, while 8 (7.5%) respondents said no, with 3 (2.8%) missing response. It was also found out whether there is competitive banking/finance in Sunyani. A dominant majority of the respondents 77 (72.6%) indicated small businesses in Sunyani currently have access to a competitive banking and finance industry, while 25 (23.6%) respondents said no.

Results on One Way ANOVA

The results on One Way analysis of variance revealed that there is gender, age, religion, educational level differences in the means of some of the responses of the respondents. There was a significant difference between gender and the means of the response to the type of bank/financial institution use for business ($F=7.102$; $p=0.009$), and whether access to affordable credit important to the expansion of your business ($F=3.500.$; $p=0.064$). The analysis also revealed that there was a significant difference between age and the mean response on whether respondents use financial institutions/bank ($F=2.650$; $p=0.020$).

The analysis in addition revealed also that there was a significant difference between educational level and the mean response on some questions such as: type of bank/financial institution use ($F=5.440$; $p=0.001$); whether respondents are satisfied or not (F=2.882; p=0.027); whether access to affordable credit is important to business expansion (F=4.683; p=0.002); whether competitive banking is important (F=2.185; p=0.076); whether there is access to competitive banking (F=3.791; p=0.007).

The results of the ANOVA analysis show that there was a significant difference between religion and the mean response on some questions such as: whether respondents have changed bank/financial institution in the last two years (F=3.589; p=0.061); the use of more credit (F=4.047; p=0.047); whether there is access to competitive banking (F=2.824; p=0.096); means of financing business (F=3.087; p=0.082).

DISCUSSION OF RESULTS

Small businesses in the study do their banking needs with the rural banks and not with the Big banks in Sunyani. This is contrary to the findings of Yesseleva (2010) study on Australian economy in which the small enterprises well doing business with the Big Four banks.

Majority of the respondents also indicated that they were satisfied with the products and services offered by their financial institutions. This was also not in line with the findings of Yesseleva (2010) study in which majority of the respondents were not satisfied with the products and services offered by their current financial institutions.

In addition, significant number of the respondents will not switch between financial institutions. Hence, majority of the respondents have not changed their financial institutions/banks as in the case of Yesseleva (2010) study. Dominant numbers of small enterprises contrary to the findings of Yesseleva (2010) have not experience a change in charges, fee, and interest rate, but indicated that there has been a change in the terms of loan agreement.

Moreso, majority of the small businesses indicated that affordable credit is important for business expansion and more credit will be used for business expansion as were also revealed in the study by Yesseleva (2010).

Further, a significant majority agreed that competitive banking/financial institutions is good for small business as was revealed in the study by Yesseleva (2010) and that small business in Sunyani have access to competitive banking and finance industry which is contrary to the findings of Yesseleva (2010) study.

Furthermore, majority of the respondents have been successful at get credit over the last 2 years which is also contrary to the findings of Yesseleva (2010) in which the small enterprises have no access to a competitive banking and finance industry. In the face of availability of credit majority of the small enterprises in the study self financed their business activities which are in line with the findings of other researchers such as Chand and Naidu (2008).

The minorities (43.4%) that do not get access to credit indicated that it is as a result of lack of security, high interest rate and credit unworthiness which is in line with the findings of other studies (Shanmugam, 1988; Ulst & Raa, 2003 Keasey & Watson, 1993; Storey, 1994; Timmons, 1978; Kroukamp, 2009).

CONCLUSION

This study analysed results from the researcher field survey on small enterprise banking and finance in Sunyani. Small business owners appeared to have high satisfaction with the products and services offered by their financial institution and hence have not changed their bank/financial institution. They have also experienced a change in terms and conditions of the financing arrangements, but have not experienced a change in charges, fees, and interests. More credit will be used to seize business expansion, fund business growth. Credit has not also been a problem to them over the years under consideration and that there has been a competitive banking and finance industry. Future studies should look at the issue of relationship lending and also the determinant of bank selection among the small businesses in the study area in a comparative analysis of the rural banks and the banks. Further studies should look at the knowledge level of small businesses in relation to the various schemes available in the country.

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Appendix

TABLE 1: DEMOGRAPHIC DISTRIBUTION OF RESPONDENTS

GENDER	**PERCENTAGE**
Male	63.2
Female	36.8
Total	100
AGE	**PERCENTAGE**
18-21	4.7
22-25	17.9
26-29	17.9
30-33	17.9
34-37	16
38-41	10.4
Above 41	15.1
Total	100
EDUCATIONAL STATUS	**PERCENTAGE**
SHS and below	71
Diploma	23.6
Degree	5.7
Total	100
RELIGION	**PERCENTAGE**
Christian	75.5
Muslim	24.5
Total	100

(Source: field survey 2011)

TABLE 2: TYPES OF BANKS/FINANCIAL INSTITUTIONS OF RESPONDENTS

TYPE OF BANKS/FINANCIAL INSTITUTIONS	**FREQUENCY**	**PERCENTAGE**
GCB	16	15.1
NIB	8	7.5
SSB	3	2.8
ECOBANK	5	4.7
BARCLAYS	6	5.7
ADB	4	3.8
STANBIC	2	1.9
ZENITH	2	1.9
SAHELL SAHARA	1	0.9
RURAL BANK	33	31.1
CREDIT UNION	11	10.4
SUSU COLLECTORS	9	8.5
MISSING RESPONSE	6	5.7
TOTAL	100	100

(Source: field survey 2011)

TABLE 3: SATISFACTION LEVEL OF RESPONDENTS

STATEMENT	**PERCENTAGE**	**FREQUENCY**
Not satisfied	5	4.7
Somewhat satisfied	21	19.8
Neutral	10	9.4
Satisfied	51	48.1
Very satisfied	13	12.3
Missing response	6	5.7
Total	100	100

TABLE 4: SOURCES OF FINANCING BUSINESS

STATEMENT	PERCENTAGE	FREQUENCY
Friends/relatives	11	10.4
Money lenders	15	14.2
Banks/financial institutions	16	15.1
Self	61	57.5
Hire purchase	3	2.8
Total	106	100

(Source: field survey 2011)

TABLE 5: REASONS FOR NOT GETTING CREDIT

STATEMENT	PERCENTAGE	FREQUENCY
Lack of security	15	14.2
Not credit worthy	13	12.3
Banks think my business will fail	2	1.9
High interest rate	13	12.3
High administration cost	2	1.9
Missing response	61	57.5
Total	106	100

(Source: field survey 2011)

TABLE 6: USES OF MORE CREDIT

STATEMENT	PERCENTAGE	FREQUENCY
To seize expansion opportunities	84	79.2
To fund growth	12	11.3
To improve cash flow	8	7.5
Missing response	2	1.9
Total	106	100

(Source: field survey 2011)