

EFFECT OF ENTREPRENEURIAL MANAGEMENT ON ACCESS TO VENTURE FINANCING OF SMALL AND MEDIUM ENTERPRISES IN STAREHE SUB-COUNTY

RICHARD WAMBUA

CITATION: Wambua, R. (2016). Effects of Entrepreneurial Management on Access to Venture Financing of Small and Medium Enterprises in Starehe Sub-County . *International Journal of Arts and Entrepreneurship*. Vol 5, (11), pp 1-33.

ABSTRACT

SMEs play a significant role in the economic development by creating employment, wealth creation, poverty eradication and creation of new firms. However, this sector is characterized by low access to credit. This study therefore sought to examine the effect of entrepreneurial management on access to venture financing of small and medium enterprises in Starehe

sub-county. This research study used a descriptive research design. The target population was all the 1016 SME's operating in Starehe Sub-County that have been licensed by Nairobi County government licensing department. Stratified random sampling was used to select 10 percent of the target population. The

study found that

resource gap identification was influencing access to venture financing of small and medium enterprises most, followed by growth orientation, opportunity commitment and innovativeness. The study also found that the identification of knowledge gap, physical assets required and working capital required had a significant influence on access to venture financing. The study further established that number of opportunities in the past, presence of a vision and number of market opportunities influence access to venture financing of small and medium enterprises. The study revealed that number of new products/services, number new technologies and number of products added value influence access to venture financing of small and medium enterprises. The study also established that number of employees, sales volume and development stage of SMEs influence their access to venture finance. B

usiness owners should frequently conduct gaps analysis in their organizations so as to identify, knowledge gaps, working capital required and physical assets required. Also, SME owners should show commitment to their businesses by developing strategic plans with mission vision and objectives and should also identify other opportunities in the market, develop a business plan and present it to financial institutions for financing. Also, SMEs should develop business plans for the products and services they have introduced as well as the products they had added value to, and use them to seek for venture financing from financial institutions.

Key Words: Entrepreneurial Management, Venture Financing, Access to Venture Financing, Small and Medium Enterprises, Starehe Sub-County

[Full Text PDF Format](#)