

T.R.
GEBZE TECHNICAL UNIVERSITY
GRADUATE SCHOOL

**GENERATING FACTORS OF SUCCESS AND FAILURE OF
COMPANIES: EMPIRICAL STUDY FOR TURKISH
COMPANIES**

THAER AL ASSAAD

A THESIS OF MASTER OF SCIENCE
DEPARTMENT OF BUSINESS ADMINISTRATION

ADVISOR: PROF. DR. M. ŞAHİN GÖK

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GEBZE TEKNİK ÜNİVERSİTESİ
LİSANSÜSTÜ EĞİTİM ENSTİTÜSÜ

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ABSTRACT

In the economic field, business development is crucial for the socioeconomic development. On the one hand, the creation of companies can be an effective solution of the unemployment. On the other hand, business development is an essential factor of economic growth. Thus, the development of a country is correlated with its business development. However, business results are not always guaranteed. For this reason, controlling a number of factors related to results is an absolute necessity. Our research aims at studying a set of elements contributing to the results of the success and failure of Turkish companies. For this purpose, we considered a sample of 46 companies, which is subdivided into two sub-samples, the first represents the "Successful companies "; this category represents 74% of the total sample. The second represents the remaining 26% formed the "Failure companies". Empirical results highlight the importance of factors related to; firstly, the Business plan, such as achieving a robust plan and follow its progress, develop strong links with suppliers, consumer diversification, and made an effective financial management. The second factor highlighted the importance of innovation. The third is related to the marketing strategy, notably the importance to follow the market trends. Finally, the human resources, which mean recruit the best employees. However, ignoring these factors lead to the business failure. Therefore, the prediction of success or failure factors will deliver key information to decision-makers on the mistakes to be avoided and the precautions to be taken.

Keywords: Success, Failure, Business plan, Innovation, Marketing, Human Research, Turkish Companies.

ÖZET

Ekonomik alanda, iş geliştirme sosyoekonomik kalkınma için çok önemlidir. Bir yandan şirketlerin kurulması işsizliğin etkili bir çözümü olabilir. Öte yandan, iş geliştirme ekonomik büyümenin önemli bir faktörüdür. Dolayısıyla bir ülkenin kalkınması iş dünyasının gelişmesiyle orantılıdır. Ancak iş sonuçları her zaman garanti edilmez. Bu nedenle sonuçlara ilişkin bir takım faktörlerin kontrol edilmesi mutlak bir zorunluluktur. Araştırmamız, Türk şirketlerinin başarı ve başarısızlık sonuçlarına katkıda bulunan bir dizi unsuru incelemeyi amaçlamaktadır. Bu amaçla, ilki "Başarılı şirketleri" temsil eden iki alt örneğe ayrılan 46 şirketten oluşan bir örnekleme ele aldık; bu kategori toplam numunenin %74'ünü temsil etmektedir. İkincisi, kalan %26'lık kısmı "Başarısızlık Şirketleri"ni temsil ediyor. Ampirik sonuçlar aşağıdakilerle ilgili faktörlerin önemini vurgulamaktadır: Birincisi, İş planının sağlam bir plan haline getirilmesi ve ilerlemesinin takip edilmesi, tedarikçilerle güçlü bağların geliştirilmesi, tüketici çeşitlendirilmesi ve etkin bir finansal yönetim yapılmasıdır. İkinci faktör inovasyonun önemini vurguladı. Üçüncüsü pazarlama stratejisiyle, özellikle de pazar trendlerini takip etmenin önemiyle ilgilidir. Son olarak insan kaynakları, yani en iyi çalışanları işe almak anlamına gelir. Ancak bu faktörlerin göz ardı edilmesi işletmenin başarısız olmasına neden olur. Dolayısıyla başarı veya başarısızlık faktörlerinin tahmini, karar vericilere kaçınılması gereken hatalar ve alınması gereken önlemler konusunda önemli bilgiler verecektir.

Anahtar Kelimeler: Başarı, Başarısızlık, İş Planı, İnovasyon, Pazarlama, İnsan Kaynakları, Türk Firmalar.

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LIST OF SYMBOLS AND ABBREVIATIONS

∇	: Nabla operatörü
γ	: Yayılım sabiti
$\mathbf{E}$	: Elektrik alan vektörü
ε	: Dielektrik sabiti
Hz	: Hertz Dielektrik sabiti
F	: Kuvvet
km	: Kilometre
$\mathbf{H}$	: Manyetik alan vektörü
sn	: Saniye
ANAM	: Avrupa Nükleer Araştırma Merkezi
GTÜ	: Gebze Teknik Üniversitesi
TCBM	: Türkiye Cumhuriyet Merkez Bankası



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1. INTRODUCTION

In the economic field, business development is crucial for the socioeconomic development. On the one hand, the creation of companies can be an effective solution of the unemployment. On the other hand, business development is an essential factor of economic growth. Thus, the development of a country is correlated with its business development. However, business results are not always guaranteed. For this reason, controlling a number of factors related to results is an absolute necessity.

Since its popularization in the 80s by Porter, the concept of success factor raises a certain interest. The research of the factors of success in an industry and / or a given company is considered as a stage of the strategic analysis. A number of empirical studies were undertaken in strategy and in entrepreneurship. By studying the factors of success, also highlighted the causes of failure of the companies. Nevertheless, in spite of researchers, the explanation of factors and causes of failure remains unclear or hardly understandable.

Two problematics motivated our research. Why do some companies succeed? Or why is it that others fail? The main question of the research was therefore formulated as follows:

What opposes and discriminates the companies that succeeded of those which failed? Recent researches studied the differences exist between the two groups to identify the factors that success and the causes of failure. In other word, which are the true determinants of the competitiveness of the companies in Turkey?

The answer to the main question will arouse interests from several points of view and will generate a set of objectives to be reached.

Our first objective is to describe and analyze the two groups of successful and failed companies in order to highlight the following characteristics:

- Strategic Vision & Business plan
- Innovation
- Marketing strategy

- Human resources

The object of our sample is to identify a set of factors belonging to each of the two groups mentioned above. A second major objective is to compare the characteristics of the two groups (undertaken with success and failure) in order to clearly and distinctly differentiate the resulting differences. This path will lead us to answer our research question. This is to constitute, to identify the elements to consider in order to favor the success or to limit the failures. Achieving these objectives will help to release the interests.

This study has several interests. Firstly, the prediction of success or failure will deliver key information to decision-makers on the errors to avoid and the precautions to be taken. Thus, from an economical point of view, the use of the results will make it possible to inform politicians, investors and others about the excellence award. On the social front, the path to success can also be seen as an effective solution of the unemployment in the region. Secondly, it will help to develop the scientific knowledge. In other words, it proposes to enrich the theoretical field.

Our survey is applied on Turkish companies. More precisely, we considered a sample of 46 companies, which is subdivided into two sub-samples, the first represents the "Successful companies "; this category represents 74% of the total sample. The second represents the remaining 26% formed the "Failure companies".

The rest of this thesis is organized as following; the next section reviews several studies in this domain. Chapter 1 presents theoretical framework, which analyses of the notion of success and failure of companies. The survey results were presented in Chapter 2, which include a business recommendation section. Finally, a conclusion will be provided.

2. LITERATURE REVIEW

This section puts the study in context and provides a review of the literature on the subject. The different elements of the research are presented and defined in order to better understand the problematic.

The literature review begins with a clarification of the notion of success, followed by identification and presentation of the most relevant criteria or performance indicators. These indicators will be adopted to evaluate the effectiveness of a product.

2.1. Performance Measurement

Through this section, indicators to measure product success are identified. First of all, the notion of success is clarified.

2.1.1. The Notion of Success

The notion of success has been the subject of several researches in different contexts and domains (success of new products, success in the field of information systems ...). However, project management remains the discipline in which success has been most debated.

In the literature, Gaddis (1959) and Avots (1969) are the first authors whose define the notion of success; they consider a project as successful if it adequately meets the objectives set in terms of quality, time and budget. Indeed, the project must conform to the technical and functional specificities (Baker et al., 1988; Morris and Hough, 1987; Turner (1993), set by the project team. It must be accomplished within the targets time recognised at the start of the project. On the other hand, for it to be successful, the budget allocated for the conduct of the project must be respected (Baccarini, 1999).

This definition was subsequently rejected for the reason that it was reductive. For example, the study of Baker, Murphy, and Fisher (1988) concluded that it is not enough to complete a project within the time, budget, and technical requirements to make it a success. Other criteria must be considered.

Kerzner (1992) proposes to include the client as an essential element to judge the success of a project. According to this author, maintaining a good relationship with the

client is a criterion

that must be considered in the evaluation of a project. Pinto and Prescott (1990) also emphasize the concept of the end consumer in assessing the success of a project. For it to be successful, it must meet the expectations of consumers and customers.

Table 2.1 presents different definitions of the notion of project success.

Table 2.1: Defintion of success.

Auth ors	Definiti ons
Baker, Murphy and Fisher (1988)	A project is considered successful when it: • Achieves the three objectives: time, cost and performance • Satisfied the customer • Satisfied the project team
Pinto and Sievin (1986)	A project is considered successful when it: • Achieves the three goals: time, cost and performance • Is technically valid • Is valid for the organization • Improves efficiency of organization
Ashley, Lurie and laselskis (1987)	A project is a success if it records the results expected or better than expected in terms of cost, time, quality, safety and satisfaction of participants.
De Wit (1988)	A project is a total success if it presents a of high satisfaction for: • Key people within the organization, • key people within the project team users and clients of the project
Sanvido, Grobler, Parfitt, Guvenis and Coyle (1992)	The degree to which the project meets objectives and expectations.
Nguyen, Ogunlana and Lan (2004)	A project is recognized as successful if it is completed in time, the allocated budget is in agreement with the specificities and the satisfaction of the stakeholders.

2.1.2. The Criteria for Measuring the Performance of A Product Produced Within the Project Framework

One of the most difficult tasks in evaluating performance is to define the parameters in which the success will be measured. It should be noted that, given the context of the study, the researcher relied on the literature in the area of project management. The performance of the product and that of the project are linked. Indeed, Shenhar et al. (2001) indicates the inexistence of difference between the success of the product and the project success of the project.

Since the notion of success is subjective and varies from one person to another, the determination of criteria for measuring it becomes confused. The same project can be seen as successful for one party and considered as a failure for another (De Wit, 1998). Moreover, Baker, Murphy and Fisher (1988) talk about the perceived success. It is therefore derisory to claim to identify an exhaustive list of criteria or indicators that measure the success of a project or a product.

Turman (1986) supporters that it is no longer appropriate to measure the performance of a project based solely on the quantifiable criteria of cost, time and quality, but that it is necessary to consider the needs of the different stakeholders. This finding is supported by Baccarini (1999) who states that the success of a project can be measured in terms of the level of response to the needs of the end users of the product. Following this trend, leaders have included customer satisfaction and quality in their formal performance measurement system (Eccles, 2001). Therefore, it can be argued that there may be a correlation between the perceived level of success of a project and the level of satisfaction of the users of the product.

Baccarini (1999) identified two components for measuring project performance: the project successful and the product successful.

This study seeks to identify the key success factors that influence a product's performance. As stated by Ismail (2007), consumer satisfaction remains the most appropriate non- financial criterion for measuring a product's performance. This finding supports the conclusions of Wideman (1998) quoted in Baccarini (1999) who argues that the true measure of project success must be found through client satisfaction.

For their part, Préfontaine, Ricard and Sicotte (2001) presented performance indicators

in the context of public services. For these authors, the measurement of the performance of a collaboration must relate to several criteria including the quality of the services, the costs of the service, the creation of the value and the overall satisfaction.

Thus, as part of this research and based on the findings of the various studies presented, the performance of the product will be evaluated in terms of quality, price and customer satisfaction. In other words, the product is regarded as a success if it is of quality, presents a good quality / price ratio, represents an added value for the customers and meets their needs. Indeed, as highlighted by Baccarini (1999), the cost and the time criteria evaluate the project successful.

2.1.3. The Key Factors of Success

This section presents the key success factors for a project or a product. In a first step the definition of the key factors of success is presented. Next, an exposure of these factors, classified into three dimensions (product-related factors, relationship factors and environmental factors) is presented.

It is important to note that the literature related to project management has been mentioned to recognise the key factors of success. Indeed, it is in this discipline that the subject has been the most debated. This research will verify the contribution of these factors to the performance of a product.

❖ Definition of key success factors

Daniel (1961) is the forerunner who has discussed the notion of key factors of success (Zwikael and Globerson, 2006). Since then, several authors have tried to define this concept. The definitions are varied and multiple. Table 2 presents some of them.

Table 2.2: Definition of key factors of success.

Authors	Definitions
Rockart (1979)	A limited number of areas in which the results, if satisfactory, enhance the organization's competitive performance.
Boynton and Zmud (1984)	knowledge, skill, motive, attitude, value or other personal characteristics that are essential to perform a job and differentiate it through superior performance.
Leidecker and Bruno (1984)	Characteristics, conditions, or variables that when they are tracked, maintained, or managed can provide a significant impact to a firm's success.
Brotherton and Shaw (1996)	Essential processes that must be completed by the company or areas that produce a higher level of competitiveness.
Esteves and Pastor (2001)	These are not goals but actions and processes that can be controlled by managers so to achieve the objectives of the organization.
PEPDS (2004)	A limited number of domains where the results, if satisfactory, will ensure the success of the organization's competitive behaviour, and which are based on common organizational objectives. Domains that need special and permanent attention to achieve high performance.

A review of Table 2 reveals that a success factor is related to processes (Brotherton and Shaw, 1996), actions (Esteves and Pastor, 2001) or even personal characteristics (Boynton and Zmud (1984)) that help organization to achieve a high level of competitiveness and performance. However, they can not compile an exhaustive list of these factors for a project or product. Indeed, these depend in part on the type and particular characteristics of each project (Hazebrouck, 1993).

Several authors have attempted to study the key success factors of projects and to list them, but the first ones that gave a scientific basis according to Hazebroucq (1993) are Pinto and Slevin (1986). Their study of 418 projects in different sectors of activity revealed 14 key success factors that they classified into two categories: 10 controllable key factors and 4 that are uncontrollable by the project team (Pinto and Slevin, 1986).

The factors belonging to the first category are:

1. The project's mission: clarity of objectives and definition of goals and general orientations;

2. Support from senior management: real support from senior management and willingness to offer the necessary resources for the project successful;
3. Planning and programming: detailed specification of steps and actions to be accomplished;
4. Listening to customers: continuous communication and active listening of all parties involved;
5. Staff: selection and training of the project team;
6. Technical tasks: availability of required technologies and expertise required in the project;
7. Customer approval: the sale of the project to the future user;
8. Piloting and Feedback: The Quality of Information and Control at Each Stage of the Project Delivery Process;
9. Communication: the quality of the information network between all actors;
10. Problem Management: Crisis Management Skills and Plan Deviations.

Exogenous factors to the project team include:

1. The skills of the project manager: interpersonal, administrative and technical skills and ability to lead the team;
2. Political powers and issues: the power play in the organization;
3. The external environment: the probability that external events will affect the operations of the project team;
4. Urgency: the perception of the importance of the project and its realization as quickly as possible.

Bissonnette (1996) conducted a study to determine the key success factors for tourism projects. His study, which was conducted on 10 tourism projects in Quebec, allowed him to highlight the 10 factors that most influence the success of projects in this sector. These factors, which have been ranked according to their order of importance, are presented and discussed in the following sections according to the dimension to which they belong. Table 2.3 summarizes the factors identified by these two studies:

Table 2.3: A summary of the key success factors

Authors	Pinto and Slevin (1986)	Bissonnette (1996)
Study context	418 various projects	Touristic projects
Key factors of success	1. Mission of the project 2. Skills of the project leader 3. Technical Tasks 4. Listening to customers 5. Customer Approval	1. Power and political issues 2. Technical Tasks 3. Customer Support Promoter 4. Skills of the project leader 5. Mission of the project

Source: Rajaobelina, Durifet Ricard (2007, p.5)

The researcher also relied on the studies of Préfontaine, Ricard and Sicotte (2001, 2002), Morrison, Lynch and Johns (2004) Nguyen, Ogunlana and Lan (2004) and Zwikael and Globerson (2006) in order to refine the research of key success factors.

❖ The key factors of success

The study of Rajaobelina, Durif and Ricard (2007) concluded on the identification of four categories of key success factors for the project namely: the project / product, the relationships, the environment and the characteristics of the partners.

In the marketing literature, several studies have measured the quality of services or customer satisfaction. However, it is important to note that there are no studies that have identified key factors of product success.

Consequently, studies related to key project success factors were considered as references and used in the context of a product. This is justified on the one hand by the context of this research, which focuses on the product resulting from a project in the framework of collaboration. Therefore, it is possible to consider that product success is associated to the project successful. On the other hand, as stated by Baccarini (1999), project success can be measured in two dimensions: the project success management process and the success of the product. It is this last component, which represents the final product of the project that this research attempts to study.

In the next subsections, each category of factors will be explored and assumptions made.

• The project / product

The first key success factor in terms of importance that came out of the Pinto and Sievin

(1986) study concerns the project's mission. Indeed, the objectives and goals of the project must be clear (Nguyen et al., 2004) and well identified by all members of the project team (Morrison et al. 2004; Hazebrouck, 1993). Youssef and Zairi (1995) support this result cited in Fryer et al. (2007), who identified in their research accompanied in different countries, the clarity of the project's mission among the factors that affect the projects successful.

On the other hand, Mattesich et al. (2001) note that the probability of success for the project is higher if the working group sets both short-term and long-term goals.

Hence, it is possible to argue that the clarity of the project's mission and the proper definition of the objectives are key factors that affect the project successful and consequently the success of the resulting product. Therefore, we can conclude that:

- **A Clear and shared objectives by project team members are positively associated with the success of the resulting product.**

Project planning is another key element and plays a crucial role. It involves the development of a formal plan for the conduct of the project and sets out a set of decisions about the actions and the ways in which they must be carried out in order to achieve the desired product (Zwikaël and Globerson, 2006). Hazebrouck (1993) refers to planning as a feedback mechanism, which allows for corrective actions during the project. These measures, which aim at improving the conduct of the project, consequently influence the product at which the project ends. For their part, McNeil and Hartley (1986) consider that planning is essential for the success of a project. In the same perspective, Zwikaël and Globerson (2006) studies place planning as one of the six project success factors that they concluded.

Thus, and in the light of what is shown in the literature, there seems to be, in principle, a link between the project planning and the product successful. Therefore:

- **A Good project planning positively influences the success of the resulting product.**

The financial aspect is revealed as a key variable for the success of a project (Achanga et al. (2006)). The general management sees in the obligation to support the project by providing the necessary resources for its success. According to Mattesich et al. (2001), financial resources are a priority when forming the project team. They guarantee the sustainability of the project (Préfontaine et al. 2002) especially if they are available for

a long period. In the same vein, Nguyen et al.(2004) describe the need for financial resources to be available throughout the project period. Other studies (Belassi and Tukel, 1996, White and Fortune, 2002) cited in Nguyen et al. (2004) have demonstrated the importance of funding for project success. As previously mentioned, product success in a project is a component of the total success of the project, resulting in the conclusion that there may be a link between the availability of financial resources and the success of the product from the project, which leads to conclude that:

- **The availability of financial resources for the realization of a project positively influences the success of the resulting product**

In addition, the novelty of the product can be considered as a factor of success. Indeed, in his study conducted in a context of new product development, Cooper (2003) advocates that a new and unique product is more competitive in terms of meeting the needs of consumers. As a result, the probability of success is high. This can be explained by the use of new technologies that allow better performance in terms of quality. Continuing in the same vein, Nguyen et al. (2004) argue that the use of "Modern Technologies" positively affects project success. Their study was conducted in the context of a construction project. For his part, Ramonjavelo (2007) speaks of the technical means available to the organization as factors that help to achieve the objectives and thus ensure success.

Based on these findings, it seems possible to argue that product novelty positively influences customer satisfaction. The product will be perceived as a success. Hence;

- **Product novelty realized in a project is positively associated with the success of this product.**

- **Relationships**

One of the basic principles of collaboration in a project is the pursuit of common goals. It is therefore important for the project success to clearly identify the objective and ensure its approval by all members (Morrison et al., 2004). Mattesich et al. (2001) invite stakeholders to share responsibilities and roles. They must take into account the expertise of each member.

On the other hand, the adhesion and involvement of all members in the pursuit of project objectives is a necessary condition for the project success. The latter must be perceived as legitimate. Préfontaine et al. (2002) state that the legitimacy of the project

will facilitate the convergence of the partners' interests towards "a common and shared mission". This stimulates all members to become more involved in the realization of the project in order to benefit from its success.

As a result, the involvement of members is a factor that facilitates the project success and thus influences the resulting product. Nguyen et al. (2004) place member engagement as an important factor in the success of organizations and projects support this finding. Thus:

- **The level of involvement of project team members is positively associated with the success of the product resulting from this project.**

On the other hand, the project success depends on the resources granted by the different partners. Complementarity of resources and skills is an important factor in the success or failure of the project (Préfontaine et al., 2002). Each member of the project team must commit to achieving the objectives set. In their study, Morrison et al (2004) identify member engagement as a critical factor in the success of the project. Similarly, Nguyen et al. (2004) cite the studies of White and Fortune (2002) and Sanchez and Perrez (2002) who concluded that member engagement remains one of the most critical factors for project success. Reporting these findings at the product level resulting from the project, the following conclusion is advanced:

- **Engagement of project team members in the pursuit of set objectives promotes the success of the resulting product.**

In addition, the presence of several members in the conduct of a project may lead to divergences resulting from the mismatch between the interests of the partners or related to different organizational cultures. According to Préfontaine et al. (2002) this "clash of cultures" dissolves by the development of interpersonal and professional relations between participants. These relationships must be based on mutual respect among the team members. This, of course, helps to create a climate of trust.

Indeed, a relationship of trust between the partners is essential to successfully complete the project (Morrison et al., 2004). Partners are called to develop an attitude that promotes a climate of trust. Mutual respect is a guarantee for the project success (Mattesich et al., 2001) and consequently for the final product. Which leads to the following conclusion:

- **A climate of trust between the members of the project team is positively associated with the success of the resulting product.**

According to the studies done on the key success factors of a project, it appears that the communication between the members of the work team plays a determining role. The project team should ensure the establishment of an effective information system (Nguyen et al. 2004) helping to share information and make it accessible to all members. It is important to have a communication network that promotes the flow of information in both directions. As Mattesich et al. (2001) state, communication between members must be open and frequent. This will reduce the risk of conflict and increase the level of trust (Costongs and Springett, 1997) and therefore increase the chances of success of the project and affect the resulting product. The following finding is then concluded:

- **Effective communication between members promotes the success of the product created in a project.**
- **The environment**

The study of Pinto and Slevin (1986) has highlighted the environment as the third factor of success among the uncontrollable factors. This conclusion was supported by Préfontaine et al., (2001), these authors have divided environmental factors into political, social, economic and cultural factors.

The work of Bissonnette (1996) has demonstrated the importance of government support in the context of tourism projects. In the case of projects related to strategic sectors such as tourism, the State, through its involvement, plays an important role in triggering or facilitating project financing (Bisson Net, 1996). Mattesich et al. (2001) refer to the political climate as determining, according to these authors, he plays a role of "external motivator". The political environment is therefore a key factor for the success of the project. In light of these findings, we can say that:

- **Positive policy environment positively influences the success of the product resulting from this project.**

Préfontaine et al. (2001) talk about government policies, especially economic and budgetary policies, as critical factors for success. These authors argue that the economic environment

composed of factors such as employment rate, growth rate, GDP and inflation rate has an impact on the project in a collaborative context. Thus:

- **A favourable economic environment of the project positively influences the success of the product resulting from this project.**

The cultural and social component of the environment includes different facets. Indeed, the tourism sector involves several actors. The local population is a major component in the development of tourism projects (Reed, 1997). Its integration into the planning and implementation process is a necessary and facilitating condition for the success of the tourism project. This finding was validated in the study of Bissonnette (1996). For their part, Nguyen, Ogunlana and Lan (2004) noted the importance of the involvement of the local community affected by the project to ensure its success.

Subsequently, according to the literature it seems possible to argue that the social environment as well as the cultural environment influence the success of the project. Hence ;

- **A favourable social environment for the project positively influences the success of the product resulting from this project**
- **Local community support for a project positively influences the success of the product resulting from this project**

Table 2.4 summarizes the key success factors presented.

Table 2.4: The key Factors of success

<i>The dimensions of the key factors of success</i>	<i>The key success factors</i>	<i>Authors</i>
Factors related to project / product	• Clear identification of project purpose and objectives by all members • Good project planning • Availability of financial resources	Achanga et al. (2006); Nguyen et al. (2004); Fryer et al. (2007); Cooper (2003); Mattesich et al. (2001); Morrison et al. (2004), McNeil et al. (1986);
	• The novelty of the product	Préfontaine et al (2002); Pinto and Sievin (1986); Zwikaël and Globerson (2006).
Factors related to relationships between project members	• The level of involvement of the partners in the project • The commitment of members in the pursuit of the objectives of the project • The climate of trust between members of the team • Communication	Morrison et al. (2004); Préfontaine et al. (2002); Mattesich et al. (2001); Fryer et al (2007); Nguyen et al (2004); Zwikaël and Globerson (2006);
Factors related to the environment	• The political environment • The economic environment • The social environment • The commitment of the local community	Préfontaine et al. (2001); Mattesich et al. (2001), Bissonnette (1996), Reed (1997).

To sum up, previous researches highlighted the importance of some factors in determining the success or fail of firms. However, none of them mentioned the failure factors. In our research, we studied both the success and the failure factors in relations with suppliers, financial management, marketing strategy and the human resources. This study is conducted on Turkish companies.

Moreover, in contrast to the existing studies that are limited to identifying the success and failure factors, we provide a business recommendation, which can be a reference for future entrepreneurs, include the success factors to follow and the failure factors to avoid.

3. THEORETICAL FRAMEWORK CONCEPTS OF SUCCESS AND FAILURE

3.1. Success and Failure Factors Identification

We have long wondered why some firms are more apt to succeed than others. The researches of entrepreneurship specialists allow today to give some answers to this question. Thus, the purpose of this section is, on the one hand, to enlighten the reader on the notion of success and failure; and on the other hand, to identify the characteristics of successful and failure companies. In this perspective, we analyse firstly, the concepts of success and failure in business and what their corollaries contain. It is one of the most important stages of our research. Second, a general view of the exemplary companies has been studied. Above all, what is a company?

3.1.1. Definition of the concept of small and medium company

3.1.1.1. The Company concept

A company is a legal organization constituted of assembly of individuals, for exercising an industrial or commercial activities. The associates of the enterprise have a mutual objective, and join in order to oriented their different skills and resources or in order to accomplish their objectives. A Company takes several forms;

- A voluntary association that may contain non-profit organizations
- A business entity with gaining a profit objective
- A bank and financial entity.

The company or the association of people is considered at law as a legal entity or person, in this case just a liability that is limited can be admitted by the enterprise for civil responsibility and taxation committed as members execute their responsibility inside the declaration of publicly such as "the certificate of birth " or " the policy published".

In the case of the closing of the enterprise or the cessation of activity, a "certificate of death" is needed to exclude any additional legal obligations.

There are several categories of companies:

- **A guarantee limited enterprise:**

Usually adopted when the enterprises are established for non-commercial goals, like charities or clubs. The associates promise to pay a certain amounts in case the company goes into insolvent liquidation. If else, these members cannot possess any material rights relative to the enterprise.

- **A shares limited enterprise**

The frequently type of enterprise adopted for projects of business. More precisely, a limited enterprise is an "enterprise that the responsibility of any of the corresponded stockholder or investor is limited to the sum of money independently invested". To exemplify, a shares limited enterprise can be a:

- Privately held enterprise or a
- Publicly traded enterprise.

- **A share capital guarantee limited enterprise**

Generally adopted for enterprises where activities are in part established by shareholders who anticipate a profit.

- **A limited liability enterprise**

This enterprise is leaded by managers or members, and limited on the transfer of the proprietorship. It's termed "hybrid" since it is "a combination of the characteristics of partnership and corporation".

- **An unlimited enterprise with or without a share capital**

It is the enterprise with unlimited liability of associates. For these companies the doctrine of the veil of incorporation not applicable.

Moreover, companies can be classified according to the regulations and legal objectives between private enterprises and public enterprises. For the public enterprises, the shares are traded publicly, frequently on a stock exchange that enforces Listing Rules or listing requirements to stocks issues such as trading of stocks, in order to reinforce the exchange standing. However, the private enterprises do not have shares traded publicly, and habitually have certain restrictions on shares transfers. In some juridical rules, private enterprises have limited by a maximum numbers of shareholders.

3.1.1.2. The Small and Medium companies or enterprises (SMEs)

The enterprises with employees' number within a given range are considered as SMEs.

SMEs are more numerous than large enterprises and employ many more persons. To exemplify, in Australia, the SMEs make up 97% of all Australian companies, produced 30% of total GDP, and employed 4.7 million persons. In Chile, in 2014, 98.5% of the companies were categorised as SMEs. In developing countries, the SME companies have a larger part compared to the developed countries. In addition, the SME companies can create innovation and competition in various economic sectors and they create more jobs.

The SME companies are essential for social and economic reasons, given the role of these sectors in employment. According to their sizes, their Chief Executive Officers, a.k.a. CEOs, highly influence SME. Indeed, the CEOs of SMEs habitually are their owners, founders, and manager. The responsibilities of a CEO in SME companies is hard and similar to those of the CEOs of big firms. The CEOs need to strategically allocate their energy, time, and assets to manage the SMEs. Normally, the CEO is considered as the strategist and leader for developing the SME enterprise or the main reason for the company failing.

3.1.2. Analysis of the notion of success and successful companies

It has frequently asked why some enterprises are more able to succeed compared to others. Now, the research of strategists and entrepreneurship specialists allows us to give some answers to this question. Thus, the object of this chapter is to clarify the notion of success and to identify the characteristics of successful companies. In this perspective, we will firstly define the concept of successful companies. Second, we will give an overview of the exemplary company.

3.1.2.1. The concept of success

The concept of success raises two major problems: that of the author's definition and that of the indicators chosen to measure the success. This section is subdivided into two sub-sections: Success and Success indicators.

❖ Definition

In literature, success seems to be a more or less a clustered notion. Few authors define it in a clear way. Nevertheless, we have retained some definitions.

The authors like Rotschild and Ohmae (1984) defined success in relation to direct competitors as being among the best and the leaders. For them, success is determined by the behavior of one company over others. This definition seems to be restrictive to us, since it cannot be applied to monopolistic firms or to a low-intensity competitive environment. The analysis that we want to carry out goes far beyond the framework of an industry and a fortiori of a strategic group, where competitors compete.

Cooper et al (1988) defined success in a simplistic way. For them, it succeeds and does not fail, even if the company remains small and unprofitable. They reduce the concept of success to that of survival.

Verna (1994) defined success as being, both, the fact that a company is still alive and the circumstances by which it is maintained. However, the question that comes to mind is whether a company that after several years of its creation continues to stagnate is a successful company. In addition, Verna (1994) reflected that a surviving enterprise has the main characteristic of impoverishment since it destroys its own means of production to cope with situations. Thereby, reducing success to the notion of survival seems somewhat mild.

For Churchill and Lewis, (1983) the success can be seen at three levels: simple success, success- disengagement, and successful growth.

After crossing the stages of birth and survival, the company must exploit the acquired position by developing it. Companies are satisfied with their stability and profitability. According to Churchill and Lewis, Simple success is the first step to success.

In the success - disengagement phase, the company becomes economically sound. It acquires size and market penetration to ensure its economic success and satisfactory profitability. The company can remain indefinitely at this stage. In condition, those changes in the environment do not undermine its market or that ineffective management does not undercut its competitive opportunities.

At the stage of success - growth, the owner consolidates his company and uses its resources for its development. He risks everything for the whole by putting the financial means and his possibilities at the service of the development of his company.

For entrepreneurial advocates, Bruyat and Saporta (1994) have another point of view of the success of the firm. They claimed that their satisfaction is all the stronger as the company succeeds and develops. They estimated that more than half of the entrepreneurs evaluate their success by comparing what they have become with what they wanted to be at the time of the company's creation. Therefore, the problem of success is a complex twinning between the success of the company and that of the individual.

This vision of success will not be retained in our study because it rather seeks companies that have at least three years of existence. Companies with less than three years are companies that are seen as being in the process.

According to these definitions, we retain that the success of companies is the fact of surviving several years after its creation, its stabilization and growth. In other words, success is reduced to growth.

For Verna (2000), growth is *"the fact that a company becomes more important and the circumstances of this expansion (...) there exists a growth if the company grows steadily"*.

In fact, success is the result of a set of things. We are faced with a bunch of factors. In other words, achieving the result of success will depend on several pooled factors. This set of facts is grouped under the heading of success factors. Thus, it is important to clarify this notion.

❖ Factors of success

The word factor means "a set of elements contributing to the results". According to The management dictionary, the success factor for a company is an advantage compared to its competitors. The factor can be related to; benefit lies in the quality, price ratio, in the after-sales service, to the commercial image.

In another sense, the success factor is sometimes referred to the operating formula. It then designates the domain in which the firm has a distinctive advantage and superiority over others. This may consist of advantageous positions on the market, specific products, services, and efficient production systems.

Porter (1980) popularized this concept, but recently, few empirical studies has been done on success factors in developing countries (Assignon, 1993).

Churchil and Lewis (1983) identified eight key success factors in SMEs. They divided these factors into two categories: those concerning the company and those that relate to the owners.

Factors related to the business are:

- Financial resources,
- Human resources,
- Management systems,
- Competitive resources:

➤ **Financial resources:** including cash and borrowing opportunities.

Financing is the allocation of monetary resources to a company to carry out a project. The funding implemented should help to minimize financing costs while ensuring the independence and financial stability of the company.

The funding allows for companies the creation or purchase of the enterprise, productive or commercial investment, operating needs (financing of working capital).

The main resources of financing can be classified into two modes: external financing and internal financing. External financing can be grouped into two categories according to the financing implementation modalities. They can be granted by financial institutions or collected on the financial markets.

Internal financing

Called also self-financing, it consists in injecting money by means internal to the company. (Own funds).

Financing by financial institutions

Banks offer many opportunities for funding both the long as well as the short term to meet the enterprises needs founded on guarantees they may have and the type of financial activity.

In the banking system, it is useful to distinguish the most specialized agencies in the equity capital financing (investment banks) and those of low balance (commercial banks and other credit institutions).

External financing through financial markets

The bond market provides companies with long-term financing; the bondholders can sell their bonds to recover their investment.

➤ **Human resources:** concerning the number, competence and quality of employees, particularly at the management level and functional departments.

Human Resources Management (HRM) - or Personnel Management - is the set of practices implemented to manage, mobilize and develop the human resources involved in the activity of an organization.

These human resources are all the employees of any status (workers, employees, managers) belonging to the organization and linked to it by relationships of subjection (thus, the collaborators of the subcontractors are considered part of the perimeter made of the company's human resources).

At first, this function is heard in an operational perspective. It is about administering a staff that can be numerically important and divided into different levels of hierarchy or qualification: (payroll management, labor law, employment contract, etc.).

In a second step, the function acquires a more functional dimension. The aim is to improve the transversal communication between services and processes and to implement a development of employees throughout their stay in the organization (career management, job and skills forecast management or (GPEC), recruitment (selection), training, etc.).

Human resources management takes place at all stages of the life of employees in the company, from their admission to their leaving.

Staff and skills management

The Human Resources department manages the skills and abilities of the company staff in a forward-looking way, integrating its knowledge of the average age of the personnel by category and department, retirement forecasts or other (resignations ...) and the projected needs of the company, which can sometimes be highly scalable.

Remuneration Policy

The Human Resources Department proposes a remuneration policy based on its analysis of competition, the career development needs of employees and internal and external economic data. After validation by the General Management, it ensures its implementation, providing line managers with the necessary numerical elements and

controlling the conformity of the hierarchy's proposals with the decided policy.

Training Management

The human resources department adopts on strategic trainings to respect the long-term strategy's management orientations. It establishes with the Industrial Management the (permanent) training needs to support the projects.

Relations with schools and universities

The Human Resources department determines its workforce requirements for future activities. It informs the university's deans to recruit the skills it needs. It sometimes establishes protocols with the schools of technical education to define the pedagogical project oriented to the needs of the basin of employment.

Motivation

Positive motivation and negative motivation have their effectiveness. The sanction may be demotivating for the person concerned. However, we must relativize this fear because it appeals to the principle of responsibility. It also returns the individual to the group. This latter may have bad behavior when they are out of group. It can be a factor of demotivation when a lack of sanction is an imbalance between the one who devotes himself and the one who does nothing.

From this perspective, human resources management must also incorporate in its administrative practice, the concept of group or team through communication and transparency. Indeed, it is essential that the employee has the necessary information to accomplish his task, and has a clear idea of the evolution and objectives of the company itself and its environment.

Nowadays, the abundance of information has made it necessary to put in place information management systems, such as knowledge management systems; by planning and controlling the progress of tasks. Optimizing the organization, ie scheduling tasks and assigning them to the most competent people available, improves the efficiency of execution of the personnel administration.

It is customary to say that a good management of human resources is reflected primarily by reliable personnel administration. More precisely, the Human resource manager must secure its employees by ensuring a rigorous payment of salaries and bonuses, by following the management of attendance and absences, overtime,

scheduling vacation, organizing replacements, etc.

This point is essential because it characterizes a part of the contractual obligations of a company towards his employee. When the company goes through a crisis, the role of human resources is paramount. A crisis, even a financial crisis, often arises from human error.

It is the duty of human resources managers to implement a recovery plan and this involves the appointment and monitoring of an effective response team. From identification to the end of the crisis, human resources management is the key variable that the future of the structure may depend on.

Costs management

An issue of human resources management is the management of costs, for example those related to turnover or absenteeism.

The Evaluation

It is important and often very necessary to methodically evaluate policies and human resource management practices. To achieve the expected success, it would be imperative to make a good assessment that allows for constant improvement. This step is an evaluation that determines organizational performance. Thus, it can be either strong or weak. In the case where the latter is weak, it is necessary to highlight all the negative points of the human resources function and subsequently to determine the source of these problems. They can be seen in the implementation of management policies or in the plan itself. If the problem is with the implementation of human resources policies, managers will tend to resist changes in their strategic plans. In addition, employees may also have this attitude towards unexpected changes as this will tend to give them new responsibilities.

Revision and repositioning: In order to make an adequate assessment of the management of human resources, it is sufficient to compare the objectives set with the results using the evaluation and correction criteria. These criteria must reflect the expected results, the aim is to measure the relevance of the actions undertaken to achieve the objectives set, taking into account the various partners of the organization. Finally, the results of the evaluations must provide corrective measures that will improve and reposition the human resources management policies of an organization so that it performs well in its internal and external environment.

The typical example of an evaluation within a company in the human resources function is the management of working time through the modulation agreement, which will make it possible to set objectives and to compare them.

➤ **Management systems:** in terms of the sophistication of information systems, planning, control system and Research & development.

Information system

The information system (denoted IS) is a structured resources, which collects, stores, processes and distributes information, usually through a computer. It is a socio-technical system composed of two sub-systems, the first is social and the second is technical. The social subsystem is composed of the structural administrations and employees related to the IS. However, the technical subsystem is composed of technologies (such as telecommunications, software, equipment and hardware) and business procedures related to the IS.

These capacities for processing large volumes of data, inter-connection sites or geographically distant operators, explain that they are today widely used (for example, in logistics activities) to process and distribute the data information in real time, instead of the traditional manual means, slower, such as paper forms and telephone.

These processing capacities are also highly appreciated by the fact that they reinforce the "systemic" nature of the data and the treatments carried out: the coherence and the consolidation of the activities when it is sought and well conceived makes it possible to increase the quality of the internal control organizational management, even when these are deconcentrated or decentralized.

Business planning

Business planning is a formal process of decision making that develops the desired representation of the future state of the company and specifies the modalities of implementation of this commitment. Business planning is, therefore, an explicit approach, which is based on a method that takes place in time and space according to a predetermined program. It leads to strategic choices and programs of action to ensure the implementation of these choices. Thus, Business planning is a mode of decision-making that is distinguished in particular by its formalized character, without that it signifies that it is entirely codified: the degree of formalization and especially the nature of the formalization (what is formalized and how) are, in practice observed,

very variable. Planning is characterized by commitment, based on anticipation, finalization and willingness.

Long-term planning; these characteristics are as follows:

- The horizon is three to five years,
- The environment taken into account is limited to the market in which the firm is present,
- The forecasts are extrapolations from the past; they include estimated trends in demand, prices and competitive behavior,
- The focus is often on financial constraints,
- The quantitative methods of forecast management (in production in particular) are widely used.

The Strategic planning is the process that sets the broad directions for the company to modify, improve or reinforce its position in the face of competition.

The Operational planning translates strategic directions into programs applicable by all departments, departments and units of the enterprise as part of their day-to-day activities.

Control system

The control system is based on measurements that assess the progress made to compare the predetermined standards. The analysis of deviations from the forecast indicates whether it is necessary to make corrections in basic operations. This is an essential process to ensure the good functioning of the company.

Planning sets the goals to be achieved and implements the strategies that are adopted to accomplish them. The company provides the structural support necessary to realize the objectives. The control system verifies that all the efforts made help to reach the goals and determines if the standards are realized.

Types of controls in companies

- *Early control*: it is a correction of a defect during the action before it is finished in order to correct its result, to guarantee a total quality of the production (defect, stock, delay, rejects). It is a preventive control.

- *Continuous Control*: There is an installation of filters or checkpoints, which prevent any operation that has not been successfully passed through a filtering process. It is a preventive control.
- *Control of repetitive operations (operational control)*: as soon as a deviation between an objective and the result is detected, a corrective action is implemented according to a pre-established policy.
- *Control by exception (operational control)*: this form of control is considered because it is not possible to consider all possible corrective actions. It focuses on the exceptions and not on all transactions.
- *Project control*: it is a matter of checking that the tasks are accomplished within the limits of available resources and on time.
- *Strategic control*: it is a control of the achievement of the general objectives of the company and the policies implemented. Strategic checks may be made on the results or on the methodology to achieve the objectives.

Research and development R&D

Nowadays, all industries must be sustainable and competitive to bring the goods expected by the people. The key to this competitiveness and sustainability is the innovation and this later is strongly correlated with research and knowledge. The first mission of the Research and Development (R&D) Department is to evaluate, perform or have carried out any research of interest to the company, according to the orientations of its strategic plan and the potential application of the scientific or technological elements in question.

A company can organize its R&D Department between a medium-term part devoted to the development of innovative solutions and a short-term part dedicated to the development and launching of products within a specified time horizon (depending on the type of activity), or even the improvement of existing products. Some companies assembly this together with Industrial Methods within a single Engineering Department.

There are three main components of research and development:

1. Essential or basic researches;
2. Practical researches;

3. Empirical development researches.

Companies carry out research and development activities in order to improve their production capacity, the quality, in particular the environmental quality, of their production, or to create new goods and services, if possible in accordance with marketing guidelines and, where possible others, in terms of sustainable development. Therefore, "Research and development" constitute the main component of evolution and improvement by innovation.

- *The Fundamental research* or Basic research involves of some theoretical and empirical procedures undertaken primarily for gaining new phenomena information and its noticeable facts, without considering any specific application.
- *Practical research* is also innovative work adopted to undertaken to obtain new knowledge. However, it is mostly oriented to a particular objective or empirical goal.
- *Empirical development* consists of systematic work based on present knowledge learned through empirical experience or research, to initiate the fabrication of new product or materials, to establish new methods, services and systems, or to significantly improve the existing ones.

➤ **Competitive resources** including:

- Customer relations,
- Relationships with suppliers,
- Market share,
- Technology management.

Customer relations

The customer relationship management is to retain the right customers to encourage them to buy more and also to target and attract new customers. It is therefore a determining factor in the development of the company's turnover. The use of good technique and a good tool is essential to enable the company to manage its customer relationship management.

By means of a better management of the customer relationship, a company will find the solutions to put in place to maintain its relationship with its customers satisfy them

and retain them. It also allows him to recognize their consumers' needs and expectations. It will be able to better define its business strategy and ultimately increase its profits.

For that purpose, the Marketing Department analyzes the market, the products and services available and those that are desired by the customers. It analyzes the offers of the competition. They evaluate their future offer, the dates on which the offers of the competitors will arrive on the market. They establish a mapping of clients, those she knows about contracts in progress, and those that have been won in the past as well as potential customers. It knows what future calls for tender will be answered. It knows the volumes of products that will be ordered during future periods (with some probability) as well as the corresponding financial amounts.

Relationships with suppliers

Establishing good relationships with your supplier is essential for a business. This relationship has a fundamental role in the business success.

There are different types of providers:

- Those who master the technical and technological aspects of a service or product,
- Those who are present locally to serve your business quickly;
- Those offering products or services through catalogues.

To choose carefully a supplier, the company must establish strict selection criteria. Then, they can establish the conditions and rules of collaboration: it allows to see the advantages of both, such as prices and deadlines.

Leaders of companies relying on the company / supplier relationship to remain competitive. The company / supplier relationship is therefore a strategy adopted to increase its turnover and keep up with changes in the market. In fact, collaborating with a good supplier allows the company to have a purchasing performance, to save time, and to develop valuable creation. Therefore, suppliers are one of the pillars of your success. To maintain a good relationship with suppliers, trust will be the key word. It's not just about placing orders or paying bills. The company can also organize meetings with its main suppliers to discuss the evolution of their collaboration and the steps to follow to guarantee the durability and reliability of this collaboration.

The Market share

Market share is the market part (specified in terms of revenue or units) accorded to a specific company.

One of the most important aims of the company is to increase its market share. The principal benefit of adopting market share as an indicator of effectiveness of business is that it is independent of variables related to the macro environmental like the change of the economic situation and the policy of taxation.

The Market share can also considered as market competitiveness indicator, since it gives the part of a company compared to competitors. This indicator, supplemented by sales revenue changes, aids managers to estimate the selective and the primary demand related to their market. Therefore, it allows them to evaluate both the total market growth and tendencies in the desires of consumers between existing competitors. Usually, the growth in the sales revenue comes from the primary demand is gainful and less expensive, than that realized by taking some market parts from competitors. On the other hand, market share losses can causes serious problems in the long-term, which involve strategic adjustments. Indeed, if the company market shares falls below a given level, the companies may fail. Likewise, inside a company's product line, the evolution of each product's market share is seen as a primary indicator of future opportunities or issues.

Technology management

The management of Technology represent a set of management disciplines, which permits companies the management of their technological basics in order to generate competitive advantage. The main concepts adopted in technology management are:

- Technology strategy;
- Technology forecasting (identify the possible appropriate technologies for the company),
- Technology roadmap (planning technologies to company and market needs),
- Technology project portfolio (represent the set of projects under development) and technology portfolio (represent the set of using technologies).

The role of the technology management is to recognize the importance of certain technology for the company. Continuous technology development is valuable as long as there is a value for the customer. Consequently, the technology managers in the

company should be capable to argue when to invest and when to withdraw on technology development.

The Technology management programs usually contain instruction in operations and production management, computer applications, project management, safety and health issues, and quality control.

The factors inherent to owners (managers) are:

- **Owner's goals;** has set for himself (or herself) and for his or her business.

The owner of any small business should consider having goals that will improve the business and make it successful, beside the products or the services the offer, not to neglect the short and long term goals starting with the financial support, extending the business until reaching and acquiring a good share in the market, advised to make targets achievable; detailed and tailored according to the size of the company.

Employees: even on a short time based plans, hiring the right people is crucial, starting with assistants and directors for various departments at work, preferable already trained people who know how to bring the company goal to the right point .

Owners should determine the responsibilities and the roles are defined between employees, more complicated duties should be written such as operations or any further manuals to assure employees safety.

Marketing: any new business needs a solid marketing plan that can give it success on a defined market, short term goals can help in developing creative marketing programs and strategy, that

should be implemented in the business plan, preferably to have 2 marketing campaigns as well as a promotional one focusing on the service or the product.

Improving Quality: customers expect a good worth of quality with the money they pay for the service or the product, a solid long-term plan should be set to improve the quality so owners can start with one producer but later they can get a better one regarding some personal or legal reasons. Besides, the construction process may depend on the governmental or local compliance, so business owners should always work on completing or matching these needs as a target.

Business Growth; A long-term goal which businesses should bear in mind is expanding and growth including the physical side of opening many places and shops;

growing the revenue and profit of the business, the first one or two may not bring a huge profit but this goal should be taken for five or ten years, especially if the monetary targets considered large, all depends on realistic goals of the services and goals.

- **Operational skills of the owner** in carrying out important tasks such as marketing, invention, production, and distribution management.
- **The management capacity of the owner**, his willingness to delegate to subordinates and his ability to manage their activities.
- **The strategic skills of the owner** that allow him to see beyond the present and adapt the strengths and weaknesses of his company to the goals he (she) has set.

Kombou (1999) identifies a number of success factors for SMEs. They are three: the expertise, the power and logistics of the company:

- He defines the expertise as the ability of a company to make the best use of existing technology to provide to a high quality product to their consumers.
- Logistical is the ability of companies to cover the entire national market either wholly or partly.
- The power is the ability of firms to obtain inputs at lower cost, in order to adopt cost dominance. It is appropriate for companies to control their costs, and thus, provide products or services at lower costs.

For the purpose of our study, the success factors will be those that differentiate two groups of firms, those that will meet our definition of the notions success and failure. To achieve this goal, it is necessary to find a number of indicators to our notion of success.

❖ **Success indicators**

Success identification implies the development of a list of indicators based on the definition of the concept. An indicator is a feature that measures the concept. It provides an operational definition of the concept.

According to the authors such as Burnett and Ellis (1982); generally, the criteria chosen for the assessment of success in business can be subjective or objective.

❖ **The subjective criteria**

A criterion is subjective when it is individual and is likely to vary according to the

personality of each one.

Peters and Waterman (1983) used reputation as a criterion for success: *"We made a selection of seventy-five highly reputed companies."* The reputation was measured with a group of observers of the economic life: business men, consulting experts, members of the economic press, and academics. This way of proceeding leads to different answers according to the stakeholders, hence its subjective character.

Similarly, Assignon (1993) had recourse to experts who are in permanent contact with the companies to evaluate success. Such as Bankers, accountants, and management consultants. However, it should be noted that they also included the objective criteria to clearly identify the concept of success.

In his thesis, Boukry used effectiveness as a measure of success. This was measured by the objective approach. A company is considered successful when it achieves the fixed objectives. He argues that several business leaders consider the degree of achievement of objectives as an important indicator. He explains his choice by stating: *"Assuming that the strategy is a set of actions and under taken proceedings to accomplish goals. It seems difficult to justify the use of criteria other than the sought objectives ... "*

❖ Objective criteria

These criteria do not involve emotional or personal elements in their judgments. The scientific nature of these criteria cannot be disputed. The objective criteria that account for success are traditional accounting and financial measures: revenue, profit and market share.

For Edminster, Alves and Robinson (1970, 1978, 1983), the most important criteria are net profit and revenue growth.

Assignon (1993) confirms the conclusions of these authors. The growth of the revenue and the profit seem to be able to measure success. It adds to these criteria, the subjective one mentioned above (the consultation of professionals in the field).

Peter and Waterman (1983) combine subjective criteria with financial performance. The variables chosen by them are:

- Cumulative growth in assets;
- Annual capital growth;

- The ratio of market value to growth;
- The average return on permanent capital;
- The average return on equity;
- The net margin average on turnover.

Ultimately, the selected companies had a rating of at least 4/6 over twenty years. The following table summarizes the choice of indicators in previous studies

Table 3.1: A summary of success criteria in literature.

Type of criteria Authors	Objective criteria	Subjective criteria
Edminster, Alves and Robinson (1970; 1978; 1983)	▪ Revenue growth ▪ Net profit	
	▪ Cumulative growth in assets, ▪ The average annual growth of equity, ▪ The ratio of market value to growth,	▪ Company Reputation
Peters and Waterman (1983)	▪ The average return on permanent capital, ▪ The average return on equity.	
Assignon (1983)	▪ Revenue and net profit.	▪ Experts Consultation
Mc Dougaland De Nisi (1992)	▪ Economic profitability ▪ Growth in market share	
Sandberg and Hofer (1987)	▪ Survive ▪ Return on equity	
Gupta and Govindarajan (1984)	▪ Sales growth rate ▪ Cash flow ▪ Profitability – economy ▪ Profitability	

3.1.2.2. Exemplary companies

This section is subdivided into two sub-sections; the first concerns the definition of the successful company, the second will attempt to highlight the characteristics of exemplary companies.

❖ What is a successful company?

With the aim to explain the notion of a successful company, it is essential to present the notion of a company and then the different points of view of the investors and those of the authors.

❖ The company

The company's design has evolved. For Venkatraman (1995), it is perceived as a simple production unit. recently, it is rather considered as a portfolio of alliances.

According to Levasseur and Quintart (1998), *"the contemporary enterprise is no longer merely a unit of production, marketing or service delivery, or even a center of profit; it has become a complex meeting place for several groups of people who, by consensus, find an opportunity to pursue specific objectives ... "*.

Similarly, Alchian and Demsetz (1972) had already assimilated the company to a legal fiction based on property rights in which different economic actors have a specific utility function.

The company's new vision brings a remark. Since the company is viewed from several angles, its success or failure will be assessed differently from the position of the investors. In other words, it will be interesting to take into account different opinions.

❖ The successful company

The successful company can be perceived differently according to each participant: investors (owners), creditors, customers and employees.

Investors and creditors are more interested in financial indicators. For investors, the objective is simple: the profitability of their investment. This indicator will then measure the success of the company.

If the company does not generate enough resources, it will not be able to pay its debts, and the creditors will perceive it as a failed company.

For customers, the company achieves success according to the goods and services it disposes, and by the way gives them the utility and the expected satisfaction. Success will be translated into a specific evaluation, taking into account factors considered important by clients. Responding to client concerns becomes an indicator of success: compliance with delivery deadlines, product or service quality, and the cost to pay.

Employees will evaluate success in proportion to their salaries.

❖ **Exemplary companies' characteristics**

Companies combine a number of qualities that enable them to succeed. These qualities constitute their characteristic. We will develop some characteristics identified by the authors.

Peters and Waterman (1983) define a successful company as one that constantly innovates. Nevertheless, these are also the companies that particularly adept to react to the slightest changes in their environment. They say: "... *unlike the inert companies of Adrew Pettigrew [the successful companies] when the environment changes, these companies are also transforming themselves. When the needs of their customers change, competitors become more proficient, the public's mood becomes uncertain (...), companies change methodologies, renovate, adjust, transform and adapt*".

These authors also identified eight attributes of the best companies, namely:

- 1- They have the preference of action. These companies operate according to the standard "prepare, organize, test; They investigate and test their ideas on the client;
- 2- They remain attentive to the customer. The adage "*the customer is king*" takes its place. These companies learn a lot from their customers and implement a set of tools to respond to customer suggestions;
- 3- They promote the autonomy and innovative spirit. These innovative companies have many leaders and innovators at all levels of the organization;
- 4- They combine productivity with the motivation of staff. The best companies treat the "base" as the main source of quality and productivity gains;
- 5- They mobilize around a key value; 6- They stick to what they can do;
- 7- They have a simple and light structure;
- 8- Miller and Friesen (1978) note that successful firms are those that combine complex variables of environmental, organizational, and strategic.

According to Assignon (1993) the best SMEs that he identified is to combine the competence and dynamism of the manager team. The success of these companies is due to several factors, including: technical competence, good management, limited and dominated competition, diversification of product or service, good customer service

and market knowledge.

Thus, after presenting the concept of success, it will be important to make an analysis of the concept of failure.

3.1.3. The concept of failure

It is common to hear about business failure or Failure Company. The business failure is linked to a set of factors. Understanding this set of factors should help to prevent failure. Thus, in this section, we will present the concept of failure and the causes inherent in the failure.

3.1.3.1. The concept of failure

This section deals with the definition of failure and the presentation of failure as a learning process. To explain the phenomenon of failure, it is important to define the failure and to determine its causes.

❖ Definition

In the literature, the concept of failure is difficult to apprehend and varies from author to author. Waston and Everett (1993) affirmed that the failure rate of firms varies significantly according to the definition used by the authors.

Thus, for Berryman (1982), failure is a multiple notion. He gives several definitions :

- Fails, a company whose profitability is insufficient: a company has failed if it does not receive a fixed rate of return for an adequate investment;
- Fail, companies that have ceased their activities and have officially declared bankruptcy; have caused losses to their creditors; have voluntarily shut down without fully fulfilling their obligations; have been involved in reorganizations; negotiated voluntary repayment agreements with their corporate creditors;
- Fails, companies affected by legal bankruptcy;
- Fails, companies that regularly makes losses and liquid to put an end to this situation.

Many authors assimilate Beryman's definitions to bankruptcy. Thus, Julien (1997) finds the significant differences in the failure rate according to the definition used. He argues that it is necessary to distinguish between failure and bankruptcy before making

any conclusion.

Bankruptcy is a complete form of failure. For an entrepreneur, it is marked by a cessation of payment. While failure is a negative result of an attempt.

Some authors present failure as a learning source.

❖ **Failure as a source of learning**

Shapero, Maidique and Zirger (1985) suggested that failure is an essential learning source. Peters and Waterman (1983) affirmed that the actual tolerance of failure characterizes the positive and innovative environment oriented towards success.

In other words, all these authors converge on the idea that failure can be seen as a stage of success. It allows the failed organization to question itself, adapt new methods and improve its results. But failure as well as success is due to a set of factors that we bring together under the term failure causes.

3.1.3.2. The causes of failure

This section is subdivided into two parts: the reasons related to the entrepreneur and the reasons related to the company.

❖ **The causes related to the entrepreneur**

Capo - chichi et al. (1991) identify the causes of failure related to the entrepreneur (the idea of creation, the financial aspect and the environment). These different reasons are:

❖ **Aspects related to the creation**

The most important aspects are:

- Overestimating the idea: entrepreneurs tend to overestimate the viability of their project idea and do not take the precaution to evaluate it.
- Insufficient maturity: Entrepreneurs in their haste, does not give time to the idea to be sufficiently mature; generally, they begin the initial steps of creation without ensuring the viability of the idea.
- Lack of self-confidence: entrepreneurs lack confidence, hesitate in decision-making and poorly sell their idea.

- Lack of creativity: many entrepreneurs are not imaginative and are not tempted by innovation.

❖ **Aspects related to the environment**

We mention among others:

- Family conflicts where several cases can arise: a conflict between the entrepreneur and a family member (company employee) can be settled at the expense of the company interest.
- Family Opposition: This situation is very common among people who leave a stable job to start their own business. The family may also oppose a member's involvement in a traditional caste occupation.
- Unfair competition from the State: this is reflected in the fact that the State produces the same good or service as companies.

❖ **Financial aspects**

- Inadequate equity: the company often incurs considerable debt in order to make up the shortfall in equity. The profitability of the company is affected by the payment of significant interest.
- Inefficient treasury management: few entrepreneurs use the treasury plan as a management tool.
- Inadequate capital: companies with an unstable balance structure tend to borrow a short- term credit to cover capital shortfalls.

❖ **The causes related to the company**

Clifford and Cavanagh (1987) attribute the reasons for failure to three causes: strategy errors, financial mistakes, human mistakes.

❖ **Strategy errors**

The company considered as creative while there is a mutation. In addition, the company fails because it has not been able to change its management strategy. It is also fails because its market is very restricted. Failure is also linked to lack of innovation. The company does not change, does not adapt to the change of the environment;

❖ **Financial mistakes**

Companies fail because they finance poorly their development plans.

❖ Human mistakes

The failure is due to the lack of enthusiasm and cooperation, The entrepreneur simply loses interest in his business.

Kombou (1999) identifies some causes related to the failure of large companies:

- Non-technological control: companies use complex technologies that is difficult to control.
- The lack of qualified managers: the lack of a managerial culture and inexperience are put forward as causes of company failure.
- Insufficient of financial resource: the complex structure requires important financial resources. When these resources are not available, they evolve in a financial contrast and eventually disappear.

Mouilleux (1997) groups the causes of failure into four specific problems: commercial, financial, technical and relational problems.

Table 3.2: Causes of failure according to Mouilleux.

Problems	Causes	Percentage %
Commercial	▪ Badly targeted market, ▪ Overvalued Potential Clients, ▪ Customer delays decision undervalued, ▪ Insufficient product range, ▪ Neglected communication policy.	75%
Financial	▪ Underestimated Financial Needs ▪ Investment plan badly staggered in time ▪ Underestimated the Cost of Production ▪ Underestimated the customer payment delays.	40%
Technical	▪ Bad Product Design, ▪ Lack of technical development of the product or service, ▪ Technical competence not updated, ▪ Error in the choice of materials.	30%
Relation	▪ Disagreement between partners, ▪ Family problems, ▪ Dishonesty of a partner	15%

Source: Mouilleux (1997)

4. EMPIRICAL FRAMEWORK: THE CASE OF TURKISH COMPANIES

4.1. Survey and Data Analysis

What are the factors that make the most successful companies in Turkey special compared to the others? What they do in a different way? Does they own special potentials, which let them to increase their profit and their market share? This present study attempts to response the mentioned questions by referring to the previous studies and then make a comparative study of the strategies applied by a sample of successful companies against fewer successful ones. In addition, this research studies the main factors, which explain why companies, which in the past have been successful, may have had trouble in their financial resources. This research is based on two studies. To determine the factors that distinguish successful companies from failure companies, a survey¹ was conducted among 46 medium and small companies (or enterprises); (SMEs) in Istanbul. The questions asked focused on the business practices of the surveyed companies and the extent to which certain activities were conducted. In many cases, respondents needed to determine where their business was in relation to their major competitors (for example, regarding the practices of compensation of employees). We can also ask them about the performance of their business financial during the previous 3 years. With the aim to recognize the factors of success for all companies, we divided the respondents into 2 sets (two different samples). The group of "successful companies ", this category represents (74%) of the total sample, ie 34 companies. The remaining 26% formed the "Failure companies" ie 12 companies. We then compared the two groups' responses to questions and we grouped most of the significant results together to formulate the success factors of general application.

On the other hand, the survey of failure companies allows us to formulate the factors of failure to avoid. Previous studies have focused on the characteristics of leaders who have most often led companies to bankruptcy. The aim of our study was to recognize the main factors and events, which explain some financial difficulties - even temporary - of business. The results of our research are divided into 2 parts. The first presents factors analysis that can lead to either to the failure or to the success of the company, these factors are related to the business plan and vision, innovation, human resources

and marketing strategy, in the second part of the recommendations and strategies to avoid these pitfalls, have been proposed.¹

4.2. Empirical Results & Interpretation

4.2.1. Strategic Vision & Business plan

4.2.1.1. External advice

Should entrepreneurs get external advice to maximize their chances of success? The success of a company must be based on a long-term visualization, specially, when it can remove the existing obstacles. However, it seems hard for an employee (or for a set of persons in the same enterprise) to provide the accurate strategic decisions to ensure the successful of business in the long-term. In other words, it is almost difficult for one or more leaders to know exactly what to do in any circumstance. A recent study of advisory committees found that SMEs with such committees are much more successful than those that do not, with a weekly increasing of 18 % on the average sales. The Counselling committees can also provide an with increasing in market share, where the growth of the average sales can be three times more important after the adoption of a counselling committee. Our survey comprised 2 questions aimed at exploring the link among the kind of external counsel companies have received and the performance of their financial resources during the last 3 years (see the survey question 11). The first question related to the use of official consultative means, like the use of counselling committees or external counsellors, and the second question is related to the informal consultative means, such as networking. The responses to these two questions indicate that the most successful firms are more likely to seek external counsel over the informal and the formal counselling means. The use of a formal mean, however, seems to more affect the company successful. Using a scale between 0 and 10, we can conclude that the use of formal means like counselor is about 34% higher common among companies that perform better than other companies; the use of informal mechanisms such as networking was only 12% more frequent among the former than

¹ The questions of our Survey are written following an analysis of pertinent economic and business publications and more than 20 in-depth interviews with professionals in business and entrepreneurs that allow us to better understand some of the main factors that lead to the success of a business

among the second. In addition, 20% upper of the most successful companies answered certainly not having adopted any formal consultative mechanism.

4.2.1.2. Business plan

What are the company visions made by the entrepreneurs for the next 5 years? It is a simple question, but it is more difficult to answer it and to reach such a goal. The survey results reveal that the success of a business certainly involves the development of a concrete medium-term plan and the use of various measures of performance. Successful firms were significantly more likely than their counterparts, to answer that they think seriously concerning their future plan, developed a strategy, and effectively supervised the evolution of their plan. The survey included different questions about the scheduling as well as performance controlling (see the survey, questions 13, 14, 15, 16 and 17). The companies were first asked if they made a business plan for the medium-term with detailed objectives. For the most successful companies, more than 70% firms had such plan, and nearly a third reported a detailed plan for their future growth (see Figure 1). However, for the other group, less than the half of the companies said that they had a sophisticated business plan in the medium term, and only 13% had just a detailed plan.

Another significant difference also emerges regards to the performance monitoring. Indeed, most companies said that they possess at least 1 or 2 performance measures. Nevertheless, around 65% of the most successful companies answered having at least 3 of these measures, against just over 40% for other companies. More precisely, for the successful companies, 30% had at least six measures, and 35% say that they had none (see Figure 4.2).

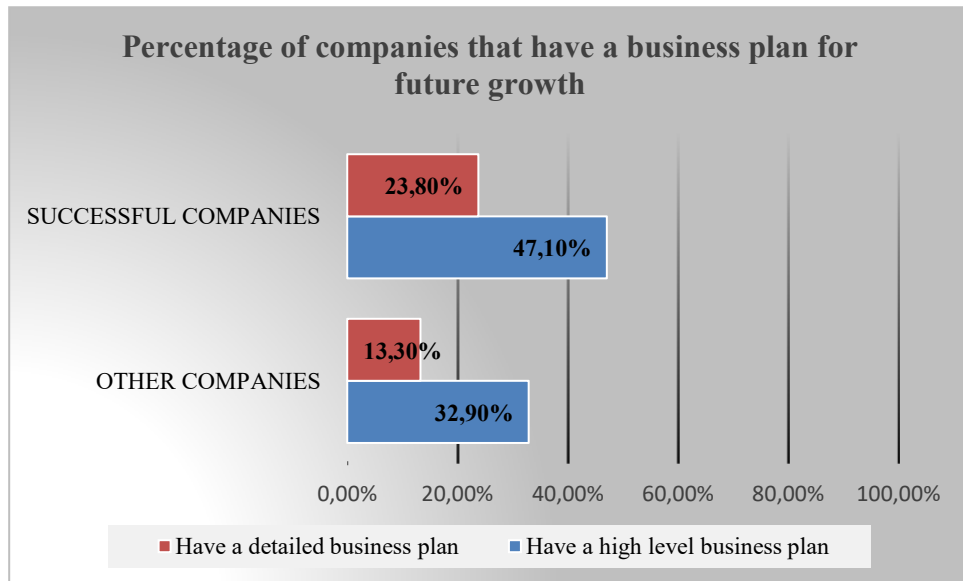


Figure 4.1: Percentage of companies that have a business plan for future growth

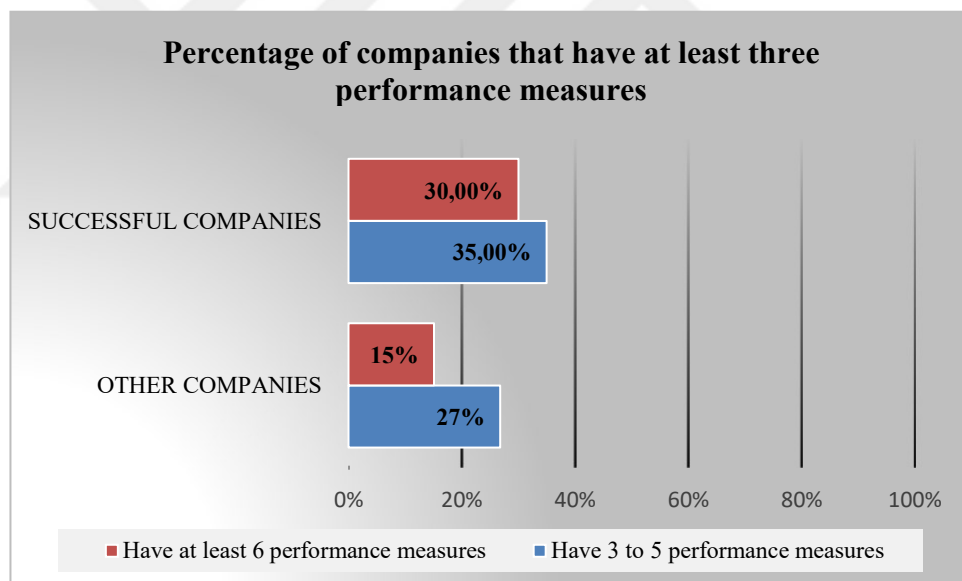


Figure 4.2: Percentage of companies that have at least three performance measures.

4.2.1.3. Relationships with its main suppliers

It is well known that it is important to connect with customers (following market trends); to reach this goal, it's crucial to build a robust relationship with suppliers. In this framework, the survey results highlight the importance, for a successful business, to maintain links with their competitors, the different educational institutions and their

suppliers (See our survey, questions 24 and 25). The most successful companies have given more importance to all these types of relationships than other companies, but in their view, supplier relationships are the most important (see Figure 4.3). Indeed, for the successful companies, nearly a third consider that supplier relationships are critical to their success, against less than 20% for other companies. Likewise, the most successful companies are two times less likely to consider this link with suppliers had no importance to their success. Therefore, since strong client relations are essential, good supplier relations can offer a significant advantage for competition.

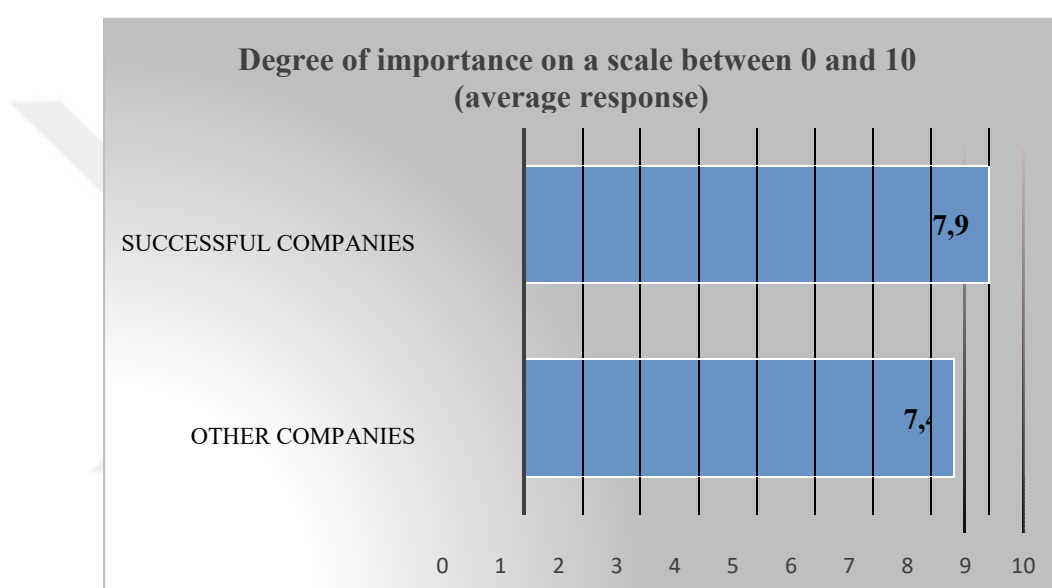


Figure 4.3: Companies' assessment of the importance of supplier relationships.

4.2.1.4. Diversified customer

Several companies rely on their most important customers to grow. For small firms, it can be, particularly, effective to stick to a few important customers. In fact, it is easier to serve a few important consumers than a large number of small customers, and so it is possible to achieve economies of scale. Even though this strategy may appear judicious, about 1 from 6 companies in our sample have difficulties (at least in part) due to the loss of only one major customer.

According to the experiences of a number of companies we have studied, one lesson that we can learn according to the financial crisis is that one customer can't cause the

failure even if he is an important one. Therefore, despite it may seem difficult to diversify its clients in certain sectors (e.g. highly specialized manufacturing), all firms should include this objective in their business development strategy (build a Strong business Plan and measure its progress). In other word, all companies should consider whether they would be in danger in case of the loss of their biggest customer, even though this seems improbable.

4.2.1.5. The necessity of an accurate manage of finance resources

The absence of an expertise manager for financial resources is perhaps the main difficulty experienced by the successful companies. Some of the studied companies have achieved impressive growth, generated multi-million dollar sales and posted strong profitability thanks to their business expertise. However, when they wanted to expand the line of their production or create significant investments in upgrading factories, equipment or machines, insufficiencies in the reports of finance and the analysis of the financial situation caused some deficiencies in the working capital, which eventually limits their success. To continue their business, all companies know their obligations to pay all their suppliers and employees on the right time and recover their financial statement. However, some of them are unable to manage their finances in the short term, including a good strategy to better manage the product and services costs and to make revenue. Such inability to predict accurately the future profitability may lead these companies to underestimate their cash flow. They must take into consideration two elements to manage their finances effectively: the good management and the accurate methods. Indeed, good management enables enterprises to optimize the use of the right methods and the available resources.

For example, are the projects, products, and services continually reported in detail? Do measures of financial performance clearly show whether the productivity or profitability of the firm increases or decreases over time? If not, the company can adopt external financial management expertise. Indeed, if a company doubts that its reserves are sufficient to allow it to go through a given business cycle, or if it plans a big new investment, an accurate management of finance can provide it the information and the confidence it needs to take the right decisions.

4.2.1.6. The preparation of an emergency plan

How your company is prepared to react to an unexpected interruption in production, like losing of one or several important employees, increased raw material costs, losing of the most important supplier, or also the disasters related to the nature like floods and fires?

Unpredictable events have been a mutual problems source for companies, which have had trouble in their finance situations. About 30% of them were victims, at least in part, of circumstances that were beyond their control.

All companies should establish an emergency plan or protect the continuity of their activity to ensure their long-term success. The management of the usual interruptions in production is part of the daily routine of an entrepreneur, but many companies are completely unprepared for the employees losing or for the incapability of facilities using.

Fortunately, for most companies, the events that could cause an interruption of the major production are quite rare, and the effective plan of contingency are simple. In addition, several companies do not take long time to prepare for the unexpected events; these companies can guarantee their success for the long-term.

4.2.1.7. Asking for help

An entrepreneur may be in financial difficulty, regardless of his competences. For most companies, a rapid intervention can lead to an effective recovery. Before that the worst situation happen, it is essential to get help (i.e. d., before the company's financial resources have deteriorated dramatically). In the case of our sample, the companies that waiting were less likely to be successful in solving their problems than those who took the decision to ask for an external help.

The transparency with partners, including banks and other lenders, can help companies find solutions. In all cases, like the entrepreneur, the partners want the continuity the success of their business, and they are commonly ready to practice their information, expertise and relations to support the entrepreneur. However, we can never assured the success, but managers can put the odds in their favor by avoiding doing everything by themselves until they have exhausted all possibilities.

4.2.2. Innovation

Innovation is crucial. In fact, several previous surveys reveals that a varied range of factors related to innovation helps to distinguish the successful companies from the other. This finding is similar to “the comparable study of the performance of SME enterprises” that adopted statistics from years 80s. The common findings of these researches propose that the innovation has a positive impact on the profits and this relationship remain constant even there is a dramatically change in the global environment of the enterprise.

What types of innovation, in particular, have the highest impact on the performance of a company? There are three important findings appeared for all sectors. The most successful companies:

- Commercialize innovative services and products frequently;
- Used novel technologies rapidly;
- A significant number of companies say that innovation practices - process improvement and efficiency of business model adaptation - are critical for their success.

4.2.2.1. Innovative services and products

About 30% of the successful companies answered that more than 20% of their services and products are inexistent before 5 years. However, just one by ten of companies did not offer any new products or services (see the survey, question 20). Contrary, just one by five among all other companies answered that more than 20% of the offered services and products are inexistent before 5 years, and the rest (around 80%) offering no new products or service (see Figure 4.4).

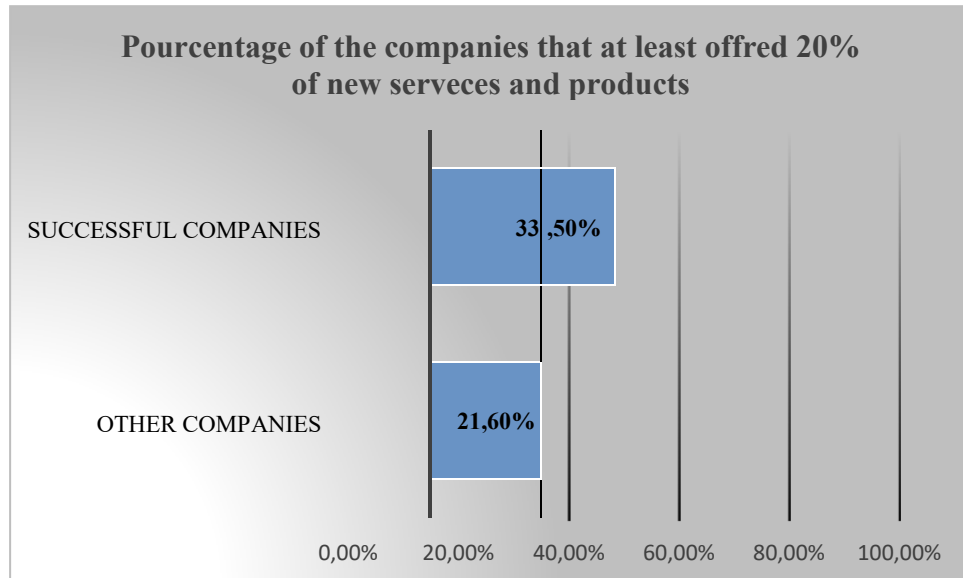


Figure 4.4: Proportion of companies offering new products and services.

4.2.2.2. New technologies

For the successful companies, 70% indicated that they were the first or among the first to adopt new technologies, against only 50% for the other companies (see Figure 4.5). A recent study in the United Kingdom showed that the eagerness to adopt new technologies was a characteristic of companies with a business plan; and the existing of a business plan is related to several innovation features found in entrepreneurs (see the survey, question 22).

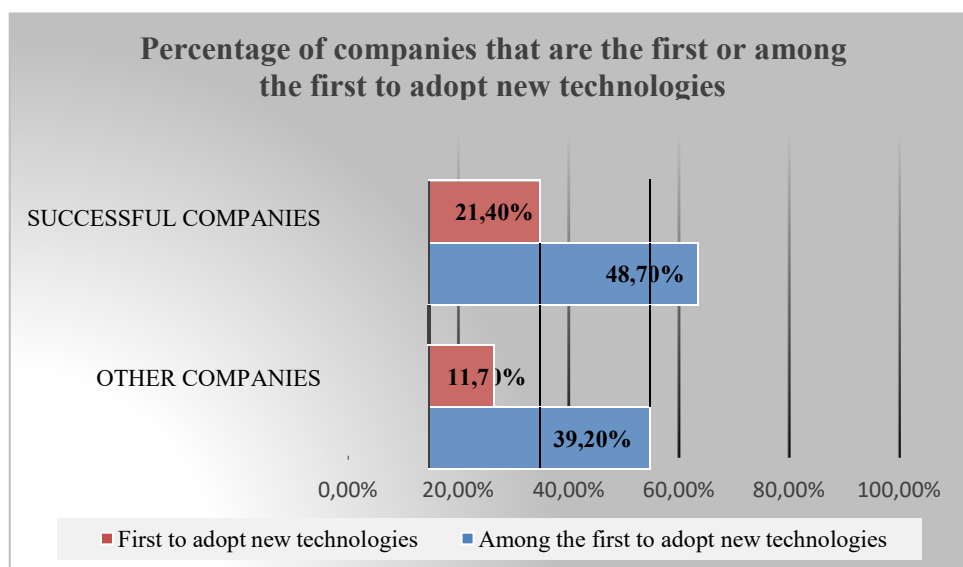


Figure 4.5: Percentage of companies that are the first or among the first to adopt new technologies.

4.2.2.3. Frequent innovations

When asked about the innovations they actually implemented (see the survey, questions 26 & 28), the most successful companies answered that they innovated, more than their competitors, in making more accurate internal methods, emerging innovative services and products, updating the model of their business (e.g., introducing novel system for bills) and discovering novel channels of marketing (see Figure 4.6).

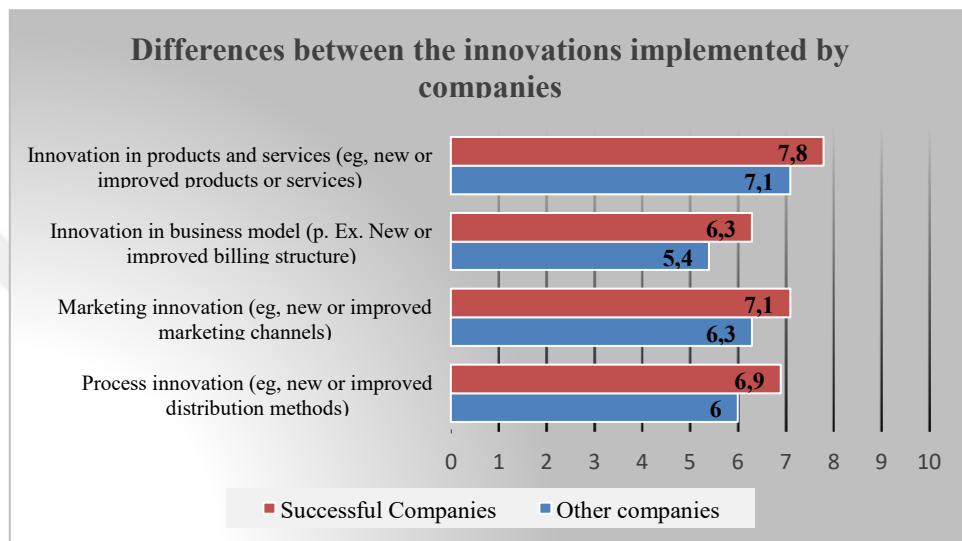


Figure 4.6: Differences between the innovations implemented by companies.

Briefly, the most successful companies have the ability to offer the newest services and products, than the other companies, by using the latest technologies. In addition, they spend more time and resources to find strategies to outperform their competitors.

4.2.3. Marketing strategy

With the regular evolution of production techniques and consumer preferences over time, companies must always adapt to changes. Recently, rapid technological advances, such as the Internet or modern technology, have a significant effect worldwide. Given that innovation revolutions are increasingly common, if companies do not adapt to market changes, even the most prosperous firms can collapse.

An understanding of the company operating market is a factor of success, which the most of companies, (Blockbuster and Eaton, for example) or even entire sectors

(newspapers), have not been able to manage it. Despite being a source of risk, technological advances and consumer behaviour changing provide opportunities for companies to manage them and even to realize benefits. Unfortunately, the inability to understand and deal with the principle modifications in their markets has contributed significantly to the failure of a significant number of companies in our sample. Of the 118 companies we studied, about 10% ceased to be profitable due to the significant increase in competition.

In order to better understand the important changes that may influence certain the economic sector, managers need to know the answer of numerous questions. Firstly, what are the main

trends of internet (social media, e-marketing, e-commerce or even e-payments) and how they change the business way? Secondly, what are the main trends of consumer, for example; the craze for healthy products or the success of personalized services and products which they changing the market? Thirdly, what is the impact on your business of the modern technological breakthroughs? Fourth, is your market currently dependent on artificial barriers, such as customs duties or regulations?

4.2.4. Human resources

4.2.4.1. Attracting the best employees

Recruiting and keeping the qualified employees is a priority for the totality of manager. However, even if they want to hire only the best candidates, they are often obliged to hire quickly employees to fill some positions. While relying on the most skilled employees can provide a huge change, it can be difficult to operate a business with insufficient staff (given the skills and expertise of existing employees), (see the survey, question 31).

More than 60% of the successful companies were ready to take numerous months to employ just the most promising applicants to fill important positions, against only more than 40% for the other companies (See Figure 4.7). More than 30% of the successful companies take the necessary time to recruit just the best candidates, against just under the quarter for the other firms.

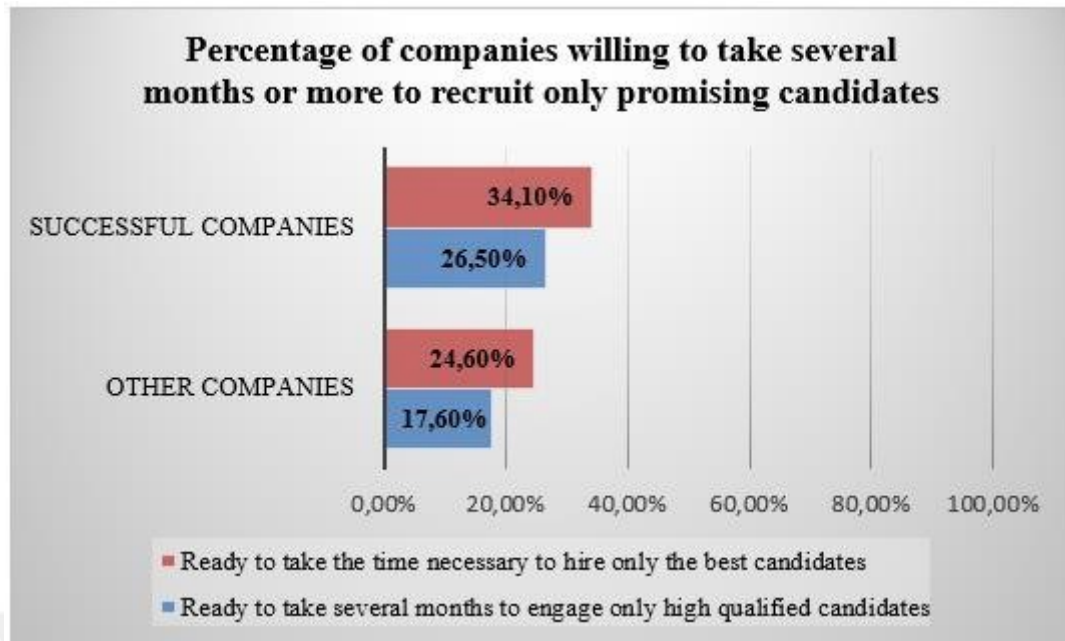


Figure 4.7: The Percentage of companies were ready to take numerous months to employ just the most promising applicants.

The survey composed by various questions about HR strategies, comprising the company's position regarding to their competitors with respect to salary and social benefits or the work environment. The successful companies indicated that they give better salary and social benefits, a favorable environment of working, as well as additional positive corporate culture compared to their competitors (Figure 8). However, the most important difference between the two types of companies is in salaries and social benefits. Indeed, the successful companies believe that their main competitive advantage lies in providing a stimulating work environment and positive corporate culture.

4.3. Business Recommendations

4.3.1. Strategic Vision & Business Plan

4.3.1.1. Ask for external advice

Strategies for SMEs envisage the creation of a consulting committee by considering the following points.

- The members of the consulting committee must be free in their decisions. They must feel independent to suggest a different point of view or to discuss the opinions, strategies and decisions of the manager.
- The consulting committee members must come from different business sectors, and ideally, have the complementary knowledge to yours. Most often, it will be preferable for members have expertise in the several domains, such as human resources, marketing, accounting, commercialization, and finance - all essential to running a business. A good knowledge of the business sector is also a valuable asset. To form your committee, you or an external consultant can recruit business partners or retired employees. They are often willing to act as monitors and can leverage their vast experience in various business areas.
- The committee must organize regular meetings (four times by year at least with a structured manner. Outlines and documents must be organised and directed to the committee member in advance. You must be responsible for the implementation of the agreed goals and report your Business Progress to the committee.

4.3.1.2. Have robust business plan and follow its progress

❖ Business Plan

If you didn't prepared your plan yet, a business plan for a medium term must be prepared and the following elements must be included:

- ✓ *A future target and a realistic business plan to accomplish it.* In another word; what is your vision and what is your strategy to achieve it?
- ✓ *Adopt the SWOT analysis* for the next 2 to 5 years. Which mean the strengths, the weaknesses, the opportunities, and threats analysis. Consider the external and the internal environment factors of your company.
- ✓ *Put Targets that will help you to determine if your business activity is on the right road.* Which results can confirm that your company is attaining its goals?

❖ Different measures of performance

If you do not measure your performance, how you can evaluate its progress? The measure of the performance measures can allows you to regulate your strategies, identify issues and hence find the appropriate solutions. Briefly, they can help you to

increase productivity and efficiency of your companies. These measures do not necessarily relate the most obvious elements, like production costs; further important measures are essential. The following points may be helpful:

- *Specify well what you need to measure and select a point of reference.* Think about quality, delivery times, security, the impact of the environment, as well as the satisfaction of your employees and customer.
- *Accumulate data daily.* The measures of performance should contain updated data.
- *Provide a simple and clear presentation of the data.* Use diagrams, figures or other visual elements to communicate your message effectively to all your partners.

4.3.1.3. Developing strong relationships with your main suppliers

- *Establish strategic relationships with some suppliers.* More precisely, determine which suppliers play a key role in conserving the advantage of your competitive and closely collaborate with them, in order to develop solid relations in your business. These suppliers can be useful when responding to a tender for a major deal or when realising some activities related to the research and development. The objective is to maintain favourable *relationships* with your main suppliers in the long-term.
- *Select and sign contract with suppliers who are bests in their domains.* This will give you access toward an advanced processes and technologies. The formalization of a relationship by signing a contract, habitually termed "contract for the level of service" to describe and ensure relationship of business. An agreement on service levels must address factors such as the description of products and services, the deadlines of payment, information confidentiality, the conformity of regulation, and conflict the conditions related to the end of the contracts.
- *Evaluate the efficacy of your suppliers.* Apply evaluation system to measure regularly the effectiveness of your suppliers. Consider factors, like punctual deliveries, costs, flexibility, and quality of service. Address your findings in writing to your suppliers so that they can correct their faults.

4.3.1.4. Depend of little diversified customer

- *Create an official business development plan.* Study the historical trends. How your clientele evolved? What is the percentage of your customers whose loss would put your company at risk? After answering these questions, establish clear objectives for the acquisition of new clients and devote resources to the realization of your plan.
- *Think before you customize your products and services.* When a large customer asks for a personalized product or service, ask yourself if it is beneficial to accept. If you improve a product that other customers will want to buy, it is probably a good idea for your company. However, you amplify your dependence on this customer. Given the risks involved, this type of customization should always impose additional costs.
- *Design products and services for new markets.* Create innovative services and products that align with the strategies and capacities of your company. Always remind that the objective is to attract new customers not only to sell to current customers.

4.3.1.5. Underestimating the importance of effective finance management

- *Succeed the basic principles of cash flow management.* In fact, a recent study showed that approximately 50% of managers do not realize a comparison between the predictions of cash flow for their company and the real results. Even the most profitable and fastest-growing companies are not immune to shortfalls; all companies should make this comparison.
- *Provide detailed financial reports.* The costs of goods and services offered by a company usually vary over time. It is essential to adopt practices to report financial information in detail in order to maintain long-term profit margins. Otherwise, you could focus on non-profitable products, or even those that are sold with a loss.
- *Establish treasury goals (available liquidity).* Several companies that went bankrupt during the financial crisis may have survived if their financial resources

was sufficient. Even very profitable companies can easily succumb to a lack of liquidity (cash). Fixed objectives that will help you, with certainty, to cross the different phases (downs & ups &) related to the cycle of business, without exaggeration. To exemplify, several companies want to dispose of a sufficient amount of cash on hand (or funds available on their line of credit) to cover their operating expenses for 90 days. It is also important to constitute your existing reserves in financial resources during good periods; which put you in a good financial position and enable you to be financed by other investors and bankers. It's important to remind that these kind of financing can take a long period.

4.3.1.6. Delay the preparation of an emergency plan

- *Identify weaknesses.* Consider hypothetical scenarios and identify the situations that might constitute a serious risk to your company, like losing important employees or key customers, a significant increase in raw material costs, the losing of an exceptional supplier or also the disasters of the nature like floods or fires. Set an order of priority.
- *Prepare a plan.* You can avoid several problems. Prepare contingency plans that take into account your weaknesses.
- *Act quickly.* If problems arise, do not delay taking a radical action, and do not hesitate to search for external advice.
- *Communicate regularly with those who care about the success of your business.* You may not know it, but people, who want to see your business succeed, whether for financial or other reasons, form a wide network. This includes your main suppliers and those who have an interest in the success of your company, such as banks and other lenders. Regular meetings with them to discuss the performance and the growth of the company's plans, which allow you, improve the strategies of your business.
- *Do not trust the best scenarios.* In the case of companies in our sample that have experienced financial difficulties, excessive optimism has undermined the success of the restructuring. When a recovery is planned, caution is required in terms of finances.

- *Be candid and clear with your partners.* Reorganization frequently requires financial assistance (such as repayment extensions) from partners, including banks. The best way to put all the odds on your side is to be honest and transparent. Accordingly, the people, who is capable to aid you, must insure that they have a complete financial situation reports of your company and that they assure that you will respect the terms of any financial assistance they offer to you.

4.3.2. Innovation

Innovation is in fact a state of mind. You must consider several elements when you prepare your strategy of innovation; we can mentioned some of these elements:

- *The Innovation strategy needs a good leadership, the disponibility of qualified employees and of course financial resources or capital.* You need to be competent in improving the working methods in your enterprise. It's necessary also to think to put some money separately in order to finance your new projects. Always remind that your competitors does not sit idly by. It costs you more to do nothing than to implement an innovative strategy.
- *Use the creativity of your personnel, your partners, your consumers and also of your suppliers,.* They know your company and your industry very well, and they are often your best source of ideas. Innovating is sometimes simply create new methods or strategies, familiarizing a product to suits new market, and adopting novel techniques in order to attract customers.
- *Do not look too far.* Focus on progressive and continuous improvement.

4.3.3. Marketing

4.3.3.1. Ignore the market trends

- Satisfy your consumers' needs and regularly listen to them to understand their desires. What are the expectations and real needs of your customers? Every successful business tries to understand the needs of its customers. Who are they? What do they buy? Why are they buying it? It is essential to answer the mentioned questions to develop and offer products or services that will be successful.

Listening attentively and understanding the needs of customers facilitates the sale of products.

- Inquire about your competitors. Habitually companies that focus too much on their own activities are not sufficiently attentive to the lessons to be derived from the competition. - Check the websites, manuals, brochures and catalogues of your competitors. Try to understand their brands and their market position. Compare their services and products or services to yours, preferably by buying and testing them. Evaluate the quality, the prices, the features of the product (positive and negative points) and their suppliers.
- Be aware of the market transform factors. Consumer desires or needs variations, social changes, modern equipment and technologies, new channels for distribution novel capacity could fundamentally modify your market. For SMEs, it is essential to take into consideration these new market trends and find ways to adjust your strategies.

4.3.4. Human resources

4.3.4.1. Recruit the best employees - Money is not enough

- Evaluate the culture of your company. To hire the competent candidates, you must identify the needs of your enterprise. What is the assigned mission? What is the value of this mission? Which mentality do you favour? Examine potential candidates by considering these broad lines and observe how they are doing.
- Do not count the time and effort you spend to find the accurate person. Eventually, the effort and time passed in researching and retaining the competent employees will be profitable in long term. Post your offers for jobs offers and provide clear and detailed descriptions. Conduct organized interviews and test the competences and skills of the applicants to complete the missions related to their jobs. Finally, ask for references.
- Integrate new employees. In addition to training, you might couples new employees with a former employee that may be their mentor and coach and help them to integrate.

- Provide different rewards and compensation for your employees with an innovative way. Encourage and preserve the best workers by giving them additional holidays or extra remunerations. Promote work-life balance by providing more flexible work arrangements and family-related leave or training, and help your staffs to adopt a healthy lifestyle, which make them more creative and productive, for example by giving subscription to the gym.



5. CONCLUSION

The creation of companies can be an effective solution of the unemployment. Moreover, business development is an essential factor of economic growth. Thus, the development of a country is correlated with its business development. However, business results are not always guaranteed. For this reason, controlling a number of factors related to results is an absolute necessity.

With the aim to identify the factors of success and the factors of failure of companies, a survey was conducted with two panels of Turkish companies, one represents successful companies and the other represents failure companies, the survey was conducted in 2017. The panel of successful companies produced 34 complete surveys and the failure company's panel formed 12, in total 46 surveyed companies. Empirical results highlight the importance of factors related to the Business plan, relationship with suppliers, consumer diversification, financial management, the innovation, the marketing strategy and the human resources. More precisely, we identified five factors that can help the entrepreneurs succeed their companies and five failure factors that they must avoid them;

➤ **Five factors for business success:**

- Innovation; create new product and services,
- Request to external advice,
- Make a robust business plan and follow the progress of its execution
- Employing the competent personnel; money is not enough,
- Develop Strong Relationships with your main Suppliers.

➤ **Five factors to avoid in order to succeed in business:**

- Depend on an undiversified customers,
- Underestimating the Importance of an Effective Financial Management,
- Delay the preparing of an emergency plan,
- Ignore Market Trends,
- Delay in asking for help.

The five success factors and five failure factors offer a good reference to different companies. All the entrepreneurs must verify if they implement these key success factors and avoiding these failure factors. The entrepreneurs, who do not possess the resources and the experiences of the successful companies, need support to adopt some strategies especially that the daily challenges associated with the operation of their companies need a lot of attention.

Our findings showed that innovation is the main factor of companies' success. Indeed, the business environment is not always stable hence, the innovation is crucial. Fortunately, all entrepreneurs can implement the success factors and avoid the failure factors that we have identified. However, it takes effort and monitor progress frequently to get results.



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BIOGRAPHY

Thaer Al ASSAAD completed his primary, middle, and high school education in Damascus. He graduated from Damascus University with a degree in Economics in 2012. He then spent three years working in the banking sector before deciding to quit and establish his own business. Thaer dedicated his time to working on his project until now, where he serves as a revenue manager. Additionally, he works as an English teacher for TOEFL and IELTS exams while also freelancing on market research projects and economic feasibility studies.



APPENDICES

ONLINE SURVEY

SURVEY

Online SURVEY

Master :

University :

COMPANY PROFIL

Q. 1 In which province / territory is the head office of your company?

- | | | |
|--------------------------------|-----------------------|-----------------------|
| ☐ Istanbul | ☐ | ☐ |
| ☐ | ☐ | ☐ |
| ☐ | ☐ | ☐ |
| ☐ | ☐ | ☐ |

P. 2 How many years does your business exist?

- | | | |
|---|--------------------------------------|--|
| ☐ Less than 3 years | ☐ 6 to 10 years | ☐ More than 20 years |
| ☐ 3 to 5 years | ☐ 11 to 20 years | |

Q. 3 How many employees does your company have?

- | | | |
|-------------------------------|----------------------------------|-------------------------------------|
| ☐ Nobody | ☐ 20 to 49 | ☐ More than 500 |
| ☐ 1 To 4 | ☐ 50 to 99 | |
| ☐ 5 To 19 | ☐ 100 to 499 | |

Q. 4 Which of the following best describes your role in strategic decision-making in your business, including long-term decision-making? Would you say you are:

- ☐ The person primarily responsible for decision-making, who approves strategic decisions
- ☐ A person who has a direct influence on this type of decision in the company
- ☐ A person who has some influence or indirect influence on decision-making
- ☐ A person who has little or no influence on decision-making

What is the business sector of your company?

- ☐ Accommodation and Food Services
- ☐ Agriculture, forestry, hunting and fishing
- ☐ Construction
- ☐ Finance, Insurance, Real Estate and Leasing
- ☐ Health care and social assistance
- ☐ Information and communication technology (ICT) services
- ☐ Manufacturing
- ☐ Professional, Scientific and Technical Services
- ☐ Transportation and warehousing
- ☐ Wholesale
- ☐ Other; please specify :

Q. 6 What has been the average annual growth rate of your company's revenues over the last three years?

- | | | |
|---------------------------------------|---|---|
| ☐ Negative | ☐ From 5 to 9,9 % | ☐ From 15 to 19,9 % |
| ☐ From 0 to 4,9 % | ☐ From 10 to 14,9 % | ☐ More than 20% |

Q. 7 How much are elevated total revenue of your company in the last year?

- | | | |
|---|--|--|
| ☐ Less than 500 000 \$ | ☐ 2 000 000 \$ to 4 999 999 \$ | ☐ 10 000 000 \$ to 19 999 999 \$ |
| ☐ from 500 000 \$ to 1 999 999 \$ | ☐ 5 000 000 \$ to 9 999 999 \$ | ☐ More than 20 000 000 \$ |

Q. 8 What was the percentage of average annual growth of your company's profits over the last three years?

- | | | |
|---------------------------------------|---|---|
| ☐ Negative | ☐ From 5 to 9,9 % | ☐ from 15 to 19,9 % |
| ☐ From 0 to 4,9 % | ☐ From 10 to 14,9 % | ☐ More than 20% |

Q. 9 What was the average annual growth rate in the number of employees in your company over the past three years?

- | | | |
|---------------------------------------|---|---|
| ☐ Negative | ☐ from 5 to 9,9 % | ☐ From 15 to 19,9 % |
| ☐ From 0 to 4,9 % | ☐ from 10 to 14,9 % | ☐ More than 20% |

Q.10 Are you a client of a Development Bank?													
☐ Yes ☐ No, But I have already been ☐ No, I have never been a DB customer													
Q. 11 On a scale of 0 to 10, to what extent are you actively seeking external advice or ideas for your company in formal settings (eg, an advisory committee, hiring consultants) and in informal settings eg, networking)													
	0 – Jamais	1	2	3	4	5	6	7	8	9	10 – Continuously	Incertain / no answer	
a) Formal frameworks	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
b) Informal frameworks	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Q. 12 Have you assigned, at least on a part time basis, internal expertise in key functions such as finance, marketing, human resources, technology and exploitation?													
	Oui		Non		Incertain / Je préfère ne pas répondre		Ne s'applique pas						
a) Finance	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
b) Marketing	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
c) Human Ressources	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
d) Technology	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
e) Exploitation	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Q. 13 Has your company created financial or non-financial performance indices (eg, customer satisfaction) to track the performance of projects, products or services?													
☐ Yes, We have multiple performance indices (6 or more) ☐ Yes, We have some performance indices (from 3 to 5) ☐ Yes We have one or two performance indices (from 3 to 5) ☐ No, We have no performance index ☐ I prefer not to answer													
Q. 14 How often do you track (check) these performance indices?													
☐ weekly ☐ Quarterly ☐ It depends ; ☐ Monthly ☐ Yearly ☐ Please elaborate ☐ I prefer not to answer													

Q. 15 What proportion of your employees would be able to clearly articulate your company's long-term vision?																																								
☐ All	☐ Some of them																																							
☐ Most of them	☐ None of them																																							
☐ I do not know for sure																																								
☐ I prefer not to answer																																								
Q. 16 On a scale of 0 to 10, how the variable benefits to the following non-management employees they contribute to the success of your business?																																								
	<table border="1"> <thead> <tr> <th>not Important 0</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> <th>7</th> <th>8</th> <th>9</th> <th>Very Important 10</th> <th>We do not offer this type of incentive</th> <th>Uncertain / I prefer Not to answer</th> </tr> </thead> <tbody> <tr> <td>a) Financial incentives</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> </tr> <tr> <td>b) Non-financial incentives</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> </tr> </tbody> </table>	not Important 0	1	2	3	4	5	6	7	8	9	Very Important 10	We do not offer this type of incentive	Uncertain / I prefer Not to answer	a) Financial incentives	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	b) Non-financial incentives	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
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b) Non-financial incentives	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐																												
Q. 17 Has your company developed a road map (or plan) that describes its growth or future development (eg, a medium-term business plan with targets)?																																								
☐ Yes, we have a detailed roadmap																																								
☐ Yes, we have a high-level roadmap																																								
☐ No, we do not have a roadmap																																								
☐ I prefer not to answer																																								
Q. 18 Complete the following sentence: The interests of the company pass ...																																								
☐ Always before the personal interests of the direction (or manager)																																								
☐ Almost always before the personal interests of the direction																																								
☐ Very often before the personal interests of the direction																																								
☐ souvent avant les intérêts personnels de la direction																																								
☐ Often before the personal interests of the direction																																								
☐ I prefer not to answer																																								

Q. 19 What proportion of total revenues does your company earn in Turkey and outside Turkey? (The sum of A, B must equal 100%.)

- A A Percentage of revenues from Turkey :
 B A Percentage of revenues outside Turkey :
☐ I prefer not to answer

Q. 20 What proportion of your company's sales consists of new products or services? We refer here to products or services that did not exist until recently or that have evolved significantly over the past five years.

- ☐ 0 % ☐ From 5 to 10 % ☐ More than 20%
☐ Less than 5 % ☐ From 11 to 20 % ☐ I prefer do Not to answer

Q. 21 On a scale from 0 to 10 where 0 means that you are very much below your competitors, 5 that you are at the same level as your competitors and 10 that you are very much above your competitors, how do you rate recognition Brand, reputation and customer service of your business compared to those of your competitors ?

	0 – very Much below Your competitors	1	2	3	4	5 – same Level as your competitors	6	7	8	9	10 – very much Above your competitor	Incertain / Prefer do not to answer
a) Reconnaissance de la marque	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
b) Réputation	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
c) Service à la clientèle	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Q. 22 Which scenario best represents your company's mentality and behavior with regard to new technologies ?

- ☐ We tend to be the first to adopt new technologies
☐ We tend to adopt new technologies quickly
☐ We tend to wait to see what happens, so that we can adopt the new technologies that have proved their worth
☐ We tend to adopt new technologies only when necessary
☐ I prefer do not to answer

Q. 23 To what extent do you agree with the statement "My company invests in machinery and equipment (including technology) to stay ahead of the competition"?

- ☐ All Agree ☐ Somewhat disagree ☐ I prefer do
☐ Agree ☐ Disagree Not to answer
☐ Somewhat agree ☐ Strongly disagree

Q.24 Which entities, among the following, is your business Geographically close? Please select all that apply.

Customers

- ☐ Suppliers
☐ Competitors

☐ Technical colleges, universities or other relevant institution with which you have a relationship
☐ Abundant labor pool
☐ I prefer do not to answer

Q. 25 To what extent Continuous relationships with the following players do they contribute to your company's success?

	Not Important 0	1	2	3	4	5	6	7	8	9	Very Important 10	Uncertain / not answer	Not Applicable
Competitors	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Technical colleges, Universities or any other Relevant institution	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Suppliers	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Q.26 On a scale of 0 to 10, how important are the following four types of innovation to your business?													
	Not at all important 0	1	2	3	4	5	6	7	8	9	very important 10	Uncertain / No answer	Not applicable
a) Product innovation & services (for example, products or services New or Improved)	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
b) Process innovation (example, new distribution method or improved method)	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
c) Innovation in marketing (for example Marketing strategy new or improved)	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
d) Innovation of the Business model (Billing structure new or Improved)	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Q.27 To what extent do you agree with the statement "My company is actively investing in employee training to increase productivity"?													
☐ All agree ☐ Somewhat disagree ☐ No answer ☐ Agree ☐ Disagree ☐ Somewhat agree ☐ Strongly disagree													
Q.28 On a scale of 0 to 10, how important are the following aspects to your business development or growth strategy?													
	Not at all important 0	1	2	3	4	5	6	7	8	9	very important 10	Uncertain / no answer	no applicable res.
a) To maintain the products Or Current services in Current markets	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
b) Launch new Products or services in Current markets	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
c) Launch products or Current services in New markets	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
d) Launch new Products or services in New markets	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Q. 29 With respect to changes in market and consumer trends, would you say that your business is:

- ☐ reactive ☐ rather proactive ☐ I prefer do not
☐ Rather reactive ☐ proactive To answer

Q. 30 How much of your time and energy do you spend on:
(The sum of A, B must equal 100%.)

- A A immediate or short-term needs of the company:
 B medium- or long-term needs of the company:
☐ I prefer not to answer

Q. 31 Which of the following best describes your hiring philosophy in regard to key roles and positions?

- ☐ We take as much time as we need to hire the best candidates
☐ NOUS We are ready to take several months to hire only strong candidates.
☐ We are ready to take a few weeks to hire only qualified candidates
☐ We hire employees as needed / when positions become vacant
☐ It depends. Please provide details:
☐ I prefer not to answer

Q. 32 On a scale of 0 to 10 compared to its main competitors, where is your company in terms of competitive advantage on the following aspects:

	0 Below our competitor,	5 at the same level										10 -above	No answer
a) Payroll and Benefits		1	2	3	4	5	6	7	8	9	10		
	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
b) Stimulating Work environment													
	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
c) Positive corporate culture													
	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Q. 33 In general, how often does a person in your company (or someone else) meet with you, or do they have contact with a banker or lender for reasons other than funding?

- ☐ A few times a/ month
- ☐ Monthly
- ☐ Quarterly
- ☐ Annually
- ☐ We are in contact with our bankers / lenders only for financing purposes
- ☐ I prefer not to answer

Q. 34 To conclude, do you have any comments or suggestions about the survey?

- ☐ I have nothing to add
- ☐ Please enter your comments below:

Thank You!