

## ***An Empirical Study of Critical Failure Factors in SME Entrepreneurship: Lessons for the Future***

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*Entrepreneurial failure is an extremely complex phenomenon. In Algeria, the question of promoting small and medium-sized enterprises (SMEs) and entrepreneurship is currently under discussion. The objective of this article is to contribute to the study of the entrepreneurial failure of SMEs in the specific context of Algeria.*

*The results indicate that the disappearance of the majority of very small businesses is attributable to a combination of environmental factors, financial constraints, human skills gaps, lack of experience on the part of the entrepreneur, as well as changing consumer*

*behaviors***Key words: Entrepreneurial failure, SME, Entrepreneur, Algeria**

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## دراسة تجريبية حول العوامل الحاسمة في فشل ريادة الأعمال للشركات الصغيرة والمتوسطة: دروس للمستقبل

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يعد الفشل الريادي ظاهرة معقدة للغاية. في الجزائر، بدأ الاهتمام ومناقشة مسألة تعزيز الشركات الصغيرة والمتوسطة وريادة الأعمال، هدف هذا المقال هو المساهمة في دراسة فشل ريادة الأعمال في المؤسسات الصغيرة والمتوسطة في سياق الجزائر. تشير النتائج إلى أن اختفاء معظم الشركات الصغيرة جدًا يعود إلى مجموعة من العوامل البيئية، والقيود المالية، وفجوات المهارات البشرية، ونقص الخبرة من جانب رائد الأعمال، بالإضافة إلى تغيرات سلوك المستهلك.

الكلمات المفتاحية: فشل الريادة، المؤسسات الصغيرة والمتوسطة، رائد الأعمال، الجزائر.

التصنيف L26 ; M13

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## Introduction:

The company is an organization that is both simple and complex; from its creation, it requires considerable effort for the young entrepreneur. Creating a business, whether small or large, requires a lot of physical, mental, and financial investigation. It's a long labor of love. It is a sequence of steps organized and structured according to the project or idea itself.

In addition, the health crisis has changed the course economy. Algeria has changed its vision, we talk a lot more about local production and export than import and consumption. The closure of the economy has pushed the development of SMEs in different sectors, particularly the agri-food industry.

The creation of very small businesses in particular and small and medium-sized businesses, in general, occupies a leading position in the economic development process. The development of small and medium-sized businesses (SMEs) in Algeria is thus both a vital economic imperative and a strategic opportunity.

Overall, the evolution of the SME population between 2021 and 2022 was from 5.71% across all legal sectors, representing a total net increase of 73,438 SMEs. During the year 2022, the creation of SMEs is 80,531 SMEs. And 19,179 private SMEs were deregistered.

According to several studies, young SMEs systematically run the greatest risk of failure (Al Manzani, Asli & Al Manzani, 2018, p. 109). Indeed, when an entrepreneur decides to exploit an opportunity, he must face constraints linked to a high degree of uncertainty and great ambiguity (Haddad & Melliti, 2018, p. 84).

Studying why in newly created businesses some entrepreneurs succeed and others do not is one of the fundamental questions in entrepreneurship research.

Attempts to respond are most often included in a broader framework: that of entrepreneurial success, traditionally associated with what Americans call “new venture performance” (Hernandez, 1999, p. 50). While entrepreneurship researchers devote themselves to the study of successes, they must not, however, omit situations of failure (Verstraete and Fayolle, 2005, SMIDA & KHELIL, 2010).

Furthermore, there is little research on the risk of failure; therefore fewer authors have attempted to identify its contours (Hamrouni & Akkari, 2012). Thus, the work of Saporta (1994) affirmed that the problem of failure is very complex and that there is no satisfactory global answer

Based on these observations, the objective of this article is to contribute to the study of the phenomenon of entrepreneurial failure of SMEs in the Algerian context.

We answer the following question: “*What are the factors of entrepreneurial failure of Algerian small and medium-sized businesses?*».

In Algeria, the problem of promoting SMEs and entrepreneurship is today established in terms of both institutional and social constraints faced by active entrepreneurs and candidate entrepreneurs with projects. If the first constraints (institutional) are the responsibility of the public authorities, the latter (social and cultural) are the responsibility of the entrepreneur himself and his socio-cultural environment. (MOULOUD, 2022).

In this present article, we tried to elucidate the factors, both endogenous and exogenous, explaining entrepreneurial failure in newly created SMEs.

We will first address the theoretical foundations of entrepreneurial failure. Then, we present the research methodology adopted in a second point. Afterwards, we present the results and their discussion in a third point

For this study, we implemented a qualitative approach which was based on interviews conducted with an entrepreneur who encountered failures during the implementation of two distinct projects. This investigation focused on the western region of Algeria, aiming to

identify the different factors and causes of failure that a young, novice entrepreneur may face during his entrepreneurial experience.

## **I-Literature review :**

### **I-1- Failure entrepreneurial: A MULTIFORM PHENOMENON**

Entrepreneurial failure is a vague, polysemic, and multidisciplinary concept. To describe it, authors use different terminologies such as business death, cessation, bankruptcy, insolvency, or closure (Beaver, 2003)

Entrepreneurial failure is generally associated, both in theory and practice, with failure.(ZACHARAKIS, MEYER, & DECASTRO, 1999).The Anglo-Saxon corpus is also used to qualify a failure such as: "mortality", "death", "exit", "discontinuance", "decline", "unsuccessful", "bankruptcy", "financial distress", "poor performance", "liquidation", "default", etc. (Mellahi and Wilkinson, 2004; Zopounidis and Dimitras, 2011, p. 1 cited in Khelil, N., Smida, A., and Zouaoui, M., 2012.).

A literature review highlights at least four main definitions that approach entrepreneurial failure differently (Watson & Everett, 1993).

The first refers to *discontinuance of the business for any reason*. In this situation, firm resources are reallocated to alternative, more profitable opportunities (Watson & Everett, 1993). This may include businesses sold by owners wishing to retire due to age or health considerations; businesses sold to make a capital gain or those sold because the owner simply wants to launch another activity (Fredland & Morris, 1976). Discontinuity is sometimes due to a change of ownership and management mode (Mitchell, 1994).

or a voluntary closure of the business (Cardozo & Borchert, 2003). The second is the sale or liquidation of the business to prevent further losses (Ulmer & Nielsen, 1947). The business is willing to close its doors to avoid further future losses that may affect the owner's capital. Therefore, a business could be considered to have failed, even if there was no loss to creditors. For the third definition, entrepreneurial failure means the inability to make the business profitable (Cochran, 1981). Consistent with this definition, businesses fail when their rates of return on invested capital are significantly lower than prevailing rates on similar investments, or fail to meet other profitability objectives set by the owner (Altman, 1968; Cochran, 1981). Finally, the fourth definition concerns bankruptcy<sup>29</sup> or loss for creditors (Dun & Bradstreet, 1979; Massel, 1978). Failure occurs when the bankrupt company ceases operations and generates losses for creditors. Bankruptcy can be triggered by legal actions, or by voluntary compromises with creditors. These four definitions can form a continuum of entrepreneurial failure.

**I-2- Factors of entrepreneurial failure of SMEs**

Previous studies clearly and consistently show that young and small businesses are at the greatest risk of failure (Carroll, 1983; Sorensen and Stuart, 2000).

According to various studies, young small and medium enterprises (SMEs) invariably have the greatest risk of failure (Abdullah et al., 2016; Honjo, 2000; Mellahi & Wilkinson, 2004 ). This tendency can be explained by their lack of experience and social capital.

Due to their small size, small and medium-sized enterprises (SMEs) can sometimes find themselves unable to cover their fixed costs, which sometimes forces them to leave their sector of activity(HALL, TU, & CIWEN, 2004). Indeed, there is a positive correlation between the size of SMEs and their performance in terms of growth, profitability, survival, and internationalization (Campbell, Heriot, Jauregui & Mitchell, 2012; Williams, 2016).

But there are other determinants of the bankruptcy of a company than its youth and its small size (McGrath, 1999).

However, it should be noted that in recent years, research and studies on business failure have evolved in three different directions. Indeed, in entrepreneurial theory, we distinguish three main approaches. The table below established by Ali Smida and Nabil Khelil summarizes the three approaches exceptionally.

**Table n°1: Determinant of failure and associated theoretical foundations**

<b>Dimensions</b>	<b>context</b>	<b>resources and skills</b>	<b>psychology and motivation</b>
Determinants of failure	environmental factors, inherent to the context of creation	resource deficiencies, shortcomings in terms of human, financial, and social capital	lack of motivation and determination to succeed, personal disappointment, doubt, etc

**Source: Smida and Khelil (2008; p.12).**

According to Guilhot (2000), the factors of entrepreneurial failure vary according to four approaches: economic, financial, strategic, organizational, and managerial.

In the literature, the causes of entrepreneurial failure are multiple and linked to internal factors, specific to the entrepreneur (Porter, 1980; Stevens and Potter, 2011) and external factors, linked to the macroeconomic environment. (Coulibaly, 2004). Thus, this phenomenon is increasingly perceived as an essential step for the success of an entrepreneurial process (Jenkins and Mckelvie, 2016).

the research of (Atsan,2016) findings show that entrepreneurs attribute their failure both to internal and external factors. Entrepreneurs addressed mainly relationships with partners, financial skills and lack of critical information and mentoring as internal factors while they mentioned economic conditions, changes in governmental policies and unlucky happenings as for external factors.

**I-2-1- The internal factors:**

Internal factors are more linked to strategic, financial, managerial, organizational, and human determinants (Coulibaly, 2004) including psychological (Khelil et al., 2012).

Management style: The management of SMEs is essentially a process of adaptation, often not very visible. Its objective is to manage limited resources to obtain the best possible benefit in the short term (JENNINGS & BEAVER, 1995).

Usually, SME owners tend to take on multiple operational tasks personally to reduce operating costs. (TUSHABOMWE-KAZOوبا, 2006). However, if these owners have low management expertise or adopt poor management practices, the risks of failure for SMEs become considerably high. According to Khan & Rocha (1982), SMEs face challenges related to managerial expertise in four major functional areas, namely marketing, accounting, inventory management, and cash flow management.

#### **Human resources:**

At the level of the organizational and human determinants at the origin of a failure, Coulibaly (2004, pp. 94-95) mentions, among others, "the age of the company, the low performance or productivity of staff.

SMEs are not always able to acquire quality human capital because of their limited budgets. As a result, most of them are unable to recruit and retain highly qualified employees and provide more appropriate training for less qualified workers.(El Manzani, ASLI, & EL MANZANI, 2018).

Interpersonal conflicts can also contribute to business failure (Bruno et al., 1992; Singh et al., 2007; Smida & Khelil, 2010).

#### **The marketing strategy :**

Hall (1992) explicitly considers that the adoption of an ineffective marketing strategy is a cause of the failure of SMEs.

#### **Financial management:**

Business failure is often attributed to the financial management of the company

Indeed, several authors have linked the entrepreneurial failure of SMEs to the inefficiency of their financial management (BRUNO, MCQUARRIE, & TORGRIMSON, 1992).

Furthermore, according to Bruno et al. (1992), financial difficulties often lead to a deterioration of relations with investors.

investments can prove unsuccessful following a poor assessment of the profitability of a project. Other researchers state that owner-managers generally fail because they follow a reactive strategy rather than a detailed strategy with a long-term vision (van Gelder et al., 2007 cited in Cardon et al., 2011). These entrepreneurs also tend to set goals that are less specific and difficult to achieve.

#### **The personality of the entrepreneur**

several studies (Guyot, Janssen, & Lohest, 2007) underline a very strong correlation between the age of the individual and the success or failure of the business. Others find a correlation with gender, Usually, women are more focused on family or being an employee in a company, and they are less willing to pursue objectives related to business creation.

Others mention a link between the level of studies and know-how and success or failure. (E. Papadaki and B. Chami, 2002, page 05).

The personality traits and behaviors of owner-managers appear to be important in determining and explaining the causes of entrepreneurial failure (GASKILL, VAN AUKEN, & MANNING, 1993). Owner-managers of SMEs demonstrate less initiative, dynamism, enthusiasm, and entrepreneurial orientation (El Manzani, ASLI, & EL MANZANI, 2018). Also, SME entrepreneurs are often unable to separate social capital and personal capital and resort to recruiting family members despite their inexperience. (TUSHABOMWE-KAZOوبا, 2006).

Finally, psychological factors can also lead to entrepreneurial failure. Khelil et al. (2012, p. 54) identify in particular “the feeling of incompetence, demotivation, personal disappointment, doubt, stress, the feeling of powerlessness and insecurity, the desire to suspend the courageous path of entrepreneurship (From HOE & JANSSEN).

### **I-2-1- The External factors:**

According to the theory of organizational ecology (HANNAN & FREEMAN, 1977), failure depends more on the evolution of the environment in which the company operates.

Among these, note macroeconomic factors, such as a financial crisis leading to a period of recession, an increase in interest rates, or a change in consumer behavior (Bacq et al., 2009).

The failure of a company can also be due to external factors linked to its sector of activity such as high competitive intensity or high dependence on suppliers and/or buyers (Bacq et al., 2009)

### **The overall economic context**

According to the literature, the factors of SME failure that relate to the economic context are very varied. Interest rates and the unemployment rate are the main determinants of what could be considered forced defaults (EVERETT & WATSON, 1998)

Temtime & Pansiri (2004) also discuss exchange rates, the size of the internal market, the purchasing power of customers, limited access to new technology, market policy, tax policy, and price control measures.

### **Access to financial resources**

From a financial point of view, the problem of liquidity, obtaining capital or loan financing are the two major difficulties that cause the failure of SMEs (FIELDEN, DAVIDSON, & MAKIN, 2000).

Indeed, the consequences of these failures always concern the financial aspect, namely an insufficient cash flow leading quickly and inexorably to cessation of payments. Or the impossibility of meeting the payment of the company's debts, whatever their origins (supplier debts, social debts, financial or banking debts, tax debts). However, it also happens that these consequences have more of a legal aspect than a financial one. This is particularly the case when the activity of the company is stopped by a judicial decision or due to the will of its founders, while its financial situation is still healthy.

The main financial causes Among the various reasons causing the disappearance of young companies, we note that the latter can be classified into two categories. On the one hand, there are reasons linked to start-up financing, and on the other, reasons specific to the way you manage your cash flow.

As for the problem relating to financing, the most frequently observed case is an insufficiency of start-up funds (share capital).

The latter is essentially generated by three major phenomena:

- An underestimation of the investments to be made to create and/or develop the company's activity.
- Insufficient use of financial aid for creation (honorary loans, zero-interest credit, public subsidies, participatory loans, deferred repayment loans).
- An insufficient amount of personal contributions from creators, generating distrust of banks and public or private investors. However, in certain cases, the failure is due to an opposite phenomenon, debt that is too high for the size of the company. the company and its level of profitability. Hence the impossibility for it to meet loan repayment deadlines using its cash alone, even though its activity is profitable.

### **The institutional environment**

The absence, insufficiency, or inadequacy of institutional support from the government constitutes the problems that SMEs encounter often in many countries, especially developing ones.

in many countries, especially developing ones (Gagoitsope & Pansiri, 2012). In this sense, the failure of SMEs finds its origins in the long duration of procedures for obtaining public financing, the insufficiency of financial support, the poor orientation of public aid (Ropega, 2011),

### **Industry or market conditions**

Alongside the role of the political and institutional environment, the survival of the SME can be threatened by an unfavorable situation in the industry. Low dynamism in the industry does not offer growth potential for the SME.

## **II- Methodology**

To carry out this study, we adopted a qualitative approach based on interviews with failed entrepreneur in the western region of Algeria. During these interviews, note-taking was necessary

Qualitative analysis aims to give meaning to and understand complex social and human phenomena. Consequently, the challenges of qualitative analysis are those of a discursive and meaningful approach to the reformulation, explanation, or theorization of testimonies, experiences, or practices (Muchielli, 1996; Paillé, 1996).

The basic questions that were used in the interviews were inspired by the authors Khlil and Smida (2008) such as:

“What factors have “handicapped” the growth and development of your business« ?

“What makes you say you haven’t succeeded?” » In other words, “What are the clues or manifestations that allow you to say that you have not succeeded« ?

« If you decided to start the same business again, what changes would you need to make to be successful ?

The choice of a limited number of this case finds its justification in the exploratory nature of the research since there is no clear rule on the number of cases to be studied. Thus according to Miles and Huberman (2003; p. 317), "several cases exceeding fifteen exposes the researcher to processing difficulties".

## **III- Results**

### **III-1- Case No. 01: ALIVEX:**

#### **Presentation :**

Alivex is a service provider company (express mail nationally and home delivery in Oran) whose niche is professionals (businesses) and households. Created by Mrb.Min 2012. It is a company that started with an investment fund of 3,000,000 DA, a human capital of three people at the start, and which expanded to 10. The staff was declared, and the company benefited at the time of reduction aid through the CNAS and the ANEM. It was also an ANDI project to benefit from tax advantages.

#### **The failure factors of Alivex:**

##### ***Social factor and human capital:***

Alivex relied mainly on the driving force of human capital as well as the quality of service provided by collaborating service providers. This human capital consisted mainly of unskilled and extremely unstable labor, with a high staff turnover rate, meaning that there was a constant flow of workers in and out. Despite the various benefits and conditions offered, once operators were trained and in place, they quickly left their positions.

Regarding regulatory status, all workers had employment contracts and made contributions. Each operator had their motorcycle which they could use for personal purposes. Some even



benefited from training, notably an operator who had difficulty with reading and writing, and who was trained specifically in this area to improve his administrative management, for example.

On the other hand, the providers had not yet fully integrated the concept of home delivery and were not respecting the terms of the agreement concluded between the two parties. These two points made the work restrictive, preventing the adoption of the company's culture and values, particularly about meeting deadlines and quality standards. The entrepreneur based his strategy on the quality of services with an emphasis on values such as respect, courtesy, and the facilitation of daily life. However, this vision was not shared by the team and collaborators.

### ***Technological factor:***

At the time, the entrepreneur's vision was out of sync with the level of technological development in his environment. To improve the quality of service and achieve its objectives, it became imperative to automate the delivery process to simplify operations and optimize performance. However, achieving this automation required investment, notably in the creation of a website called "go-food". Unfortunately, this investment proved unprofitable, mainly due to the lack of Internet connectivity among the providers with whom he was working at the time. The latter had not yet adopted the concept of Alivex and home delivery.

Additionally, they were unable to update their online menus, which would have allowed customers to place their orders directly online and request an operator for delivery. This limitation resulted from their lack of mastery of technological tools, particularly the Internet.

### ***Internal organization and managerial skills:***

*“Working conditions were precarious, with non-ergonomic positions requiring constant presence from 8 a.m. to midnight, 7 days a week. These constraints led to burnout, reflecting the lack of experience and skills gaps in management.*

*Additionally, when we started, we did not have an operating budget. We started covering our expenses such as membership fees, salaries, rent, energy costs, etc., with our direct income. Since this was a new service in an unexplored market, consumer demand had to be created before stable revenue could be generated. As a result, it often happened that we were able to cover our expenses, but without making a profit, and above all without even being able to pay ourselves a salary.»*

### ***Economic technical factor:***

Alivex's business model presented difficulties in terms of scalability, that is to say, it was not designed to increase sales without expenses growing proportionally. Indeed, to increase the volume of races delivered, it was necessary to hire new couriers, entailing additional salary costs and contributions. In addition, it was necessary to invest in new motorcycles, because each operator had their motorcycle.

This situation resulted in a very low and slow return on investment. Being financed mainly by its resources, And limited. It was at that moment that the entrepreneur realized that this activity was more focused on survival than on enrichment and that it did not meet the professional and social objectives of the entrepreneur.

### **Results of experiment No. 01:**

As a result of all these and other lesser elements hurting the development of the company, daily operations have hindered progress and strategic expansion. This led the entrepreneur to burnout after 24 months. As a result, the company changed its status in 2015, including the transfer of shares and recovery of capital.

### **III-2- CaseNo. 02: Icecool:**

#### **Presentation :**

Icecool is a small industry producing edible ice cream. It was created in the decline of Alivex. A small business that currently has a fund of 20,000,000 DA and, a human capital of five (5) people. Its structure is different from experiment No. 01, for example: it is an activity that does not depend mainly on the human factor, on the other hand, it has more material investment, stability of production elements, and HR stability.

#### **Icecool failure factors**

Building on Alivex's previous network of collaborating service providers, the entrepreneur launched its new product. Although the targeted niche remains largely the same, targeting both households and professionals such as hotels and restaurants, Icecool saw expansion in 2019 thanks to assistance from ANADE. This expansion aimed to invest in equipment to improve product quality, increase production capacity, and meet growing demand. Initially financed with own funds, this extension proved insufficient to achieve the monthly sales objective in line with market needs.

#### ***External factors:***

After its expansion in October 2019, Icecool is off to a good start. The entrepreneur had managed to stabilize production and distribution, and the business model seemed profitable and viable. The company expanded its market by starting to market its products in neighboring regions such as Tlemcen, Ain Temouchent, Sidi Belabes, and Mostaghanem. This led to an increase in turnover and a dynamic professional banking business.

However, in March 2020, the health crisis occurred, becoming the first external factor leading to difficulties. Activities were affected due to the temporary suspension of tourism activities, resulting in the suspension of activity pending further guidance. The consequences of these events were the loss of two years of unused rent, as well as the payment of almost six months of wages without work for the team, who had families to support.

The depletion of financial reserves, including sinking funds intended for renewal of equipment and redevelopment works, has been exacerbated by the need to comply with health and safety standards in the agri-food sector, requiring redevelopments and regular maintenance of the production space, as well as additional costs for each move.

Additionally, the market presented another challenge. The crisis revealed the shortcomings of the business model, notably the dependence on a single product, which reduced the commercial margin. Additionally, unfair competition quickly saturated the market, putting additional pressure on Icecool. Being a seasonal business with a limited market, Icecool has become a survival business requiring restructuring and a review of its strategy to ensure its sustainability.

#### ***Internal factors:***

*"Firstly, rental has been a real bottleneck, also hindering our evolution. Frequent moves and rearrangements have resulted in wasted time and money. During these periods of necessary production shutdowns during moves, our competitors managed to take up space, which harmed our positioning in the market. From a physical point of view, these moves require a lot of energy, and our investments in new equipment have been damaged due to this instability. The frequency of moves was because our small industry produced considerable noise, which led to reluctance on the part of many property owners to accommodate our activities on their premises. To this day, we are still suffering the consequences.*

*Secondly, the company had started with equity, which limited our possibilities in terms of return on investment. Our financial resources and savings were depleted, especially after the crisis, which made the structure fragile and hampered our efforts to diversify our activities."*

### **Result of experiment No. 02:**

To overcome this crisis, the entrepreneur decided to invest in real estate to reduce costs related to rental and frequent moves. After several brainstorming sessions, he is preparing his business plan to diversify his activities towards new, larger, and more profitable markets in the agri-food sector.

### **III-3- Analysis of the two experiences:**

#### **Absence of a technical economic study:**

Prevention or even anticipation of the factors mentioned above would have been possible with a thorough prior technical and economic study. This analysis would have made it possible to obtain a global 360-degree vision of the market and to plan the operating budget, thus reducing the dependence on equity to cover daily and monthly expenses related to short-term operations. completion of the two projects.

In addition, this study could have helped the young, beginning entrepreneur to make an informed decision regarding whether or not to launch the project. He could thus have assessed whether Project 1 or Project 2 was in line with his socio-professional objectives. Likewise, this study would have made it possible to assess the profitability of the market, its size, its growth rate, as well as its level of technological maturity, among other factors.

#### **Weak financial supervision:**

The absence of prior budgetary planning, caused by the lack of economic study, has gradually weakened Les companies, accentuated by the frequent recourse to own financing, which has proven to be an exhausting resource.

#### **Lack of mentors:**

Absence of an experienced person or program facilitating and/or helping the young entrepreneur in his beginnings and the field of entrepreneurship.

### **III-4-Advice Things to remember for future beginner entrepreneurs:**

For aspiring newbie entrepreneurs, it is essential to remember some key lessons. First of all, in-depth technical, economic, financial, and marketing support may seem like a significant expense at first, but it turns out to be a valuable investment that can significantly minimize the risk of failure. At the same time, thoughtful and introspective examination on the part of the

entrepreneur proves extremely useful, as it allows him to know himself better, understand his personal and professional goals, as well as to clearly define his vision.

In addition, before embarking on the realization of a project, it is imperative to carefully consider the scalability of the business model, taking into account growth ambitions. Setting up an information system from the start is also essential because it allows for better visibility of the project and considerably improves strategic management. Finally, keeping a global perspective and constantly staying on top of market developments is crucial to being able to adapt to changes and seize opportunities as they arise.

#### **IV-Conclusion**

This article has attempted to explain the reasons for the failure of certain very small businesses identified in the number of cases. The objective is to highlight all the factors responsible for the phenomenon of cessation of activity. During these interviews, several elements of response are similar to the organizational factor (absence of a managerial culture and poor management, lack of a system of permanent control and supervision of the activity), environment (strong competition, limit of purchasing power, lack of customers) and human (staff dishonesty, conflict with staff) placed given the responsibility of the entrepreneur in the cessation of the activity through his lack of experience.

We conclude that the majority of very small businesses disappear due to environmental factors, resources, skills, and motivation of the entrepreneur, the fact remains that this segment of business lacks rigor in the management of staff and the absence of a control and supervision mechanism specific to small businesses (ADDA & AIT SOUDANE, 2018)

Furthermore, the results of this study indicate that beyond the economic aspect of entrepreneurial failure, other aspects affect the life of the entrepreneur such as the aspect of consumer behavior. (HAMIDI & GHERIBI, 2016)

Thus, certain questions remain unanswered and require in-depth future research. It would be interesting to extend this study, but on a larger scale, to better determine the main factors of failure of these very small businesses. It would also be interesting to work on developing benchmarks for failure factors to avoid failure in future adventures.

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