

Success Quotient Ratings of Small and Medium Business Enterprise Owners in Lingayen, Pangasinan

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Abstract- Small and medium enterprises (SMEs) play an important role in the business as well economy of the country. Success has been always the goal of a person who is engaging into a business may it be small, medium or large-scale enterprise. Success of these SMEs would produce not only growth of the economy but most specifically will result into change of the economic status of the business owners. This research was conducted to assess the success quotient ratings of small and medium enterprise owners (SME's) in Lingayen, Pangasinan which can predict the if the business will succeed or not in the future. This study aimed to contribute to knowledge about business success according on how the owner manage its business not solely based on financial indicators. A questionnaire, which was adopted from Small Business Association of California, are given and answered by the business owners. Results show that 49 out of 50 are said to have 50-74 points which means that they are possibly headed but a long-term success provided that the business owners improve their management skills and focus on marketing efforts. Only one business got an excellent score which means it just needs to maintain what it is doing in its operations. The results were also communicated to business owners so that they know what to improve and guide them to run their business to reach success. The researchers recommend to strengthen their marketing efforts especially with the changing demographics of consumers comprising of millennials and Gen Zs who have different buying behaviours.

Keywords – *Small and Medium Enterprise, Success Quotient, Lingayen*

INTRODUCTION

One of the thrust of our national government is for people to engage in industries that shall become the backbone of the national economy. The local government recognizes the importance of generating new investments to sustain the economic stability of each of the municipality over the long haul. With the government and private sectors working hand in hand to ensure a stable and predictable economic environment, people who want to invest and do business are all the more encouraged to make sound investment decisions and take advantage of long-term opportunities that go with infusing additional capital. The entrepreneurial spirits of every Filipino is the key to economic development Based on 2015 statistical data provided by the Philippine Statistics Authority, there are 900,914 establishments in the Philippines. Out of these establishments, 99.5 % (896,839) are micro, small and medium enterprises (MSMEs). On the geographical spread of MSMEs, the top five locations are identified as the following, National Capital Region with 190,166 business establishment; Region 4-A (CALABARZON) with 131,011; Region 3 (Central Luzon) 100,880; Region 7 (Central Visayas) with 53,218 and lastly Region I (Ilocos) with 47,996. Any business activity or

enterprise engaged in commerce or industry, agribusiness aid services whether a single proprietorship, partnership, corporation or cooperative must have the following values in order to be categorized under the following categories. The other category of small and medium enterprises is that which categorizes them according to the size of their labor force or the total number of employees and the amount of capitalization. A business can be considered and SME if it falls to the following category; in terms of capitalization it is less than three million and in terms of employment size it should be from 10 – 500; in terms of the amount of capitalization, the range for small enterprises is from 3-15 million; for medium enterprises, the range is 15-100 million. (Azardon et. Al 2008).

As to the importance of SME, small business sector continues to create many of the new ideas and innovations that future generations tend to take for granted. Small businesses also contribute to the Gross National Product (GNP) of a country and meet local needs that many of the national producers do not offer. And lastly, it is the liveliness of the local economy that continues to draw investors into an area, and encourage

local people to stay and contribute to the community's productivity. For an enterprise to be successful, the entrepreneur should be someone who can make the enterprise a cut above the rest with application of his vast knowledge in marketing, finance, management and other factors that makes business run as a whole. The Small Business Association in the United States developed a simple quiz to determine one's business success quotient. This would guide the researcher to assess the business success quotient of small and medium enterprise owner in Lingayen, Pangasinan

OBJECTIVES OF THE STUDY

The main objective of the study was to assess the business success quotient of small and medium enterprise owners in Lingayen, Pangasinan. Based on this basic objective, the specific objectives of the study were to: (a) To identify the demographic characteristics of small and medium enterprise in Lingayen, Pangasinan. (b) To assess the SME owners of Lingayen, Pangasinan are in the path to their business and entrepreneurial success. (c) To recommend entrepreneurial and business practices that will further improve their success as a business

MATERIALS AND METHODS

To achieve the objectives of this study regarding the success quotient rating of small and medium enterprise owners in Lingayen, Pangasinan, a quota of 50 respondents were determine using convenience sampling was used to this study. Quantitative data for the study will be obtain using a simple quiz/questionnaire adopted from Small Business Association in the United States. The survey questionnaire covered a number of socioeconomic/demographic characteristics of the owners and hypothesized dimensions of the business success determinants.

This study will rely primarily on the survey method and will used descriptive analysis for the interpretation of the data and information that will be gathered. Interview and observation will also be used to further improve the study.

RESULTS AND DISCUSSION

Research results and other discussion is concentrated on the demographic profile of the small and medium enterprise owners in Lingayen,

Pangasinan. It also includes the results and discussion of the results of the questionnaire used by the Small Business Association in the United States.

I. Demographic Profile of Small and Medium Enterprise

Table 1. Demographic Profile According to Form of Organization

	Frequency	Percentage
Sole Proprietorship	37	74 %
Partnership	7	14 %
Corporation	6	12 %
Cooperative	0	0

Table 1 shows the demographic profile of the small and medium enterprise according to form of organization. It can be seen that majority of the business are form under the sole proprietor type of organization with 74 % while 12% belongs to corporation.

It can be deemed that sole proprietorship is the form of organization chosen by the owners since it is the easiest and simplest business enterprise to organize. (Azardon et. Al 2008).

Table 2. Demographic Profile According to Business Type

	Frequency	Percentage
Retailing	15	30 %
Food and Recreation	11	22 %
Service	14	28 %
Others	10	20 %

As seen on Table 2, 15 or 30 % of the respondents are into retailing as their demographic profile according to business type and 10 or 20 % are into other types of business.

Retailing makes the purchase of goods easy for the consumers. It allows manufacturers to focus on producing goods while the retailing industry will be the one to put effort to interact with the end-user customers who want to purchase those goods. (Farfan, 2019)

Table 3. Demographic Profile According to Routes to Entrepreneurship

	Frequency	Percentage
Family Business	23	46 %
Franchising	8	16 %

Buyout	3	6 %
Start up	16	32 %

As illustrated in Table 3, 23 or 46 % are established thru family business as their routes to entrepreneurship while 3 or 6 % are buyouts.

As to the routes of entrepreneurship, family business is the usually chosen path since it is associated with strong identity of the business to the consumers and trust and loyalty with customers that the business has already established. (Hall et. Al 2015)

Table 4. Demographic Profile According to Years of Operation

	Frequency	Percentage
1-3 yrs	21	42 %
4-6 yrs	11	22 %
7-9 yrs	4	8 %
10 above	14	28 %

Table 4 indicates the demographic profile of the small and medium enterprise according to years of operation. 21 or 42 % are into business for 1 to 3 years while 4 or 8 % of the respondents have been on the business for 7 to 9 years.

According to the respondents, they are still on the early phase of their business operation which shows a number of them belonging to that category. As said by one of the respondents, they are still considered as a 'baby' or 'newbie' in terms of the years of their operation.

Table 5. Demographic Profile According to Employee size

	Frequency	Percentage
less than 10	44	88 %
10-100	4	8 %
100-500	0	0 %
500 above	2	4 %

Table 5 indicates that majority of the respondents has an employee size of less than 10 employees which is 88 %. In an interview with the respondents, they can only hire a few number of employees due to the fact that majority of them are under the sole proprietorship type of business.

Table 6. Demographic Profile According to Capitalization

	Frequency	Percentage
less than 3 million	42	84 %
3 million – 15 million	3	6 %
15 million – 100 million	3	6 %
100 million above	2	4 %

As shown in Table 6, 42 or 84 % of the respondents has less than 3 million as to capitalization of the business while 2 or 4 % respondents has 100 million above. SMEs are defined as any enterprise with assets valued from P3 million to P100 million. SMEs and micro enterprises combined make up 99.6% of establishments in the country. (Natividad 2019)

II. Success Quotient Rating of Small and Medium Enterprise owners of Lingayen, Pangasinan

Table 7. Business Success Quotient Legend adapted from Small Business Association in the United States

Category	Score Range	Interpretation
High Chance Of Success	75-100	The owners in this category are said to be successful entrepreneurs whose operations reflect tried and true business practices.
Moderate Chance Of Success	50-74	The business is probably headed for a long-term success. But success will come sooner if the owner will sharpen your awareness of solid management skills and marketing techniques.
Low Chance Of Success	25-49	While the business may be enjoying customer loyalty and repeat business, owners should never forget that savvy competition requires one to always look for ways to take the lead. They should not let comfort lull you into false security. They should be creatively assertive to succeed.
Lowest Chance Of	0-24	There is a chance that owners have the right

Success		product. But to sell it successfully, they need to increase market awareness and improve your operating philosophy. They should reach out for practical classes, seminars and advice from people who have good business track records. And owners should keep persevering — it is said to be the key ingredient to winning.
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Table 7 shows the business success quotient that was used to the said study. This was used to interpret the score of the small and medium enterprise owner on table 7. This was adapted and used by the Small Business Association of USA.

Table 8. Business Success Quotient of Selected Small and Medium Enterprise Owners in Lingayen, Pangasinan.

Name of Business	Score	Score Range
D blest emission testing center	56	Moderate
Wilbless General Merchandising	56	Moderate
TOT'S General Merchandise	57	Moderate
Jai's Foodshop	53	Moderate
Ropali	52	Moderate
JKHT Enterprise	61	Moderate
Marilyn's Footwear	58	Moderate
De Guzman Copy Center	64	Moderate
J&P Restaurant and Bar	53	Moderate
MKB Construction and Supply	60	Moderate
Ria Tarptech Printing Service	51	Moderate
Light and Shadow	53	Moderate
Tamiya Vape Shop	50	Moderate
Funeraria Ultimo	58	Moderate
Microbase Motorbike Corporation	51	Moderate
SJI Pet Turf Animal Clinic	62	Moderate
Katxxy Printshop	63	Moderate
Fundline	60	Moderate
RUSI	56	Moderate
JnJ Print Graphics and General Merchandise	61	Moderate
Leah Paul's Canteen	53	Moderate

DJM Canteen	64	Moderate
Dada's Goto	56	Moderate
Printwise	71	Moderate
7-Eleven	55	Moderate
TOTAL	59	Moderate
Caffeine Hub	54	Moderate
Antoninos Café	65	Moderate
Jakeferson Trading	58	Moderate
Sea Cut Salon Shop	56	Moderate
Yanna Trading	58	Moderate
Blessing's Bakery	66	Moderate
Jenrose RTW shop	65	Moderate
Guarin Rice Store	63	Moderate
Zach Napase Furniture	59	Moderate
Imeeguel Cosmetics	61	Moderate
Bikbik Trendy Shoppe	58	Moderate
K Servico	67	Moderate
Blue Box	56	Moderate
LBC Lingayen	52	Moderate
Motortrade	64	Moderate
Index Hair Salon	61	Moderate
Deicam	77	HIGH
Cel Store	67	Moderate
Pream Creations Shop	60	Moderate
Lyka And Lara,s Flowershop	64	Moderate
Rhians Carinderia	56	Moderate
Canilang Rice Store	63	Moderate
Mararac Flower Shop	64	Moderate
Aldhanhani	65	Moderate

Table 7 shows the business success quotient of small and medium enterprise owners in Lingayen, Pangasinan. As reflected in the table majority of the small and medium enterprise owners belong to the score range of 50 -74 which is interpreted as they have moderate chance of success in the future. There is only one business owner which belongs to the score range of 75 – 100 which means it has the high, if not the highest, chance of success in the future.

CONCLUSION AND RECOMMENDATIONS

Results show that 49 out of 50 got a success quotient rating ranging from 50 to 74 points which means that they have moderate chance of success. They are possibly headed but a long term success provided that the business owners improve their management skills and focus on marketing efforts. Only one business got an excellent score which means it just needs to maintain what it is doing in its operations since it has



the high chance of success. The researchers recommend that businesses must strengthen their marketing efforts especially with the changing demographics of consumers comprising of millennials and Gen Zs who have different buying behaviors.

In addition to the recommendation above, the researchers recommend the different SME business owners to attend different platforms like attending a seminars that can enhance their management and marketing skills. The university to which the researchers belong can provide mentoring programs thru the different extension services, to help them sharpen the skills to become a successful business owner. The results were also communicated to business owners so that they know what to improve and guide them to run their business to reach success. Since the questionnaire is highly subjective based on owner's perception and knowledge, the results may be further validated through its financial data such as its financial statements, to predict the success of businesses.

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