

SBA and Chamber of Commerce Support Leading to New Venture Success

Ali Salem Faheed Alsagoor
College of Business Administration
Jazan University, Kingdom of Saudi Arabia

Abstract

To set the economy back on track and generating potential jobs, Saudi Arabia needs a strong and vibrant small business community. The ability of entrepreneurs is to participate in economic recovery by exploiting new opportunities, growing their businesses, and creating jobs are the ability to access capital. Current study aims to find the relationship between Small Business Administration (SBA) and chamber of commerce support provided electronically and the success of new business venture. It also focus to access internet based support provided by the government to gain advantage in the market. The study has been conducted on the local market of Saudi Arabia through new small and medium sized businesses that have sought the help and support in terms of business regulations, market structure and business success. The analysis has been conducted to empirically test the relationship. The sample of 44 small and medium sized businesses have been collected that are thoroughly researched and analyzed in terms of their success and how on each step of their milestone the support provided by the Small Business Administration (SBA) and chamber of commerce have been used to its advantage. The data from each business is collected through survey tools to help study and analyses the collected data. Findings of the analysis conducted on collected data indicate that there is a positive relationship between Small Business Administration (SBA) and chamber of commerce support in terms of knowledge and support on general guidelines with small and medium sized business success in market. The recommendation for the future research is provided along with explanation of the findings and statistical results.

Keywords: small business administration (SBA), chamber of commerce, online resources, small business success, knowledge and support

INTRODUCTION

There are a lot of examples for successful business or products started by one person with a good idea. After the entrepreneur has ideas for business, they must follow certain process to make the business open. Also, it takes a lot of work to manage the business and keep it successful. Entrepreneurs can get a lot of help from government and also local resources. The Small Business Administration (SBA) is government organization and it helps entrepreneurs and small businesses. Also, each city has Chamber of Commerce. The Chamber of Commerce has information for entrepreneurs and small businesses. Also, it has some resources for companies to help small businesses to get started. The SBA and Chamber of Commerce are important resources for entrepreneurs and small business owners (Carmichael, 1991).

The support of both Small Business Administration (SBA) and chamber of commerce are evident in the success of every business on local and national scale. The small business development requires the understanding and support from the market and the industry and the government under which the business

is being registered (Howard and Irene, 1988). In order to be recognized for its work and its products and services each business seek guidance that can lead to ethical business according to the laws and regulations of the market.

There are many resources that are provide and promised to the small and new businesses in the market. These businesses where provide guidelines from many set offices also provide connectivity and assurance from their online resources. Such technology based connectivity helps the business be able to learn new things, stay in touch and garner as much support as possible. Where these online connectivity and resources provide the support also provide the knowledge. The small businesses working to thrive in the business hope t get better chances of success through their outcomes in the market (Saban and Stephen, 2005). They seek connectivity with the government for favors and support programs even funds and also from potential partners that can help the business sustain and grow in the future. The support of the small business in the first stage of the business growth and development helps the business

grow and succeed in the future venture and partnership (Brown, James and James, 1991). The better the business stability is in the first few stages of the business the better the business can grow in the partnership and hence expand its business further.

The aim of the current study is to explore how the support functions provided by the government lead to the sense of success by the small business. The purpose of the study is to explore the connection between the support provided by Small Business Administration (SBA) and the chamber of commerce to the local small business leading to their success and growth in the market.

The objective of the study is to explore the connection between Small Business Administration (SBA) and chamber of commerce support provided by online resources and how can these resources aid in the process of success for small scale businesses. The objective of the study is also to measure the relationship in terms of two most important factors of the support provided by Small Business Administration (SBA) and chamber of commerce: the knowledge to new businesses in market and the general support for establishment and regulations guidelines.

Scope of the Study

The scope of business is on small and medium scale businesses and new entrants in the market. The entrepreneurship businesses are the main focus here to learn how the market and government support helps the business prosper. The scope of the business does not only limit to the new and medium sized businesses. The businesses keep changing their structure and keep expanding- given that the businesses are success in market and seeking it eagerly-in each case the phenomenon is linked with businesses of all size while her the test is only limited to the small and medium sized businesses.

Limitation of the Study

The current study has limitations that it only covers for the small scale businesses whereas there are large scale businesses as well seeking government support and guidance in many areas due to the complexity of the operations.

Research Gap

The research focused here is the internet based support and knowledge provided by the government and other resources to help business gain advantages in the market and also be able to proceed with the business legally.

Significance of the study

The significance of the study is to analyze the impact Small Business Administration in maintaining the strength of the nation's economy by establishing viability of small businesses and by assisting economic recovery of communities.

REVIEW LITERATURE

For every small and medium size business to start up there are step of instructions and guidelines provided to the business investors in order to help them provide the initial push in the market. The investments from the investors and stakeholders are welcomed in the markets where there is lack of investment and sustainability (Owualah, 1987). In many markets and industries the businesses are driven to take advantages of better market position so that the government can maintain new investments in the market and also be able to use this investment to the best of its advantage in terms of trade.

The support provided by the government agencies and the commerce chamber benefit the economics of the country in two ways. The first is that the business investors are able to investing the areas were investment is needed hence there is room for healthy competition and the second the business start up provide employment and further expansion on business on local and international level which means leading to foreign investments (Cronin-Gilmore, 2012).

The Small Business Administration (SBA) and chamber of commerce are of great value when it comes to a guiding hand in the industries and business market. The financial institutes where provide the means of the business investment and its growth, the role of Small Business Administration (SBA) and chamber of commerce is to help business enter the market with future prospect of prosperity and be able to expand its business further (Jones, 2007). The business market and industries are both relevant to the Small Business Administration (SBA) and chamber of commerce since the small business are local and of local investment it is of better view that the business investment gains the promised profits by the end of terms. The role of Small Business Administration (SBA) and chamber of commerce is not only to provide with help but also guide lines that keep businesses in check (Bean, 2015). The Small Business Administration (SBA) and chamber of commerce provide businesses with the regulations designed for each business market and industry as their progress in the local economics (Miller, Harriet and Karen, 2001). The Small Business Administration (SBA) and chamber of commerce both are responsible to make sure the rule and regulations of the market and

industry are met and that the local business is of high quality since the trade of the local business with international market promises better Gross domestic product by the end of each year (Sherman, 1999).

Since the small and medium are of limited investment their losses are also small but the small loss can cause the particle party to suffer the most (Lussier, 1995). The small and medium businesses are usually invested in by a small group of people or by an individual. Either way the services provide to sustain business on medium and small size greatly (Robinson, 2001). The services provided by Small Business Administration (SBA) and chamber of commerce are mostly accessed through the websites and online resources that are open to every business in market (Pearson and Elizabeth, 2004).

The guidelines in the Small Business Administration (SBA) and chamber of commerce websites remain active and change according to the changes in trade functions, new policies and other regulation notices making sure the information provided to all business and market is up to date (Dholakia and Nir, 2004).

The online resources have been an effective way to help business both small and medium sized to sustain their operations. The online resources are easy to access and the businesses do not need to register for any extra cost. With the information free of cost available at the convenient of the business itself, there is less ambiguity in planning and execution of the business process in the market (Clark III and Chad, 2004).

The online world of business and management has where enable the business to be able to process at greater speed and with effectiveness, also has enabled it to make partnership across borders and within the local market (Viana, Debora, Roland and Jeffrey, 2005). The business and markets connected with the online resources are able to perform their operations with success and ease (Chittenden, Saleema and Panikkos, 2002).

The perception of the small and medium sized businesses has also altered with the online resources availability. In the past the same resources were not easily accessible and not every small and medium business was able to maintain its operations through complex networking due to cost and extra requirement of resources (Yew Wong, and Elaine, 2004). The businesses and new markets have since then expanded in operations and now the use of the online resources and computers have become more complex and dependable (Palvia and Shailendra, 1999). The business

operations can connect with the governmental and other regulatory authorities directly as well.

The government registration system for the business to gain information easy to access as well as the businesses and government are able to maintain their rating through the government system. The financial resources of e business are linked with the governmental and in the age of technology and information system the businesses and new market entrants are not able to keep any fraud hidden which means the operations of the businesses in the small and medium sized market are open and transparent.

The support provided by the government and to the businesses is not limited to the information and knowledge but also extends to other areas like funding and trade support (Coleman and Richard, 2000). When the government sees the businesses in small and medium sized market excelling and creating a strong market, the government allows certain trade policies relaxed or renewed that can aid each of the small and medium sized business in the market to be able to gain profits from the policy changes and gain profit as well (Bressler and Linda, 2007). The businesses in relationship with government and other authorities like Small Business Administration (SBA) and chamber of commerce also enjoy the benefit of funds and investment extended by the government. These funds help business sustain and grow in the local and international market (Kitching, 2006). With subsidies provided to the local businesses the gross domestic product is positively affected as well as the employment rate in the country.

The Small Business Administration (SBA) and chamber of commerce in this regard also provide better investment chances as well as the aid to the business of small and medium size that can be linked with international reforms (Poon and Paula, 1995). The government being the representative of the business to the international market and the international market to the business act as the intermediate to help sustain the relationship in the business to international market (Hormozi, Gail Robert and Wendy, 2002).

The Small Business Administration (SBA) and chamber of commerce knowledge, information and support provided to all small and medium sized businesses can help business succeed in the international and local market but these aspects have not been explored and further researched to help sustain between relationship between businesses in small and medium sized market and the government through IT adoption and management (Riemen schneider, David and Peter,

2003). The Small Business Administration (SBA) and chamber of commerce role in the business market and its stability means the stability of the small and medium sized businesses that seek funds, stability as well as protection from the other large scale businesses that can create difficulty in competition and market share (Yoshida and Robert, 2005).

The current study aims to find the relationship between the Small Business Administration (SBA) and chamber of commerce and the business success to help understand how the business success can be pushed to accelerate further through the support provided by the Small Business Administration (SBA) and chamber of commerce as well as the knowledge and information through electronic resources that are accessible and available to all the elements in the market and industries. The current study aims to find the relationship through small and medium sized businesses that have been closely related to the Small Business Administration (SBA) and chamber of commerce and have availed certain level of information and support to further strengthen the interest of the analysis.

RESEARCH METHODOLOGY

Following is the research methodology for the indented research. The research methodology section includes the details of the objective and research scope along with the aspects of research analysis conducted for the current study. The sample size, its characteristics and the other relevant processes are discussed connected with the proposed hypothesis of the study.

Sampling Method

The random sample is used within the local small scale business market of Jazan, Saudi Arabia for which the internet resources from the Small Business Administration (SBA) and the chamber of commerce are provided. The businesses selected in the sample are of medium and small size. Each business has been analyzed in terms of its success in market and how this success has been linked with the support and knowledge provided by the Small Business Administration (SBA) and chamber of commerce.

Sample Size

The current sample size is the 44 small businesses that are connected through proper means and then studied further to help understand how the business can benefit from the internet and online resources provided by the Small Business Administration (SBA) and chamber of commerce.

Data Collection Method

The surveys are designed to collect data from the small scale businesses. The five scale likert scale is used to collect data that can be further analyzed. The surveys are designed based on the nature of business and the variables involved in analysis.

Hypothesis (proposed)

The hypothesis proposed here for the study is as follows

Hypothesis: the support from Small Business Administration (SBA) and chamber of commerce electronically positively impacts in the success process of the new venture in local business.

1. Data Analysis

The collected data is analyzed using the SPSS. A number of tests are applied including the reliability test and correlation test to study the direct relationship between the two designed variables. The broad variables are further divided into their constructs to get a clear connection between each of the constructs with the dependent variables.

Since simple random sample is used to collect data the standard deviation for each variable is calculated through the following formula where S denotes the standards deviation for each variable

$$S = \sqrt{\frac{\sum(x-\bar{x})^2}{n-1}} \tag{I}$$

Where,

X is the separate response calculated

\bar{X} is mean of the collected value variable

\sum Is the sum of numbers

And n denotes the number of values for each response statement

The mean is calculated using the following formula and denoted by \bar{X}

$$\bar{X} = \frac{\sum x}{n} \tag{II}$$

Pearson’s Correlation is used to test the hypothesis for each relationship defined below. The Pearson correlation formula is given below where the correlation between two variables such as x and y is denoted as r_{xy}

$$r_{xy} = \frac{con(x,y)}{\sqrt{var(x)} \cdot \sqrt{var(y)}} \tag{III}$$

Where,

Cov (x, y) is the sample covariance of variable x and variable y

Var (x) is the sample variance of variable x

Var (y) is the sample variance of variable y

Histograms for Each Variable

For each variable, a set of ten statements have been developed to collect data from sample. This sample is

coded into the SPSS and Excel to generate the following SPSS results and Excel Histograms.

Small Business Success

Small Business Success is the dependent variable in current study. The variable data is collected using statements against which eth responses are collected on five likertscales. Following is the table showing frequency for each point likert scale in 44 responses

Table 1: Frequency Table – Small Business Success

Points	Frequency
1	2
2	8
3	14
4	11
5	9
Total	44

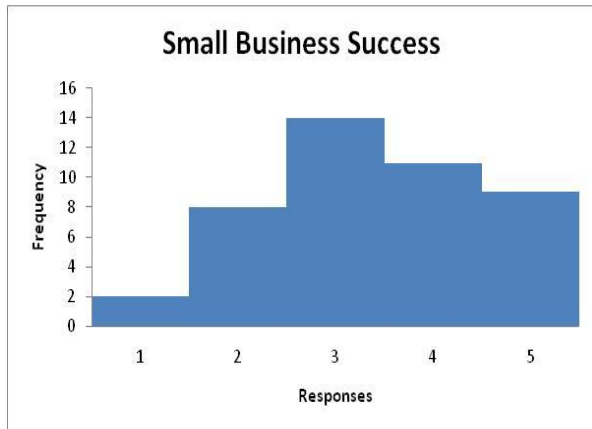


Fig 1: Small Business Success

Knowledge Support

The knowledge support variable is the independent variable. The data is collected for knowledge support variable using ten statements for which the responses have been collected on five likert scale. The following is the frequency distribution along with histogram for knowledge support

Table 2: Frequency Table – Knowledge Support

Point	Frequency
1	1
2	6
3	12
4	15
5	10
Total	44

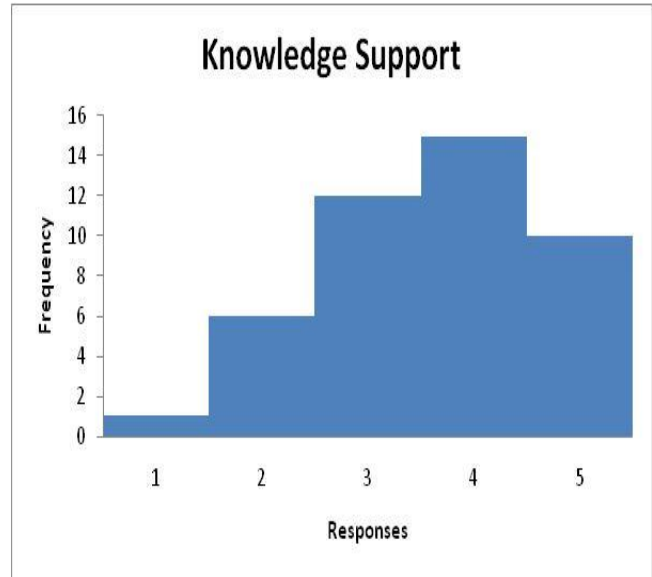


Fig 2: Knowledge Support

Support Provided

Support provided is another independent variable for which the ten statements data is collected using five scale likert. The 44 responses frequency has been provided below along with histogram.

Table 3: Frequency Table – Support Provided

Bin	Frequency
1	1
2	8
3	10
4	13
5	12
Total	44

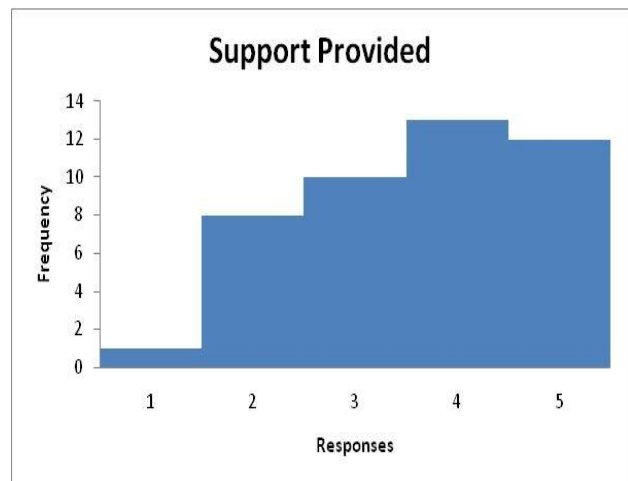


Fig 3: Support Provided

The cronbach alpha, standard deviation and mean are calculated using SPSS along with Correlation that is used to device the hypothesis outcomes.

The results of the SPSS tests are provided below in the table. The independent variable of SBA and Chamberof commerce support is studied through two of its

constructs including Knowledge provided by the internet and online resources of the SBA and Chamber of commerce as well as the Support provided by the SBA and chamber of commerce online resources leading to the deponent variable of small business success.

TABLE 4: Means, Standard Deviation and Correlations

Variables	Mean	SD	BPS	KP	SP
Small Business Success	5.28	1.13	(.862)		
Knowledge Provided	5.20	0.92	.246**	(.785)	
Support Provided	5.35	0.93	.220**	.079	(.796)

n= 44; SBP = Small Business Success; KP = Knowledge provided; SP = Support provided

**Correlations is significant at the 0.01 level

*Correlation is significant at the 0.05 level

() Cronbach Alpha, Reliability values are given in bold parenthesis

The results show that the relationship between business success and Knowledge provided by the SBA and Chamber of commerce are positively and significantly related (mean = 5.20, p< .01). Whereas the relationship between business success and the support provided by SBA and chamber of commerce through online resources are also significantly positive (Mean = 5.35, p < .01).This shows that the relationship between the support of Small Business Administration (SBA) and chamber of commerce provided electronically in terms of support and knowledge help business mark its steps in the new market and eventually be able to sustain itself. The results show the relationship between both independent and dependent variable is proven right where strong correlation has been recorded. These results have been drawn with other variables considered constant. The proposed Hypothesis of “*the support from Small Business Administration (SBA) and chamber of commerce electronically positively impacts in the success process of the new venture in local business.*” is accepted given that the sample industry is considered for which the findings of the current study can be generalized.

CONCLUSION

The findings indicate that the relationship between SBA and chamber of commerce support through online resources and the business success are positively and significantly related. Moreover the technological resources turn out of be a supportive advantaged the business that are new in the market and seeking relationship with government and other resources.

RECOMMENDATION

The future recommendations direct towards the study of relationship between technological resources and how can these resources be of value when they are used in the future of the business to be able to expand and grow in the national and international market. The role of governmental support and the chamber of commerce diligence in lending hand to the business with potential are the areas that should be further explored.

The current study opens the gap between the governmental level research and the impact of such research on the businesses and future income of the local economy. The effectiveness of the government, chamber of commerce and Small Business Administration (SBA) are the core factors that can help determine business success in market. Hence it is important to explore the governmental role and its efforts in creating sound management system at the Small Business Administration (SBA) and chamber of commerce level. Such should be considered in future studies and replication of the current study in different industries and market.

FUTURE STUDIES

Since the new ventures research and the small and medium scale business revolves around the entrepreneurial studies, there is need to explore the factors that determine the success and failure of entrepreneurial business. also the factors of chamber of commerce support and the knowledge support provide by the Small Business Administration (SBA) should be considered when devising a comprehensive plan for

governmental and entrepreneurial authorities to help sustain investments in the market and attract businesses. The businesses at small and medium scale that wish to become part of the active market seek support, funding and other material that can help them sustain in market. Such sustainability means more jobs and investment in the local economy. Hence the factors that directly and indirectly impact the local economy should be considered when replicating this research on a grand level with more industries and businesses in different markets to be considered.

Implications for Management and Entrepreneurships

There are two separate set of implication that can be derived from the current study. The first set is regarding management practices and policies. In such practices and policies the government and the chamber of commerce role is defined. The businesses that seek support and funding from the Small Business Administration (SBA) and chamber of commerce need to manage properly. With the help of how much dependent a new or small and medium scale business is to the information provided by the government, chamber of commerce and Small Business Administration (SBA) is helps develop better methods and approaches to convey the information and cover the areas that are element to the industry specific and business specific operations.

The second set of implications draw on the small and medium scale businesses on how they can use the information provided and can access it. There is need of education in this system and retrieval of information. If the businesses are not aware of the new information and knowledge in the market, they cannot access it and use to their advantage, hence the business propensity to use such knowledge and be eager to find it persist when it comes to business success. If there is sufficient support provided to all the businesses in the market with accurate information, the businesses can find the information easily and use it to their advantage without any problem.

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