UNIVERSITY OF NAIROBI

AN INVESTIGATION ON THE FACTORS CONTRIBUTING TO POOR PERFORMANCE OF SMALL SCALE ENTERPRISES: A CASE STUDY OF SMALL BUSINESS UNITS OF RUARAKA AREA

BY

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DECLARATION

This is my original work and has never been submitted for any award in any other university.

Signed. ................................ Date 19/07/2008

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This research project has been submitted for examination with the authority of university supervisor

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ABSTRACT.

Business organizations are categorized into two i.e., large firms or companies and small firms or companies. This study concentrated on the small firms and in particular, the small scale enterprises.

The factor that motivated the researcher to specialize on this topic of study is the fact that majority of entrepreneurs establish enterprises and they collapse just within a blink of an eye.

It was in the interest of the researcher to find out the exact factors that causes their poor performance so as to prevent others too from following the same trend. This is so because small scale enterprises not only benefit the owner manager himself/herself but they are also of great benefit the whole country at large. They benefit the country in that they help create additional employment opportunities, eradicate poverty especially among those who live in slums and the rural areas and also they boost the economy of the country.

The study was conducted on small scale enterprises in Kasarani constituency, Nairobi, and it sought to find the factors that contribute to their dismal performance.