

The Perception of Small and Micro Enterprises in the City of Durban Central Business District (CBD) (Kwazulu- Natal) (KZN) towards Financial Planning

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Abstract

Poverty reduction and employment creation are some of the top United Nations Millennium Development goals. This can best be achieved through increasing employers. Many small and micro businesses are started every year but fail in their infancy due to lack of financial planning knowledge hence the purpose of this study which was to investigate and evaluate the perception of small and micro enterprises towards financial planning. This was a quantitative research method and a structured questionnaire was used to gather data. The research was carried out in Durban, South Africa and the results revealed that most of the small and micro enterprises do not understand what financial planning is, hence their inability to plan and manage their finances accordingly. Those who got advice from financial experts implemented it but in accordance with their particular businesses. It can be concluded that small and micro enterprises owner-managers in the Durban CBD working on their own or with the assistance of their accountants need to develop their financial planning knowledge skills if they are to succeed, grow and reap business benefits from the financial information they record.

Keywords: *Financial planning, small and micro enterprises, financial statements, Gross Domestic Product (GDP)*

1. Introduction

Small business sector, under which small and micro enterprises fall is a very vital part of any country's economical growth. Small businesses account for half of private Gross Domestic Product(GDP), employ half of the private workforce and are the source of most job creation. Their importance to production and job creation makes their sustenance, success and growth fundamental to economic growth of any country (Chow and Dunkelberg 2011:214). It is with these notions in mind that every government should make sure that the small business sector does not fail but continue to grow. Unfortunately most of them cease operation in their early years of inception due to mismanagement of their businesses especially their finances. The research focused on the perception of small and micro enterprises towards financial planning, it looked at their knowledge, their current practices as well as the implementation of financial planning advice from financial experts.

The rest of the article is organised as follows: the next section presents the problem statement. The contribution of the study follows. The fourth section presents the aims and objectives. The fifth section is the theoretical framework, followed by the methodology and lastly the findings and conclusion.

1.1 Problem statement

There is a lack of knowledge and understanding of financial planning processes among entrepreneurs hence their

perceptions towards the whole financial planning process. Small and micro enterprises being the engine driving job creation (Lotz and Marais 2007: 693) and main contributors towards the fiscus, need to run their businesses properly for continuous operation, success and growth. This research examined the small and micro enterprises' perception about financial planning, the knowledge they have and the implementation of financial planning processes. It is envisaged that substantial information about the small and micro businesses' financial planning knowledge and implementation gathered from this study poses a potential of this study to be run at a national level in the future. It is hoped that this study will make recommendations to all stakeholders in terms of improving small and micro enterprises financial practices in order for them to continue trading, succeed and grow.

1.2 Contribution of the study/reason for the study

The main reason for embarking on this study was to investigate the knowledge small and micro enterprises in the Durban CBD have about financial planning. This aspect forms the core of any business plan and it is imperative that business owners know and understand it. Failure to do so will eventually risk cessation of business operations at the end (Macleod, 2004: 107). It is therefore important that the owner learn and understand the financial statements as they serve to bridge the business owner's business idea and what that idea really means in terms of dollars and cents (Bygrave and zacharakis 2008: 309). Thus this research hopes to give an insight to the small and micro entrepreneurs about the importance of financial planning knowledge, understanding and ability to analyse their financials themselves as well as possible solutions to assist them in improving the ways they handle their financials so as to enable them to continue in business, grow and succeed.

1.3 Aims and objectives of this study

The overall aim of the study was to investigate the perceptions of small and micro enterprises towards Financial Planning and its implementation. This was done by examining the following objectives:

- To establish and evaluate small and micro enterprises' financial planning knowledge;
- To investigate how small and micro enterprises perceive financial planning,
- To investigate the financial planning practices employed by small and micro enterprises;
- To evaluate the implementation of financial planning advice from financial experts by small and micro enterprises owner-managers.

2. Theoretical Framework

2.1 Financial planning knowledge

Financial planning which is a road map for guiding, coordinating, and controlling the entity's activities to achieve its objectives, is a very important aspect of any business's operations. And there are two main aspects of financial planning which are inherent with successful financial planning and these are cash and profit planning.

2.1.1 Cash planning and Profit planning

Cash planning involves preparation of the enterprise's cash budget which is a statement of the business's planned inflows and outflows of cash. And this statement is used for cash requirements estimation especially cash surplus and cash shortages. While Profit planning involves preparation of pro forma statements which are projected income statements and balance sheets, and relies on accrual concept for projection of the enterprise's 'profit and overall financial position.' Profit planning is of great importance to shareholders, creditors and management of the entity. Both cash and financial planning are very crucial for internal financial planning and are also needed by current and prospective money lenders when they are to take decisions. (Gitman, 2009: 117,120,128).

To reach or achieve profit 'objectives' or goals, the business owner-manager must be well-aware of the enterprise's financial position and the changes that take place over time in the business financial position (Scarborough 2011:346). In addition, Macleod and Terblanche (2004:213) emphasised the need for a strong financial base for any business to succeed. They went on to say that it is of vital importance that before one can formulate the financial plan, an understanding and use of records must be taken into consideration.

Scientists from various disciplines agree about the importance of small and micro businesses to economic growth and personal wealth, and it is believed that about 25 percent of employment outside agriculture depends on this sector for their livelihood (Unger, Keith, Hilling, Gielnik and Frese, 2009: 21). This is further corroborated by (Yahya and Susela, 2011b: 83) where he claimed that more than 63% of total Iranian manpower are employed by small enterprises sector. Therefore given the importance of this sector to the country's economy it is imperative that owner-managers and employees have a basic level of financial awareness to help the business succeed (Warner 2010: 9).

Unfortunately, research and anecdotal evidence suggest that significant number of small and micro entrepreneurs do not plan their financials; they just blindly run their businesses. They fail to collect and analyse simple financial data. On the same theme, (Kojo, 2010: 177) revealed that almost half of the entrepreneurs are not knowledgeable about their financial matters. He went on to say that about half of them do not plan their financials; they just use their income as they go. Some study carried out found that only eleven percent of small businesses are able to analyse their financial statements for managerial planning or decision making purposes, leaving a chunk of eight – nine percent of small businesses trading on blindly (Bygrave and Zacharakis 2008: 310-311).

The above views are also supported by Millarcom Inc. communication management (2007: 1-3) which reiterated that planning is the key to business growth and success but found out that many business owners do not plan their financials at all, and those who try to do it do not do it right. According to Brian Holt, director of small business at Scotia bank in Toronto, as quoted by Millarcom Inc. communication management (2007: 1-3) stated that just 38% of the bank's entrepreneurial business clients have a formal business plan that contains such elements as a strategic plan and financial projections. Thus leaving a whopping percentage (62%) of non-planning group. Millarcom Inc. communication management (2007: 1-3) went on to add the findings by Roger Pierce, co-founder of Toronto-based Biz Launch, which stated that only one in five has a business plan. "Entrepreneurs get so excited about their idea," he says, "that they charge ahead without a plan."

On the same theme, (Alattar, Kouhy and Innes, 2009: 85) asserted that small and micro enterprises owner-managers have little knowledge about financial matters, and found out that those with little or limited financial planning skills do not even value the information extracted from financial statements. They do not place value on the information provided by their external accountants. This is due to the fact that if one does not understand or have no knowledge of something, talking to them about it will be a waste of time since they will not believe in things they do not know or practice. On the notion of owner-managers financial planning knowledge, many of them have been found to have inadequate management skills especially in planning. They have been found to be unable to even seek information needed for their business success (Scase and Goffee, 1985 and Rothwell and Beesle, 1989) as quoted by (Tim, Sophie and Geoffrey, 2009: 324).

Abdel (2010: 163) revealed that small business owner-managers have very basic understanding of financial and accounting information. He goes on to say that they have serious problems with financial planning literacy. Most of the small firm owner-managers have been found to have problems in reading financial language and understanding common terms and conventions used in financial reports. One owner was in agreement with this statement when he said "See this, you get lost in all this chartered numbering thing and opening stock, all that, that's very confusing. I don't even look down here when they get into this kind of perforated Profit and Loss and little brackety things, it's too hard" (Abdel, 2010 : 170).

Yahya and Susela (2011: 81-82) claim that the main reasons small businesses outsource accounting functions are that they lack necessary resources and skills required to carry out accounting functions within the organisation, they lack the expertise and specialised knowledge of the professional accountant. They go on to say that from empirical studies carried out, outsourcing of accounting services is mainly prevalent in developed economies where outsourcing of accounting services is examined.

In as much as the small and micro business owner-managers know the importance of financial planning, many of them tend to rely heavily on experts like accountants for all their financial planning processes. They never want to learn to do it themselves. In actual fact they do not know how to do their financial planning and cannot even read the financial statements (Terblanche, Moeng and Macleod 2011: 99). On the same theme, (Yahya and Susela, 2011: 183) also mentions that most of the small businesses rely on their external accountants as a business advisor.

In line with the above notion, a recent study by the University of Cape Town (UCT) Graduate School of Business (GSB) revealed that simple and basic financial management habits like regular follow up on debtors has a great impact on the survival and prosperity of an enterprise. Unfortunately many small and micro business owner-managers do not bother empowering themselves with financial planning knowledge skills. This is mainly due to the fact that many people who become entrepreneurs are only technically trained but not financially (Terblanche, Moeng and Macleod 2011: 235).

Many small business owner-managers are able to go through their business plan successfully and they understand

their concept and have a good sense of the business model but when it comes to numbers they are intimidated. They do not understand the financial statements at all. Bygrave and Zacharakis (2008: 309) found out that most of them have panic attacks when asked to put together simple pro-forma financials or read an income statement. Some think that it is not important for them to know or understand their financials since an accountant will do it for them, but the rewards of gaining the financials insight are often the difference between success and failure of the businesses.

Most small and micro businesses invest considerable time in budgeting but very few do it successfully. They really need some training and advice in financial planning process (Warner, 2010: 9) The fact that most of the small and micro enterprises start-ups are financed primarily by personal savings, with family and friends coming in the second place of start-up financial source might be a contributory factor to the small and micro businesses' reluctance to learn more about financial planning and keeping business records, as they do not see the need or use of the documents because most of them do not believe in debts or borrowing (Longenecker, 2006: 223).

Having expressed the role played by financial planning in the success of any business, Small and micro enterprises being the engine of world economy need to have a strong financial plan in order to survive and succeed (Mariotti, 2006: 6). Small and Micro Enterprises economy is widely viewed as a crucial contributor to employment creation, poverty alleviation and general development in any country (Lotz and Marais, 2007: 693) thus it is therefore imperative that the entrepreneur be knowledgeable about all functional areas of business in order to make it and for longevity, survival and success. Failure to adhere to this may lead to business failure (Naidoo and urban, 2010: 237)

Bekele and Worku (2008: 548) empirically found out that about 49 per cent of businesses ceased operation due to lack of financial planning expertise. Financial planning is the heart of a business entity and there is need for it to be known in and out and be implemented accordingly otherwise the business risk failure or cessation. This finding is also supported by O'Dwyer and Ryan's as well as Nayak and Greenfield's findings as cited by (Alattar et al., 2009: 85), where they note that micro enterprise owner-managers see planning as a waste of their time. They prefer to monitor their enterprises activities mentally on a daily basis. On the same theme above, it has been recognised that owner-manager small businesses choose not to grow or 'cap' their growth, a decision usually taken by the owner-manager mainly to restrict expansion because they feel that it is risky and may become difficult to manage (Hanks 1993 and McMahon 1998) as quoted by (Tim et al., 2009: 322). He went on to say that although some small enterprises do grow strongly in their infant stages; only a few of them sustain the growth to reach and experience the full business lifecycle and become big organisations.

Some of the small and micro business owner-managers have been found to be so unknowledgeable about financial planning to the extent that even if an accountant or a financial expert was to approach them to offer them advice or assistance, it would not be of any help as they would not even know what to ask. Some were said to be unaware of the financial reports to be produced. This is in support of (Abdel, 2010:173-4) where he commented on a few owner-managers who benefited from their accountants' advice as "... for some this was not possible as they had "no idea what the accountant was talking about", were either "too embarrassed" to ask for assistance or did not "know the questions to ask"

Contrary to most of the owner-managers interviewed in Abdel's research, thirty percent of them who took part in the same research do practice financial planning though it is to a lesser extent. They indicated that they analysed their financial reports and were able to take decisions from there. About ten percent revealed that their financial skills have improved over the years and are even able to generate different types of budgets such as turnover, wages or telephone bills. (Abdel, 2010: 171-2).

From a study by Tushabonwe-Kazooba as cited by (Akande, 2011: 374), results show that small businesses fail mainly due to lack of basic business management experience as well as poor business record keeping. A number of researches also revealed that small business owner-managers' inexperience in the field of business, inadequate business skills and lack of planning skills are the major contributors to their failure in their enterprises Lussier, Murphy, Shleifer and Vishny ; Van Stel and Storey as quoted by (Akande, 2011: 374). Akwani (2007: 374) also observed a high rate of small enterprises death in their infancy when he stated that most of the small businesses rarely survived their first birthday in business.

Furthermore John Orford, a University of Cape Town Graduate School of Business (GSB) researcher as quoted by (Nieman 2006: 94-95) claimed that small business failure is mainly due to lack of administrative and financial management and not finance itself. He went on to say that 'Unless priority is given to addressing underlying....' Financial management weaknesses, the government policies which are focused on assisting small and micro businesses secure extra finance may not work. He reiterated that small and micro business owner-manager need training in business administration and financial management.

Despite numerous problems faced by small and micro enterprises, a number of them have expressed their

willingness to expand their businesses. The National Federation of Independent Business Research Foundation of the United States of America found that about (72%) of small business owner-managers would like to expand their businesses within five years, but were being impeded by poor sales, lack of orderly and predictable business regulations as well as lack of skilled labour and trouble in securing finance (Amanda, 2011: 1).

2.2 Financial planning tools being employed/ practised

Like any other organisation these enterprises have their own way of doing things, they have their own practices they are following in managing their finances, whether the methods they follow are correct or not, working or not is debatable. These enterprises' practices are elaborated at length as follows:

Alattar et al (2009: 102-103), stated that there is lack of formal procedures when planning finances within small and micro enterprises. Very little is written down and oral methods are relied upon when planning the finances. Their decision making is influenced by factors related to and ranging from personal- abilities, perception and beliefs, social- experience and economic – financial situation contexts. On the same theme Abdel, (2010:167-70), asserts that cash flows, ratio and profitability analyses are effective measures of business success in small and micro firms but research found out that only 2% of small and micro firms performed or carried out these analyses.

Parker (2008:102-107), suggested that small and micro enterprises need to have a simple yet very effective reporting system that allows them to monitor their daily, weekly or monthly business performance by drawing up simple spread sheets which will assist them in knowing the following main questions in running a business successfully:

- How much did they pay for the product or service?
- How much handling, storage, processing and delivery cost did they incur?
- How many units were sold during any given period, a day, week or month?
- What was the total sales revenue?
- What were the overheads?
- What the net profit percentage was?

2.3 Implementation of the financial planning knowledge

As mentioned above, business owner-managers are challenged by financial planning matters to the extent that most of them end up not implementing financial experts' advice.

3. Research Methodology

3.1 Population and sample

There are in excess of 2000 small and micro enterprises in the Durban Central Business District operating in different streets (Ethekwini Business Unit, 2011). Their main focus is buying and selling, provision of services such as hair and beauty salons, and IT services and repairs. Participants were randomly selected using a probability method and 140 respondents took part in the study, to create a sample size of 100, which according to (Sekaran, 2010: 295-296) is representative enough. Simple random sampling method was used since it gives every member of the population an equal chance of being included in the sample (Welman, Kruger, & Mitchell, 2005:56–57).

3.2 Research method

Quantitative research method was used for this study mainly for its flexibility (Muijs 2011:2). In addition since the research is primarily based on quantitative research. A structured questionnaire was deemed most appropriate to use with this method and was chosen for the study. A decision was taken to administer a standard structured questionnaire among small and micro enterprises in the Durban CBD. The study was exploratory in nature. This method was considered advantageous in that it allowed the measurement of small and micro enterprises owner-manager perception towards financial planning through the use of a limited number of questions, thereby allowing comparisons and statistical data to be used. The questionnaires were self-administered to all participants with the assistance of a translator. One Hundred and forty participants completed the questionnaires and this represents 100% response rate.

3.3 Research instrument

Questionnaires with simple open and closed ended questions driven from the literature were designed to draw data about small and micro enterprises perception towards financial planning. The questions asked covered information on:

- biography;
 - financial planning knowledge;
 - financial planning perception;
 - financial planning implementation;
 - assistance or support from business support organisation.
- The organisation of the questionnaire helped the researcher:
- to observe respondents behaviours and expressions;
 - to understand their emotional responses.

3.4 Data collection

The questionnaire was personally administered to all participants by the researcher in order to gather as detailed information as possible so as to enhance the successful outcome of the study. The research instrument was adopted from Muijs (2011:37). All questionnaires were administered by the researcher to small and micro enterprises. Each questionnaire was accompanied by a letter of informed consent to ensure that the respondents were well informed of the nature and the intention of the study.

3.5 Data analysis

Data analysis forms the core of the whole research. It serves to elicit validity, eligibility, reliability, generalisability and meaning of all information gathered.

The questionnaire was designed in such a way that the responses could be easily coded. Data was firstly captured on a spreadsheet, and measurements were analysed using statistical techniques, this was done in order to test the hypotheses through the measurement of differences between the variables. Data was analysed using statistical Package for Social Scientist (SPSS). Analyses were carried out by:

- Looking at central tendency and variability of appropriate demographic information and likert items;
- Looking at frequency distribution tables and demographic items;
- Cross-tabulation of survey items and average factor scores;
- Conducting appropriate statistical tests of study hypotheses.

The presentation of findings of this study is narrative, and is supported by tables and figures (graphs) to enable easy expression of complex information. Factual data was depicted in the form of categorical tables so as to enable different variables to be cross-tabulated and viewed quickly. Descriptive and inferential statistics was used to analyse the data gathered. From the information gathered, the mean, mode and median were calculated. These were then presented in tabular and graphical form in the text. The SPSS program was used to analyse data in this study.

3.5.1 Reliability and Validity

A pilot study was conducted in order to ensure the reliability and validity of the research instrument. Drost (2011: 105) states that reliability test results are the same for a test done under different occasions, conditions and by different people. The research instrument design (questionnaire) ensures that if a different person had to use the same design, same findings would be obtained. Drost (2011: 108) also describes validity as being concerned with the idea of measuring what the research design was intended to measure. Laljit (2006:33) describes validity as concerned with the idea that the research design addresses all research objectives. To ensure that the objectives were addressed, the questions were short, easy to understand and were driven from the objectives themselves.

4. Findings

4.1 Financial planning knowledge

The overall pattern in figure 4.1 is a response of "disagreement" except for nearly two-thirds (62%) who agreed with the

statement regarding knowledge of profit planning. Most of the respondents only understood profit calculation, otherwise when it comes to the rest on the processes which are involved in financial planning they do not understand these concepts. Even those who indicated that they do understand what financial planning is, they are not able to analyse the financial planning documents and extract some useful information.

This pattern is supported by Kojo, (2010:175) who found that almost half of the respondents (46.1%) disagreed and strongly disagreed with the question about their ability to plan and manage their finances. Most of the small and micro enterprises owner-managers (84%) indicated that they do not understand what is involved in financial planning. This finding is in line with earlier studies by Abdel (2010:163). The study found that small and micro enterprises owner-managers have serious problems with financial planning literacy.

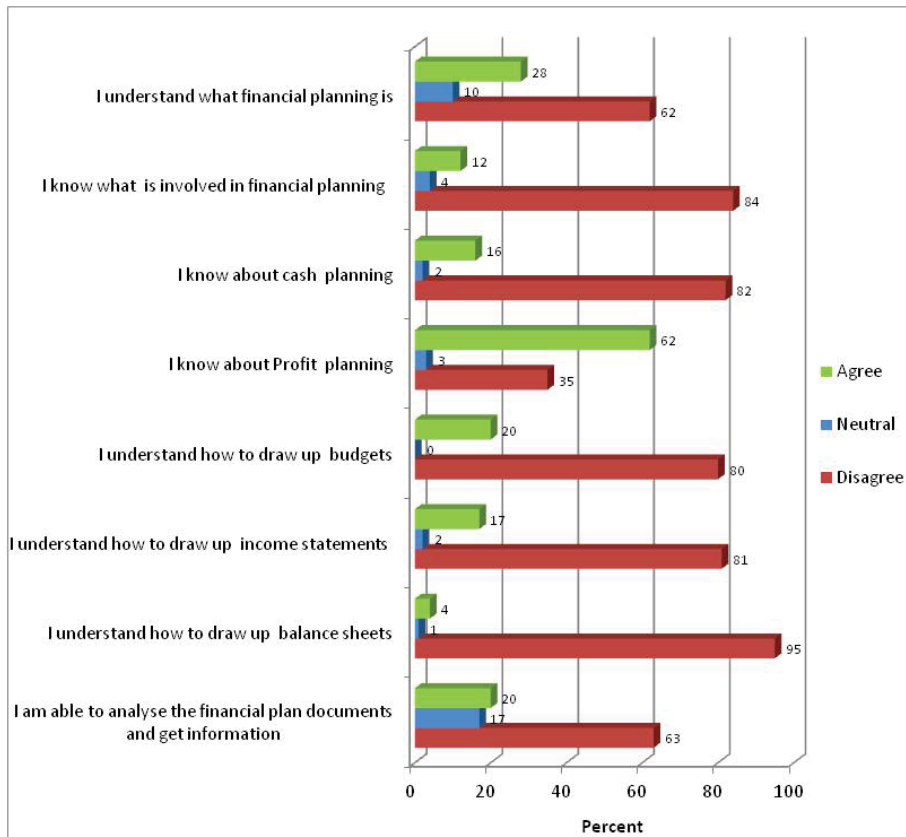


Figure 4.1: Financial planning knowledge

4.2 Financial planning perceptions

This section is concerned with how the small and micro enterprises owner-managers feel about the practice of financial planning in their businesses.

4.2.1 Financial planning perceptions and practices

Question 2 seeks to establish the small and micro enterprises owner-managers' attitude towards financial planning as a whole as well as their current practices. Their perception and practices are shown on figure 4.2 below:

The figure below is a summary of the responses for the statements in this category.

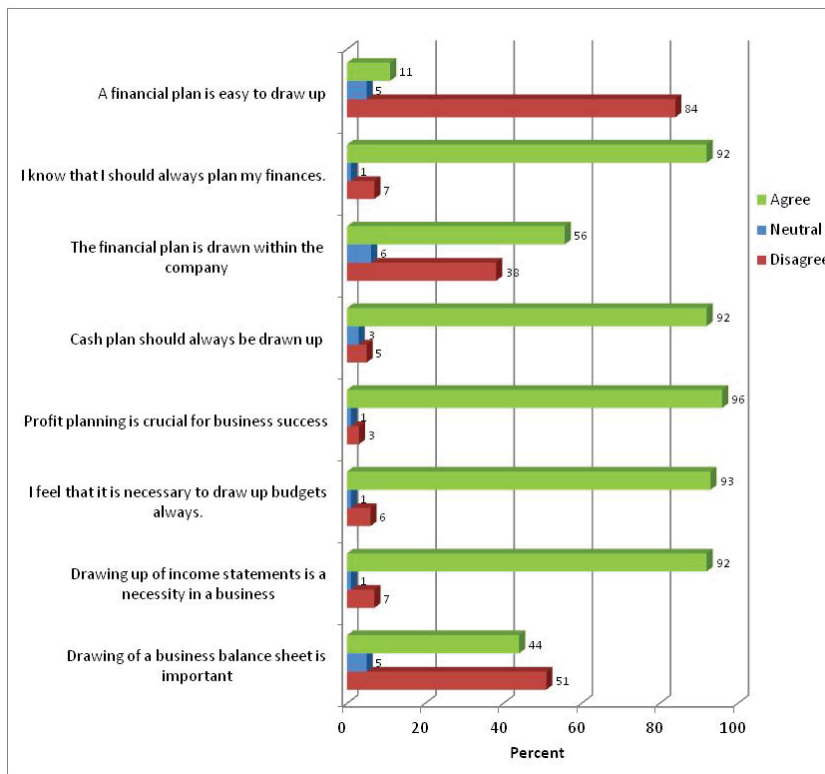


Figure 4.2: Financial planning perceptions

Most respondents (84%) did not believe that a financial plan was easy to draw-up. In conversation about the questionnaire during data collection, respondents were asked about drawing up of a financial plan and they indicated that though some of them tried to draw up a financial plan, it is a very difficult exercise for them to do. The finding is supported by Kojo's (2010:175) study in which he found that nearly half of the respondents disagreed that they could draw up a financial plan, use or manages their finances.

The study showed that respondents do appreciate the importance and necessity of a financial plan for the success of their enterprises although incorporating and practicing it is a problem to them. This is shown by high levels of agreement for the following statements viz: I know that I should always plan my finances; The financial plan is drawn within the company; Cash plan should always be drawn up; Profit planning is crucial for business success; I feel that it is necessary to always draw up budgets; Drawing up of income statements is a necessity in a business. The majority of the respondents (84%) disagreed that a financial plan is easy to draw up. This finding is in line with earlier studies by Millarcom Inc. communication management (2007: 1-3) and Abdel (2010:163) who indicated that small and micro business owner-managers do not know how to draw up a financial plan.

When asked whether the financial plan is drawn up within the business, 38 percent of the respondents disagreed. Possible explanation could be that some of them outsource all financial matters to external accountants and financial experts, or they do not draw up financial plans at all in their businesses. The finding on whether the financial plan is drawn up within the entity is consistent with preceding studies by Terblanche (2011:99) and Yahya and Susela (2011:183). They found that small firms rely on their external accountants for business advice and that they outsource accounting services including financial statements.

Over half of the respondents (51%) disagreed that drawing up a balance sheet in a business is important. This result may be explained by the fact that most of the small and micro enterprises do not own assets especially fixed assets, and most of them do not buy or purchase on credit. For a company to draw up a balance sheet there must be assets and liabilities. The only assets most of them have are current assets in the form of inventory.

4.3 Financial planning implementation

This section investigates whether or not small and micro enterprises accept the advice and recommendations from accountants and financial experts. It is concerned with the implementation or putting to use the advice and recommendations of financial experts or accountants by the small and micro businesses. The section goes further to check whether the small and micro businesses implement the advice exactly as given by the experts or they implement it in their own ways which suit their operations. This information is depicted in figure 4.3.

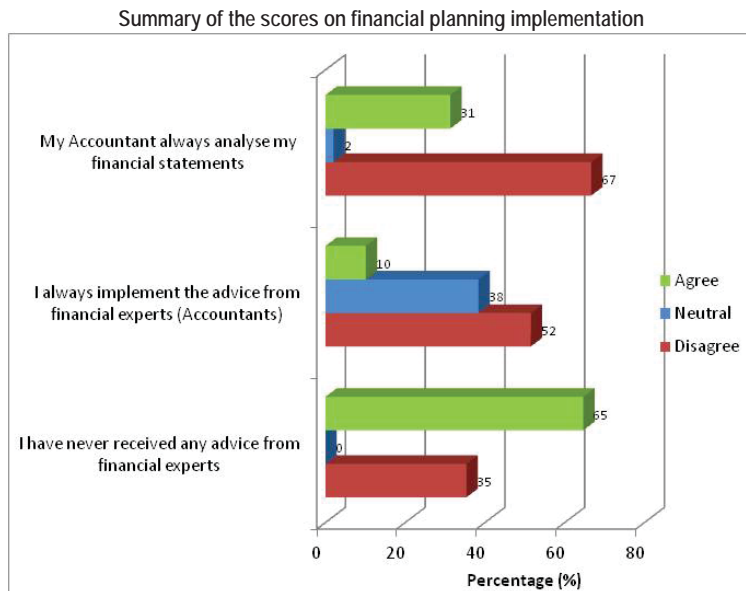


Figure 4.3: Financial planning implementation

A total of 67 percent of the respondents were in disagreement with the statement that their accountants always analyse their financial statements. The main reason for such a result may be that many of them cannot afford to hire an accountant to do the job for them, or there are no records to be analysed.

On whether they implement the advice from financial experts, more than half of the respondents (52%) indicated that they do not implement the advice. From the questionnaire administration, when they were asked about implementation of the advice, majority of them explained that they only implement the advice in a way which suits their businesses, not exactly as given by the accountants. The reason for this response may be that the owner-managers are responsible for the day-to-day running of the businesses so they know what works best for them.

Over half (65%) of the respondents indicated that they have never received any advice from a financial expert, this may be due to the fact that most of them cannot afford to pay for the services of an accountant or financial expert, so they have never consulted an expert for advice on financial planning. The other reason is that some of them try to do the planning on their own especially the basics to get something to work on and thus they have never consulted a financial expert and hence their status of never ever gotten advice from an accountant.

5. Recommendations

5.1 Recommendations

The following recommendations are made after the analysis of the information obtained from this research based on its context:

1. The results of this study can also be used as reference for anyone who is interested in starting their own business which will provide insights into decision making in starting a small business and also for any

- companies which are interested in continuing, sustaining and growing their small and micro business activities in the Durban CBD.
2. Having identified some of the challenges facing small and micro enterprises in Durban, it is prescribed that government and its agencies responsible for small, medium and micro enterprises and the enterprises themselves may adopt some strategies like Government should play a leading role in educating small, medium and micro enterprise practitioners on the incentives available to them and how to access them.
 3. The incentives should be delivered through an establishment that really cares for the success and sustainability of small, medium and micro businesses in the country and should be examined in a further study.
 4. On the other hand, small, medium and micro enterprises in Durban should not fully rely on government agencies, they should try to find their own path of progress by relying on strategies which allow them to access new markets, increase their revenue and widen their customer base.
 5. Taking into account that small and micro enterprises owner-managers' financial planning knowledge is limited, what they need is a simple yet highly effective reporting system that allows them to monitor business performance on a yearly, monthly, weekly and even daily basis.
 6. Small and micro enterprises need to know simple things like the following:
 - How much was paid for a product;
 - How much was the handling, storage, processing and delivery fee;
 - How many units were sold during the day, week or month;
 - What the total sales revenue is;
 - What the overheads are;
 - What the net profit or percentage is?

5.2 Recommendation for future research

If the selected small and micro enterprises act on the conclusions emanating from this study and the recommendations made, then one of the avenues for further research consists of the following:

- To investigate the effects or impact of financial planning implementation in the business.
- To research the successes and or failures of businesses due to implementation of financial planning.
- Since the findings of this study were limited to small and micro enterprises in the Durban CBD, it will be of interest to further research in this regard on a wider scale for similar businesses in this category.

5.3 Concluding remarks

This study has highlighted the plight of small and micro enterprises in Durban in relation to their financial planning knowledge and the need to improve it for the betterment of their businesses. Financial planning knowledge they have, financial planning tools they are currently using and the implementation of financial planning advice from financial experts were discussed in the literature review. The empirical data which was used for this study was based on questionnaires which were self-administered to each and every one of the respondents.

During the formulation of the problem statement, this study was developed around a number of objectives and these are highlighted as follows:

- To establish and evaluate small and micro enterprises' financial planning knowledge;
- To investigate the financial planning practices employed by small and micro enterprises;
- To evaluate the implementation of financial planning advice from financial experts by small and micro enterprises owner-managers.

The achievements of the above objectives were evaluated in this chapter.

Apart from the achievements of the research objectives and the part government has to play in the whole business of small and micro enterprises in Durban as noted above, it can also be concluded that small and micro enterprises owner-managers in the Durban CBD working on their own or with the assistance of their accountants need to develop their financial planning knowledge skills if they are to succeed, grow and reap business benefits from the financial information they record.

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