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# Improving Financial Management Skills Among Small Business Owners

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This is to certify that the doctoral study by

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has been found to be complete and satisfactory in all respects,
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Walden University
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Abstract

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MSA, University of Phoenix, 2012

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Doctoral Study Submitted in Partial Fulfillment

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## Abstract

Small business owners (SBOs) lack of financial management skills can negatively impact small businesses' profitability and result in business failure. SBO's limited understanding of financial management skills increases the likelihood of business failure and negatively impacts local and national economies. Grounded in the stakeholder theoretical framework, the purpose of this qualitative multiple case study was to explore strategies SBOs use to improve financial management. Data were collected from five small business owners' successful years of freight business experience in Central Mississippi using semi-structured interviews, annual organizational reports, and member checking. Data were analyzed using Braun and Clarke's (2006) six-step thematic analysis framework. Three principal themes emerged: (a) financial management, (b) individualized business strategies, and (c) profitability. A key recommendation is for SBOs to attain industry-specific financial knowledge. The implications for positive social change include the potentially increased longevity of small businesses resulting in more sustained revenues, increased local employment, and community tax contribution, which benefit the local and national economies.

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# Dedication

I dedicate this doctoral study to my Lord and Savior Jesus Christ because without him, I don’t know where I would be. I would like to dedicate this doctoral to my ancestors who fought for me to be here today. I’m thankful for their courage and sacrifice. I would like to dedicate this doctoral study to my entire family. I would like to especially thank my maternal grandmother, Marie Herrington Fulton, for her strength and endurance throughout the years along with my deceased maternal grandfather and paternal grandparents. In addition, Maybelle Jackson, my mother, who always and will always have my back and best interest at heart. To my father, Johnny Jackson, who taught me the meaning of hard work and never giving up. To my brother and sister who grew up with me to became productive citizens to never disappoint our parents. To my current and future nephews and nieces that they will follow in our footsteps. Lastly, to my future wife, Jerrika, for being my friend, my lover, and my support system. Jerrika’s presence has giving me the motivation to inspire, to transform, and to become a better man. Thank you!

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I would like to acknowledge my doctoral chair, Dr. James Glenn for his support and help throughout this doctoral study. I would like also to thank my committee member Dr. Truitt as well. I would like to give a special to all the editors that help me especially Dr. Charles Guilford. Last, I would like to thank the entire Walden University staff, faculty, and inspiring students.

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# Section 1: Foundation of the Study

Many small business owners enter entrepreneurship with a vision for the service or product being provided; however, few understand the complexities of financial management (Hussain et al., 2018). Small businesses' success is often determined within the first 5 years of operation. Often, the excitement and eagerness to embark are enough to sustain for a while, however, with business, passion and effort are not enough for sustainability. Financial management skills are often lacking in new SBOs (Hussain et al., 2018; Wong et al., 2018). A limited understanding of fiscal responsibilities and corresponding leadership behaviors could prove detrimental for even the most determined entrepreneurs (Wong et al., 2018). Future SBOs may benefit from the exploration of strategies small business owners (SBOs) use to improve financial management skills for better competitive positioning and profitability.

## Background of the Problem

The instability of local economies and local job growth stagnation may impact small business opportunities in a community (Campbell & Park, 2017). Ninety-nine percent of businesses in the United States can be classified as small businesses and 48% of U.S. workers are employed by small businesses (Turner & Endres, 2017). It is safe to say that small businesses are central to the U.S. economy. However, since the late 90s, a downward trend has emerged in both small business operations and employment (Turner & Endres, 2017; Campbell & Park, 2017). The exact cause of the negative trend is not known but considering that only 50% of businesses survive their 5th year suggests that improper finance management may play a role (Turner & Endres, 2017; Johnston, 2018).

Owning a small business entails performing a wide variety of interchanging responsibilities, but ultimately financial growth and sustainability are often the goal of SBOs and usually the determination of success. SBOs are responsible for making key decisions regarding the business, but many lack the financial literacy skills needed to achieve positive financial management sustainability (Abad-Segura & Gonzalez-Zamar, 2019). Without effective financial management strategies small business owners may end up in the 50% failure statistic and the local economy in which the business operates will likely be negatively impacted. Exploring strategies to improve SBOs financial management skills for better competitive positioning and profitability is of benefit to the business, local economy, and local job market.

## Problem Statement

Some small business owners lack the financial literacy to make financial management business decisions to prevent failure (Hussain et al., 2018, p. 4; Isle et al., 2018, p. 32). Failure rates among small businesses can be largely attributed to many small business owners' lack of financial management skills (Isle et al., 2018, p. 33; Oosthuizen, 2018, p. 3; Ye & Kulathunga, 2019, p. 14). The general business problem is that some small business owners open businesses without the financial management skills required to manage a successful small business leading to lost market share and lower profitability. The specific business problem is that some small business owners lack strategies to improve financial management skills for better competitive positioning and profitability.

## Purpose Statement

The purpose of this qualitative multiple case study was to explore the strategies SBOs use to improve financial management skills for better competitive positioning and profitability. The target population was five business owners with 5 successful years of experience being a small business owner in Central Mississippi. These SBOs located in Central Mississippi have experience in the freight industry by operating and growing a small business successfully for over 5 years through their experiences in the successful implementation of financial management strategies. The implication for positive social change includes the potential for improving the financial literacy of small business owners that may prevent business failure and improve the state and local economy of Central Mississippians through higher employment and tax revenues.

## Nature of Study

There are three research methodologies: qualitative, quantitative, and mixed methods (Saunders et al., 2018). A qualitative study is appropriate to explore strategies of small business owners who lack strategies to improve financial management skills for better competitive positioning and profitability. I chose the qualitative research method approach for this research because the qualitative method would allow me to explore how the lack of financial management skills affects small business owners' financial decision-making ability and business success rates. Researchers use the qualitative method when there are no definitive answers, preselected ideas, or close-ended results to seek the phenomenon of strategies used by SBOs that survive over 5 years (Yin, 2018). The qualitative method is the best method for exploring the lack of financial management skills and using the transcript reviews of small business owners to demonstrate that improved financial literacy skills often leads to more profitable businesses and lower bankruptcy rates. The quantitative research method is a systematic, deductive, evidence-based approach which uses statistical data techniques to determine significant relationships among dependent and independent variables (Yin, 2018). The quantitative method is a reliable source for in-depth research on the examination of quantitative relationships and testing hypotheses' (Goergen et al., 2019). The mixed-method approach includes the strengths of both qualitative and quantitative methods in that it is an exploratory method (Saunders et al., 2018). The mixed-methods approach combines both quantitative and qualitative methods to analyze data a significant amount of time when that time is more useful in collecting quantitative data for a more accurate study (Johnson, 2015). The mixed-method approach takes a significant amount of time when that time is more useful in collecting quantitative data for a more accurate study. The quantitative approach and mixed-method approach were not appropriate for this study, because I required the depth and richness of a multiple case study design.

Researchers also use qualitative designs such as ethnographic and phenomenological designs to further investigate information for SBOs. The ethnography design was not appropriate for this study because exploration of the beliefs, feelings, and culture of the study participants by the everyday lives and realities was not the focus (Isaksson et al., 2017). Instead, a specific case, experiences as a small, logistics business owner in Central Mississippi. Ethnographic designs are used to collect data on culture, through observation, to gain a deeper understanding of an agent of change, rather than improvements of SBOs (Isaksson et al., 2017). Because I used interviews and secondary data as data collection tools, not observations, the ethnographic approach was inappropriate for the current study. Phenomenological study designs are used to study an individual or a group of people who share life experiences regarding a specific phenomenon (Goergen et al., 2019). The objective is to identify strategies that will grow all stakeholders and do not involve the lived experiences of a person or group.

Using a multiple case study design, I collected more recent and in-depth information about SMEs. I explored the business experiences of participants in the research of the lack of financial management skills that cause small business owners to better competitive positioning and profitability (Yin, 2016). I used a multiple case study to analyze this exploratory inquiry with the findings of a specific case with a more reliable database on the open and close interview questions.

## Research Question

What strategies do small business owners in Central Mississippi use to improve financial management skills for better competitive positioning and profitability?

## Interview Questions

1. What successful strategies have you used to improve financial management skills?
2. How has developing financial management skills improved your profitability?
3. How has improving your financial management skills improved your competitive positioning?

4. What recently acquired financial management skills and strategies have had the most significant positive impact on your business.
5. How did financial education assist with business success?
6. Is there anything else you are willing to share with me on the topic that I did not ask?

**Conceptual Framework**

Freeman (2009) explained the concept of stakeholder theory in which SBOs can efficiently manage stakeholder relations are more competitive and experience better financial performances for the SBO. The stakeholder theory was the best framework to use to explore the specific business problem that some small business owners lack strategies to improve financial management skills for better competitive positioning and profitability by creating low-cost strategies to facilitate methods of growth and sustainability. SBOs, during the decision-making process, must establish a relationship within the communities for better competitive positioning and. Increasing SBOs financial improvements are, nonetheless, achievable and may demonstrate that the theory is the appropriate theoretical lens to develop a deeper understanding of the organization's financial success as it relates to stakeholder theory (Miles, 2017). Miles (2017) stated that stakeholder theory can be used as a framework for improving business ethics and corporate social responsibility and strategic management, corporate governance, and the financing of an organization. The stakeholder theory is used to explain human behavior and action that assists financial management with the decision-making process to maximize profitability (Miles, 2017). Miles added that a pure stakeholder theory uses management accounting systems to assist with the decision-making process to assist small business owners at the inception of their business (Miles, 2017). Freeman (2009) stated that the primary purpose of the stakeholder theory is that a business maintains its sustainability and profitability under ethical behavior.

I researched SBOs that are stable and improve financial performance. In this research, I investigated how the stakeholder theory allows SBOs to understand the decisions that create sustainability by the involvement of customers, employees, governments, communities, and other organizations that are connected to the organization as suggested by Miles (2017). Financial management includes the ability to improve profitability by exploring strategies to motivate all stakeholders (Miles, 2017). Researchers must discover the factors that lead to most SBOs failing within 5 years. To remain in business, SBOs must understand how their financial management skills and their business decision will become more effective because their financial literacy has improved.

## Operational Definitions

*Business Failure*: Lacking the minimum threshold of economic growth by an SBO and the ability to recreate a new venture (Boso et al., 2018).

*Corporate Social Responsibility*: Concept model that encourages business to be more socially accountable to the stakeholder, public, and environment (Yadlapalli et al., 2020).

*Financial Education*: The process in which SBO understands the concepts and risks through information to be more informed to make a business decision more effectively (Galluccio, 2018).

*Financial Management*: The skills of keeping accurate records, generation of financial statements, budgeting, and the understanding of profitability (Langermeier, 2018)

*Profitabilit*y: Profitability is the ability of SBO economic performance measure by strategies of return on asset, sales, and equity (Brulhart et al., 2019).

*Resource-based View*: The managerial framework is used to determine the strategic resources a business can manipulate to achieve sustainable competitive advantage (Solesvik, 2018).

*Small Business Owners (SBO)*: A small business is a business entity independently owned and operated, structured as a for-profit entity, and not a dominant player in its field (Turner & Endres, 2017).

## Assumptions, Limitations, and Delimitations

### Assumptions

Acknowledging and addressing the assumptions of the data collected from the participants and research will provide validity with the research assumption. Qualitative researchers make assumptions in which supporting documents or concepts are considered accurate but not personally verified (Desai & Kroll, 2017). I assumed that participants would answer honestly to present more evidence toward the research. I assumed that the lack of financial management skills causes SBO to fail within 5 years.

### Limitations

Generalizing that all SBOs could create strategies similar to the participants in the interview process is one limitation of the study. Limitations are the missing variables or weaknesses that would negatively affect the research in which the researcher has limited control (Yin, 2016). One of the limitations of this study was the geographic area of the study, in Central Mississippi. My professional background as an accountant could have influenced my analysis of the data.

### Delimitations

In this study, I only included SBOs from the freight industry that had operated successfully for over 5 years. Delimitations are the restrictions or boundaries used to focus on the case study (Yin, 2016). I focused on successful SBOs operating for over 5 years in Central Mississippi. The findings may not be familiar to other SBO because generating profits is different depending on the economy, the stock market, and customer demands.

## Significance of the Study

### Contribution to Business Practice

Small business owners must choose among complicated financial decisions daily, whether they are equipped to make these decisions or not (Drexler et al., 2014). The findings, conclusion, and recommendations from this study could be valuable to future, present, and current entrepreneurs in highlighting the importance of financial literacy and how financial education will help prevent some small business owners from failure. Furthermore, the U.S. economy will experience growth in gross domestic product, higher wages, and a decrease in the unemployment rate (Drexler et al., 2014). Small business owners will also employ other leaders who would decrease spending entitlements in which that funding could use for better roads, bridges, and other transportation that would help small business owners' growth within their organization.

**Implications for Social Change**

Small business failure in the U.S reduces production, profit, and employment in the economy. In 2014, 390,000 small businesses failed, resulting in over 2.3 million jobs in the United States being lost (U.S. Census Bureau, 2017). These failures may cause future entrepreneurs to hesitate from starting their businesses. SBOs must make difficult operating and financial decisions to survive for over five years (Drexler et al., 2014). SBOs may provide strategies for sustainability and profitability that will benefit the U.S. economy and local communities. Positive social change may result from this study, as SBOs may learn what strategies to use so as not to fail within 5 years. SBOs may in turn strengthen the U.S. GDP, resulting in higher employment and more taxes for the communities in which these businesses operate.

## A Review of the Professional and Academic Literature

The literature review process consists of identifying the specific research area of study, adding value to the findings of the particular field of study, and identifying the gaps in the results, and then discussing discuss those findings (Wee & Banister, 2016). The purpose of the academic literature review is to synthesize, analyze, and compare and relate various sources from the extant literature that focuses on the research topic. This review of the literature on SBOs is related to the lack of financial education that enables

SBOs to make financial business decisions to prevent failure. The review of the literature also includes an in-depth exploration of information about the research question: What strategies do small business owners in Central Mississippi use to improve financial management skills for better competitive positioning and profitability?

The literature review section begins with an introduction to the purpose of this study. In this literature review, I align the conceptual framework with the purpose of the study to increase the validity of the study and describe how I addressed currents issues affecting SBOs. I obtained research literature from sources including the Walden University Library, Google Scholar, and databases such as ProQuest, Emerald Management Journals, and SAGE. The search for relevant literature included antecedents of the following keywords: *small business, SBO, business failure, business success, profitability, financial management*, *financial literacy,* and *stakeholder theory*. The literature search resulted in peer-reviewed publication that addressed small business failure, success, the stakeholder theory, and other related business topics pertinent to small business owners or small-medium enterprises. Finally, the chapter concludes with a discussion of the knowledge gaps and the objective of this study.

The purpose of this research study was to explore why some SBOs lack financial management skills to sustain them farther than 5 years. SBOs are the backbone of the U.S. economy, and without the growth, the economy could falter (Gamble, et. Al, 2020). The U.S. economy is so unpredictable that SBOs need every advantage they can get to maintain and increase sustainability and profitability within their industry (Gamble, et. Al, 2020). The information in this study may be used to help SBOs reduce business failure and the economy and the communities that depend on their success. Thus, the literature review reflects comprehensive knowledge regarding financial management skills and strategies to survive beyond 5 years.

I intend to provide through the literature review a comprehensive and critical analysis and synthesis of how there is a lack of strategies to improve financial management skills for better competitive positioning and profitability through the lens of stakeholder theory. The themes associated with the literature included (a) the evolution of the stakeholder theory, (b) profitability for business, (c) business failure, (d) financial management, (e) business success, and (f) educated business decision-making.

The literature review consists of 120 resources of which two are books and 118 are peer-reviewed journal articles. These sources comply with the Walden University Doctor of Business Administration (DBA) program rubric.  Table 1 summarizes the source research in the literature review.

**Table 1**

*Summary of Resources in Literature Review*

| Reference type | Total | Less than 5 years | Total percentage |
|---|---|---|---|
| Books | 0 | 2 | 2% |
| Dissertations | 0 | 0 | 0 |
| Peer-Reviewed journal articles | 18 | 100 | 98% |
| Total | 18 | 102 | 100% |

## Stakeholder Theory

The stakeholder theory was developed as a means of improving business operations and remains relevant in business analytics. Freeman (1984) introduced the stakeholder theory to coherently organize and improve efficiencies of all groups and processes within an organization. Before Freeman (1984) introduced the stakeholder theory, many business leaders such as Milton Friedman (1962) used stakeholder theory to justify the concept that businesses' only responsibility is to increase profits for their shareholders (Amis et al., 2020). Nevertheless, Freeman introduced the stakeholder theory to coherently organize and improve efficiencies of all groups and processes within an organization. The four core constituencies presented in stakeholder theory are the owners, customers, employees, and suppliers, all of whom are equally important (Peng & Isa, 2020).

Robert Edward Freeman (1984) officially created the stakeholder theory while at the Stanford Research Institute in his book, *Strategic Management: A Stakeholder Approach* (Kline & McDermott, 2019). In 1984, Freeman added to his stakeholder theory the concept of the theory being a core component to business leaders as a concept for a strategic management approach to managing business to increase profitability (Colvin et al., 2020). Freeman created the stakeholder theory as an avenue for businesses to maximize profitability for the benefit of and all major stakeholders. This approach was seemingly designed to incorporate the interests and goals of the employees, customers, community members, competitors, vendors, contractors, and shareholders towards a common goal of the business' success.

The stakeholder theory is a theory used by business owners that could positively affect the business owner's decision-making process, helping them to understand groups that are strategically relevant to their competitive positioning. The stakeholder theory is a framework that can be used to increase sales and maximize profits (Wang et al. (2020). Successful business owners understood that business owners should have a relationship with key stakeholders such as government agencies, customers, interest groups, customers, creditors, suppliers, and investors (Wang et al., 2020). As a result, SBOs, by aggregating decisions, may, and often do, affect the gross domestic product (GDP) of the United States. Before the stakeholder theory, SBOs may have made decisions in isolation without considering stakeholders and thus were more reactionary than proactive.

Complexities within business management have fostered development of the stakeholder theory. The daily financial management decisions require SBOs to have a solid financial education to improve the financial literacy of all managers and to understand how stakeholder theory can transform businesses for the better. Ali Kiiseoglu (2016) stated that businesses could improve their probability of remaining viable as a business if they become familiar with and incorporate the key tenets of stakeholder theory in their decision-making process. SBOs should understand how a business decision affects the bottom line and stakeholders, and this, in turn, requires a high degree of financial literacy on the part of the owners. Kannan (2018) found that SBOs could achieve greater profitability and economic sustainability by using the stakeholder theory and making decisions that influence business gains and losses while considering stakeholders' interests. Kannan (2018) realized that maintaining long-term relationships, stakeholder empowerment, equity labor sources, and individual human rights are the influential key elements that affect profitability and improves competitive advantage and market positioning. Small businesses can use the stakeholder theory as a method for improving business success, but a clear understanding of the intricacies of the process (i.e., financial components) is not always a strength of SBOs.

SBOs using the stakeholder theory have an improved perspective regarding operational and financial decisions. They must consider all stakeholders, rather than making their decisions in isolation (Freeman, 1984). Some researchers suggested that the stakeholder theory, if used correctly, may be an instrument that SBOs can use to improve profitability over the competition to assist in their survival in an increasingly competitive global economy (Freeman, 1984). Over a period of decades, the stakeholder theory developed and was added to by various researchers and scholars.

**Development of the Stakeholder Theory**

Most business owners make decisions based on limited perspective and knowledge for the sole purpose of financial success, without consideration of the various non-financial aspects that may impact the bottom line. Stacy, in 2019, stated that the stakeholder theory helped organizations that are a collective of several different units and parties, competing with their own goals, objectives, and pursuing their interests to unify operations in a strategically congruent manner. However, Stacy (2019) suggested using the stakeholder theory as the business motivational focus in approaching stakeholders rather than just capitalism, since stakeholders' interests, goals, and values may differ.

The suggestions made by Stacy (2019) demonstrate the continuous evolution of the stakeholder theory. Stacy (2019) illustrated that the implementation of stakeholder theory is predicated on all stakeholders working together to create maximum benefits for all parties involved. Freeman (1984) used the stakeholder theory to account for all the stakeholders involved with the organization, ensuring that often selfish business practices could not hinder business success. Since the 1980s, researchers used the stakeholder theory to prescribe an environment that shifts away from just the four major stakeholder groups of owners, customers, employees, and suppliers into more contrasting, and compelling models that include governments, trade associations, political groups, and entire communities (Donaldson & Preston, 2010). This demonstrates how the stakeholder theory has evolved along with expanding business environments, technological advancements, and globalization. Figure 1 depicts the first stakeholder model. Figure 2 depicts the new stakeholder model.

**Figure 1**

*First Stakeholder Model*

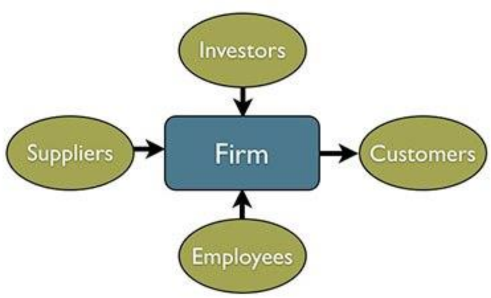
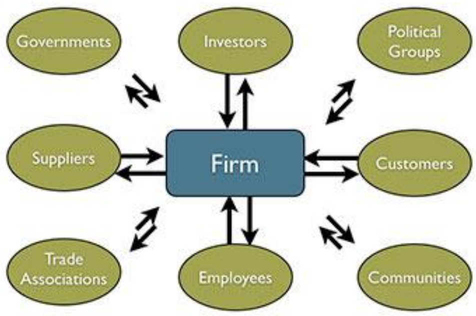


**Figure 2**

*New Stakeholder Model*




Littau et al., in 2010, conducted a meta-analysis of literature that further developed the stakeholder theory and applied it to business success. The study contained a review and analysis of each researcher's concept of the stakeholder theory. Each researcher applied a form of the stakeholder theory to a business to explore the theory's efficacy in improving business performance. Researchers built on, improved, and adjusted these concepts from the 1980s to the late 2010s.

Littau et al. (2010) identified the 25-year evolution of the stakeholder theory, noting the increasing use of the theory and its widespread use among management. These researchers took a part of the stakeholder theory and, using its tenets, developed an improved model specifically created to develop a culture of continuous process improvement within an organization (Littau et al., 2010). The study also contained findings that established the significance and importance of stakeholder theory in increasing and expanding the stakeholder theory. Illustration of how the stakeholder perspective became more prevalent in management journal articles further validated the evolution and increasingly sophisticated direction and use of the stakeholder theory in business (Littau et al., 2010). Most importantly, Littau et al. (2010) asserted the stakeholder theory is a viable strategic business approach to decision making that provides opportunities for a wide range of industries that can improve their odds of business success. The researchers illustrated how many authors used the stakeholder theory from 1984 to 2009 across diverse industries to improve their business (Littau et al., 2010). While this research provided insights regarding the evolution of the stakeholder theory, there was limited reference as to what specific strategies SBOs use to foster financial stability. The article contains references to what SBOs should do but falls short of detailing how they should go about implementing stakeholder theory with success. As researchers improved the stakeholder theory over time, the probability of business success and survival improved.

Several authors have used Freeman's stakeholder theory to highlight emerging developments in growing businesses by noting the importance of stakeholder theory to management and SBOs (Freeman & Dmytriyev, 2017). Furthermore, more researchers (Freudenriech et al., 2020; Jones et al., 2018; Schaltegger et al., 2019) also found value in the stakeholder theory and presented small business owners the data to help them survive over five years. The stakeholder theory development efforts began with Freeman improving on his original theory.

### *1980s Development*

Freeman, after the initial introduction of his theory, began improving on the concept. Freeman's stakeholder approach helps identify the groups who can affect organizational success (1984). These individuals were classified as a stakeholder because they wanted the organization to succeed even though each wanted success for different reasons (Stacy, 2019). Suppliers, for example, are stakeholders of the company, and they benefit by selling to the organization. The government, local communities, and civic organizations are also stakeholders because of the taxes the business produced in the local geography. SBOs managers using the stakeholder theory allow stakeholders to be fully involved with the company and benefit from the financial management of the SBO. SBO's success depends on learning who influences the financial success of the organization and developing relationships accordingly to foster business success.

A stakeholder's understanding of the mutual reciprocal nature of business is a vital aspect of Freeman's stakeholder theory in improving business operations, processes, and profitability (Berman & Johnson-Cramer, 2019). The interplay between stakeholders can be demonstrated by customers wanting high-quality goods and services at a fair-value price, suppliers wanting reasonable compensation and realistic operational flexibility, and the government wanting organizations to operate safely and pay employees fairly (Berman & Johnson-Cramer, 2019). The role of an SBO is to understand the reciprocal process, manage and align all stakeholders' interests and goals to make the organization successful (Stacy, 2019). Without an understanding of stakeholders' mutual reciprocity, SBO may undermine the businesses' success, which makes knowledge of the 6 principles of stakeholder theory imperative.

Freeman's stakeholder theory has 6 significant principles that govern the relationship of business operation and stakeholder's interests: the first being the principle of entry and exit (1984). Freeman highlighted the principle of entry and exit when it comes to daily operation and communication transparency in organizational changes (Yu et al., 2020). Established rules for entering and exiting agreements with the business should be clear and transparent (Theodoulidis et al., 2017). For the SBO, the exit and entry principle can not only foster business integrity but also reduce contractual disputes, which can be costly and even catastrophic for small businesses (Sklaroff, 2017). Whether hiring, outsourcing, or fulfilling service agreements, a clear and transparent process should exist. A small business owner should also understand the behavior of corporate governance before starting a business.

Freeman (1984) introduced the principle of governance, which contains rules established to guide the fundamental relationship between the business and the stakeholder (Freudenreich et al., 2020). The rules established are based on the premise that all corporate actions impact all stakeholders and stakeholder impact should be considered when making management decisions (Dias et al., 2017). The small business owner is responsible for consideration of governance since omission of the principle could result in actions that negatively impact stakeholders and, ultimately, the business' bottom-line (Dias et al., 2017). When making management decision small business owners should be familiar with the principal of contracting during business

Developing and executing contracts during business activities is another principal of the stakeholder theory and vital to small business operations. Small business owners will require contracts during business activities. The principle of contract cost, as explained by Freeman (1984), is the equitable sharing of responsibility of both gains and losses by all parties entering a contract (Klopotan et al., 2020). All stakeholders and contractual parties share the financial, ethical, social responsibility, and success or failure, proportional to the respective risks or advantages when entering an agreement (MacKay, 2020). SBO's may need to grasp the gravity of the risks and advantages of any contract entered into, as well as understand contractual parties' expectations and risks (Hörisch et al., 2020). To do so, consideration of the varied stakeholder perspectives may be needed. However, it remains unclear what strategies SBOs can utilize to ensure collaboration, specifically for logistical companies. The ensuring of collaboration is dependent on the SBOs ability to maintain the company's integrity.

Effective firm representation and balancing the responsibility of adhering to both business and stakeholder interests describes the agency principle. According to Freeman (1984), executive and managers must not only be aware of business and stakeholder interests but also be able to take actions that satisfy both, all the while maintaining the firm's corporate integrity (Barney & Harrison, 2020). Small business owners embody this principle but should also be aware of the impacts of their actions. Even in tumultuous times, such as financial uncertainty, the SBO is encouraged to adhere to the agency principle as much as possible to avoid ostracizing stakeholders or shareholders. Awareness of the firm's corporate integrity can foster understanding of the last principal, firm immortality.

Lastly, firm immortality is awareness that positive stakeholder involvement can lead to positive business success but does not guarantee business immortality. Freeman (1984) explained the principle of limited immortality as fostering long-term success and survival of the organization through transparency with the stakeholders. While longevity may be feasible, Freeman highlighted that firm immortality is not and that the limited immortality principle requires management to make stakeholders and shareholders aware of the firm's outlook (Storchevoy, 2018). Consideration of the eventual non-existence of a business may not be commonplace amongst SBO entrepreneurs since the business is often a personal dream. However, SBOs would need to consider the limited immortality of the business, and transparently convey long-term expectations to all stakeholders (McGahan, 2021). Freeman's additions to stakeholder theory increased the utility of the stakeholder theory to business in general, and in the 1980s the theory was further developed by other scholars and researchers.

### *1990s Development*

After the stakeholder theory was introduced, several researchers used the original theory and incorporated other ideas to enhance and improve the original theory (Freeman et al., 2018). The stakeholder theory was transformed into a more comprehensive doctrine for economic progress, a model of profitability, and management of stakeholders (Freeman et al., 2018). During the 90s, researchers such as Dinsmore (1990), Donaldson and Preston (1995), and Cleland (1996), most notably, expanded the stakeholder theory from the original content. Freeman founded the stakeholder theory, but the evolution of the stakeholder theory transformed from a theory into a day-to-day operational model for process improvement for greater business profitability. Dismore's improvements were notable additions to the stakeholder theory (1990).

**Dinsmore's Approach.** Dinsmore, in 1990, used the stakeholder theory as a concept that posited stakeholders have a stake in the outcome of the social and economic changes. Business owners should improve relationships among all stakeholders to maximize growth and profitability of the business. Small business owners are often the people to whom managers' report to within the organization to evaluate business relationships and how they can coexist within the industry (Dinsmore, 1990). Business owners nurture the stakeholders and monitor the performance of the organization. The advantages of the stakeholder theory include all stakeholders working together and trying to avoid interpreting conflicting personal attacks against the organization by holding all stakeholders personally responsible for the integrity of the business (Dinsmore, 1990). Dinsmore saw the stakeholder theory as a joint venture between the business owners, employees, and stakeholders. This variation of the stakeholder theory focuses on the relationship between all parties and each party knowing how their role functions in the stakeholder theory and the organization. Donaldson and Preston's Approach further evolved the holistic perspective in using the stakeholder theory.

**Donaldson and Preston's Approach.** Donaldson and Preston, in 1995, argued that stakeholder theory has descriptive, instrumental, and normative aspect that are mutually supportive. Business owners can use the descriptive approach of how a firm relates to stakeholder, the instrumental of how an organizational outcome when a firm relates to stakeholder, or the normative of how a firm should relates to its stakeholder (Jones et al., 2018). Small business owners that used the stakeholder theory understand how all stakeholders can be configured into one holistic, symbiotic, and successful model. Freeman established the stakeholder theory as a comprehensive moral doctrine that businesses should model to become a success (Amis et al., 2020; Freeman et De Colle, 2010).

Donald & Preston discovered that the stakeholder theory works better as a normative model (1995). The treatment of stakeholders and the consequences of a business decision are varied and multifaceted and the stakeholder theory loses a competitive advantage when used primarily as a descriptive or instrumental model. Nevertheless, small business owners used both models as a measure through the stakeholder theory to make better decisions throughout the organization. The normative model enhanced relationships between the business and stakeholders, however the Cleland approach highlighted utilize collaboration to enhance cross-functional perspectives in decision making.

**Cleland Approach**. Cleland, in 1996, developed an approach utilizing the cross-functionality of stakeholders derived from Freeman's stakeholder theory. Cleland used the stakeholder theory to create a model of a strategically cross-functional team to de-centralize the antiquated managerial approach used by businesses (Cleland, 1996; McGahan, 2020). Small business owners should work together along with vested stakeholders to gain more profits for the organization. The team management focus increased companies' ability to battle for global market share and profits for 1985-1989 (Littau et al., 2010; Cleland, 1996). Cleland used the stakeholder theory to determine which stakeholders have a vested interest in the organization and shared the common values directed towards the success of the organization (Cleland, 1996). Stakeholders should realize the mission and achieve profits for all stakeholders.

Cleland does not expand the stakeholder theory far from the original theory, but he did leave space for other authors to expand the stakeholder theory to a useful, and often profitable model for SBO's. Cleland argued that more attention to the stakeholders, the management of stakeholders, and the survey results of the stakeholders benefited the business. (Cleland, 1996). The stakeholder theory is the instrument small businesses used to assist with the success of the business. While transparency is key to business collaboration, Wright argued all stakeholders' interests should be considered as well (1997). Stakeholders must have transparency among all the organizational units to lead to potential growth and prevent business failure.

**Wright's Approach**. Small business owners, according to Wright, should focus on all stakeholders' interests to improve the organization. Wright viewed the stakeholder theory as a business that has a similar interest in the organization (Littau et al., 2010). He highlighted that time and cost are the twin imperatives of stakeholders. He also stated that managing a business is seldom straightforward and requires special skills in communication planning and motivation of stakeholders to avoid wasted time and cost. These stakeholders could minimize fall-out amongst other stakeholders if the organization communicated the completion target dates, time, and deliverables in a timely fashion (Wright, 1997; Velychko, 2020). Without the cooperation of stakeholders, it is unlikely that any business project will be completed on time or within the budget.

When small business owners do not support the stakeholders, the different parties involved may end up working toward different goals. Once a small business owner begins to communicate regularly with stakeholders about the state of the organization, both parties may feel more comfortable discussing the purpose and benefits of the project (Wright, 1997). At the very least, a small business owner could simply provide weekly one-page reports summarizing progress. Of course, if the small business uses reports to communicate to shareholders, it must provide annual reports, accurate figures, and accurate financial accounting statements. The researchers that analyzed the stakeholder theory provided the information to a small business to be transparent with a day-to-day operation that will lead to social benefits in the stakeholder theory evolution. Although the stakeholder theory was fine-tuned during the 90s, the shifting economic and technological landscape of the 2000s allowed for more adjustments to the theory.

***2000s Development***

Small business owners continue to use and improve the stakeholder theory to improve coordination between all stakeholders to achieve shared goals, increase and improve business processes and profitability to prevent business failure. McElroy and Mills stated, in 2000, that the stakeholders are a group of people who are vested in the success of the business. Hawrysz and Maj noted that the stakeholders with the same interest also have the power to affect the outcome (2017). In 2005, Andersen partly agreed with Freeman’s 1984 research, in which all stakeholder that has an interest-in could be influenced by the business (Littau et al., 2010). The stakeholder theory was later used to theorize that individuals have the same right or ownership of the business based on the customer's contribution and outcome (Liu, 2020). Olander evaluated the expectations of stakeholders vested with the operation to the success of a business (Gianiodis & Meek, 2020). The meta-analysis by Littau et al., in 2010, highlighted the evolution and expansion of stakeholder theory. The researchers mentioned in the meta-analysis that stakeholder theory focused on empowering the individuals within the business to be better employees for the benefit of the customers and stakeholders (Littau et al., 2010). Furthermore, empowering the employees may benefit people not previously recognized as stakeholders: the members of the larger society.

Small businesses that incorporate tenets of the stakeholder theory into their business and organizational processes and protocols can accrue societal benefits that will lead to improved profitability. The stakeholder theory could be used to increase the cost benefits of project management by identifying the social capital of stakeholders and utilized for the benefit of the organization (Kaplan, 2019; Aaltonen et al., 2020). Edum-Fotwe and Price used the stakeholder theory as a theoretical framework for designing a social ontology for determining the sustainability of projects with a focus on the importance of selected scales beyond lives, environment, or business (2009). Each author utilized the stakeholder theory from Freeman's original definition to help growth and development with a business or project.

### ***2010s Development***

Between 2010 and 2019, the stakeholder theory was modified to include an ethical component to assist small businesses with increasing profitability. Jiang et. al stated, in 2018, that the stakeholder relationship norm of ethics also contributed to the comprehensive moral doctrine of the stakeholder theory. Jones et al. added that communal sharing along with fairness, respect, and a commitment bond would minimize contracting costs and achieve competitive advantages compared to other businesses

(2018). From this perspective, SBOs can establish joint wealth creation, mutual trust, and cooperation to imply a close relationship capability (Jones et al., 2018). The stakeholder theory established the moral obligation of an organization along with the quest to maximized profits with all stakeholders working together to carry out the strategic objectives of the organization with the understanding that increasing profits is essential to business survival (Jones et al., 2018).

Small businesses increase profits for all stakeholders when the parties prioritize a corporate standard of profitability. Jones et al. created an approach that corporations can use to increase profitability when they extended Freeman’s stakeholder theory (2016). They argued that all stakeholders with similar interests are aware of the activity of the organization, which suggests profitability is central to the core of economic sustainability growth. Qiu et al., in 2016, developed Freeman's idea that CEOs have a responsibility to focus on enhancing profits not only for the organization but for all the shareholders involved. Mullins and Schaar also extended Freeman’s stakeholder theory to show how small businesses can maximize profits for all stakeholders (2016). They found that the effects of an increase in the business’s performance are not limited to the business itself. These researchers, as well as others, established that organizations must increase profits not only for the organization itself but their shareholders as well. SBOs profitability is essential to the growth and survival of an organization by highlighting key successful components, and a system to track them is required to create a sustainable competitive advantage.

SBO's applied the stakeholder theory as a strategy that helps, managers, and stakeholders understand the performances of the relationships between departments and functional units and how the relationships work together to provide a positive financial outcome for the company. All stakeholders involved must recognize that to improve financial performance, they must first create a corporate culture governed by mutual trust and cooperation through loyalty, respect, and fairness (Jones et al., 2018). In this regard, Jones stated that high ethical treatment by management towards employees is valuable to stakeholder management strategies that correlate with higher financial performances (2018). Researchers have also used various strategies to create a communal relationship to achieve joint wealth creation, and close relationship capability (Jones et al., 2018). SBOs illustrating transparency with stakeholders creates a natural positive symbiotic interaction between management and stakeholders. These close relationships between management and stakeholders, in turn, create corporate synergies and economic value that produces a sustainable competitive advantage for the organization.

The stakeholder theory has been modified, examined, and expanded upon since inception. Whatever the approach, variations commonly focus on general concepts and theoretical aspects of stakeholder interactions. Additional research is needed to determine what specific strategies are needed by SBOs to implement and sustain the stakeholder theory in order to attain and sustain financial stability. More specifically, the theories are limited regarding measurements of impacts on specific industry types. It appears the assumption of 'one-size fits all' is present in the theories and adaptations. While the overall premise is clear that all stakeholders should be involved in the decision-making processes of a business, implementation is likely to vary from industry to industry, with some overlap.

## Alternative Theories of the Stakeholders Theory

Several alternative theories to stakeholder theory which are also designed to provide businesses with a model to improve operational success. Stakeholder theory is just one model and system that many business owners use to produce a profit. Charles Blattberg (2004) and Samuel Mansell (2013) both disagreed with the concept that the stakeholder theory is a method that businesses should utilize to improve profitability. Blattberg, in 2004, described an approach used in business relationships utilizing politics and patriotism to foster organizational unity. Similarly, Mansell examined the concepts of social contracting and market economy, determining cooperation and morality shared between the two groups leads to economic growth (2013). These two theories also closely resemble the stakeholder theory, but they lack the focus of maximizing profits like the stakeholder theory.

### *Blattberg's Criticism*

According to Blattberg, small business also plays a pivotal role in helping society grow the economy and benefit communities (2004). Blattberg believed that through patriotism and community support, businesses are best equipped to grow. Towards this end, the researcher described the patriotic method as a method of the deliberative conception of democracy calling leaders to respond to conflict with conversation as opposed to negotiation only. As such, Blattberg viewed negotiation as a strategy for understanding the roots of patriotism. Nevertheless, modern patriots do not worry too much about negotiation but rather focus on the democracy of the government and civil society. Patriots also avoid emotional attachments but rather make their arguments using communication to promote the common good in politics. In doing so, patriots search for the common good no matter the differences to reconcile conflicts between parties without negotiation. Researchers outside of business have also examined the stakeholder theory.

In 1978, Milton Friedman explained the stakeholder theory as a laissez-faire business concept (Freeman, 2011). Friedman argued that a business should do whatever it can to increase the profits of its shareholders that is within the law (Freeman, 2011). In the research study by Blattberg, customers, suppliers, employees, and competitors were described as having a role in a pluralist fashion, highlighting the coexistence of stakeholders (2009). Additionally, Blattberg noticed from the research study conducted that a trade-off occurred between what and what?? when the business interests of various stakeholders clashed with one another (Blattberg, 2009). The main objective for a small business is to make maximizing profits and the stakeholder method allow a business to achieve that with the patriot theory by acknowledging the impact the government has on small businesses (Jones et al., 2018). Blattberg's (2009) theory is not the only alternative business theory created to provide businesses with an operational strategy for improved performance.

***Sam Mansell's Criticism***

In 2013, Sam Mansell created a critical analysis of stakeholder theory suggesting the stakeholder theory contains both skeptical and sympathetic critical elements. Veldman (2015) agreed with Mansell that stakeholder theory has pitfalls that are inconsistent, untenable, and contradict the moral claims to entitlement. More specifically, Mansell contended that the primary role of stakeholder theory is to promote and build the small business, and not to maximize shareholder wealth (2015). Attempting to focus on both at the same time is not productive he noted. Although the stakeholder theory could work, researchers suggest that any version of the stakeholder theory if used must be consistent. Mansell's critique of stakeholder theory did not damage the business theory's popularity but rather improved the stakeholder theory.

Small businesses that combine the stakeholder theory with other business theories can also improve their likelihood of survival. Mansell's interpretation of the conflict between stakeholder theory and other concepts is that the stakeholder theory seems more like free-market capitalism (2015). The business owner's stakeholder approach is directed toward free-market capitalism and seeks to be more about the business' interest and does not address stakeholder concerns. Additionally, there is a belief expressed in research that both economic freedom and political freedom are threatened by stakeholder theory (Mansell, 2015). Researchers have also addressed stakeholder theory concerns of business owners like WorldCom who were part of public scandals. Earlier research by Freeman discussed various ways business owners could be socially responsible and structure a market economy (1984).

Criticisms of the original stakeholder theory and its' adaptations are ubiquitous and often valid points. They call for consideration of business contexts and conflicting interests of the stakeholders. Following the stakeholder theory explicitly could, as critics stated, result in business conflicts and instability. However, the criticisms do not seem to detract from the theory as much as they highlight the need for business owners to understand the nuances and contextual complexities of implementation. Again, this further validates the need for the proposed study, since SBOs should have specific and effective strategies for improving financial stability that are proven to work in their respective industries.

**Financial Literacy**

Financial literacy is often cited in the extant literature as an antecedent to building a successful business. Researchers suggest that small business owners often acquire financial literacy from business experiences, financial education, or the accountant of the company while performing business. Chen and Volpe (1998) were the first authors to introduce financial literacy as a concept. More recently Molina-García et al. (2019) have expounded on the idea. Since the late 1990s, the study of financial literacy has become an increasingly significant issue in education, economics, management, finance, and marketing journals (Molina-García et al., 2019). Small business owners must be financially literate to communicate with all stakeholders with a vested interest in the organization if they hope to be financially successful (Molina-García et al., 2019). A business owner must understand financial terminologies such as gross profit, net profit, cost, or goods sold, and basic financial statements (Molina-García et al., 2019). Also, financial literacy is more than just terminology of words, but entails understanding the business structure that is best for an organization. Small business owners that understand the business structure and have financial literacy have a greater chance of surviving.

Small business owners should understand and embrace financial literacy to survive over five years. Smith defined financial literacy as understanding both finance and the implications that finance has for business management decisions, manager's economic literacy, and their connection to operationalizing and defining, and implementing business and strategic objectives (2020). Vaaler and Wilhelm, in 2020, stated that financial literacy is becoming an increasingly important topic in higher education and business education. The foundation of financial literacy is commonly referred to as a set of skills and knowledge of financial and managerial accounting and finance that improves a person's understanding of a business (Vaaler & Wilhelm, 2020). If a small business does not learn the foundations of financial literacy, it may influence the business's success and growth potential. Business owners must learn the language, keep up-to-date financial statements, apply sound and strategically congruent financial strategies to the business, and create financial roadmaps toward a successful business.

### ***Financial Literacy and Business Success***

A small business owner should possess the ability to use financial management and accounting skills to manage the business' financial resources effectively to ensure the longevity of the firm; if it cannot be measured, it cannot be managed. Accounting and finance are the languages of business and to determine business success owners must be able to use these tools to measure progress. Managers should gain the ability to make informed financial judgments and take practical actions regarding the current and future use of procurement and management of money.

Small business owners should emphasize financial literacy to enhance business decision-making, not only obtaining knowledge about financial matters but also being able to exercise sound business judgment with this knowledge (Vaaler & Wilhelm, 2020). It is also increasingly important for SBO's to understand that financial literacy improves their understanding of products, services, and financial concepts, in turn improving operational efficiency and profitability. Thus, business owners should develop the skills necessary to carry out an informed decision-making process and make them more aware of the risks and opportunities inherent in business (Molina-García et al, 2019). Numerous business scholars have used empirical research to demonstrate an extremely high correlation between financial literacy and stronger competitive positioning and profitability.

Small business owners can increase financial literacy through education, and training to communicate effectively with other business leaders as well. In 2019, Molina-García et al. stated that financial literacy is important for average citizens in general and especially crucial for small business owners. Business owners with higher financial literacy achievement demonstrated that financial illiteracy is widespread and has deleterious ramifications for small businesses (Resmi et al., 2019; Widyastuti et al., 2019). As a result, a small business owner has poor financial education that tends to lead to business failure.

Business owners should evaluate business behavior among stakeholders The importance of financial literacy is evident regarding strategies that research suggests will lead to developing effective financial behavior (Widyastuti et al., 2019). More specifically, increased financial literacy for owners and managers could lead to improved financial decision-making (Widyastuti et al., 2019). There is also a significant relationship between financial literacy and financial behavior (Widyastuti et al., 2019). Moreover, it is the experience possessed by small business owners that allows them to make informed decisions concerning investment planning and management (Widyastuti et al., 2019). Small business owners must learn the language of business to communicate with other business leaders such as government officials, volume customers, and lenders. Small business owners can create more opportunities for growth with financial literacy, including increased appeal to lenders.

***Using Financial Literacy for Lending***

Business owners should enhance financial management skills that are highly correlated with the business' access to external financing, which can lead to optimal debt and equity levels, and avoiding bankruptcy (Purwidianti & Tubastuvi, 2019). Business owners should also improve the quality of financial information to improve financial decision-making. There is a need for enhanced financial literacy to enable owners to comprehend financial statements and use financial software to make adjustments as required (Purwidianti & Tubastuvi, 2019). Some business owners have poor financial knowledge, thus limiting their access to financial support (Carbó-Valverde et al., 2016). Moreover, financial education obtained by business owners helps mitigate incompetency in key areas and thus empowers business owners to improve the organization's financial well-being (Purwidianti & Tubastuvi, 2019). Limited financial management skills may also negatively impact a business owner's chances of survival, growth, and innovation

Small business owner decision-making process is a day-to-day activity. The business owner should understand, analyze, and make financial decisions that have an impact on business performance (Purwidianti & Tubastuvi, 2019). Business owners should had understood that financial literacy is both internal and external. According to Resmi et al. (2019), external financial literacy is the acquisition of financial knowledge and the ability of managers to use basic financial knowledge in conjunction with broader skill sets, networks, communication, and cognitive skills to achieve the business' goals and objectives. Resmi et al., in 2019, stated that internal financial literacy assists business owners in optimizing the used of business resources efficiently and used financial management system effectively that maximizes profitability. Internal and external financial controls and appropriate financial software it would enable a business owner to maximize business production.

### *Software Used for Financial Management*

Small business owners should be financially literate to operate financial software to maintain business records. If a business owner could install both internal and external financial controls and appropriate financial software it would enable a business owner to be more creative in the use of cash management, working capital management, and debt, and improve the monitoring of budgets, thus maximizing business production. Hussain et al. suggested that small business owners with financial literacy enable them to insert acceptable financial practices and develop financial management systems to record, analyze, and produce financial information (2018). As a result, this allows small business owners to be more efficient in business operations and make better business decision-making to enhance the organization for faster growth (Hussain et al., 2018). A small business owner must learn how to better monitor and manage cash flow to improve their business operations. Since the global financial crisis of 2008, small business owners realized that financial literacy is a prerequisite skill for handling financial challenges and seizing business opportunities. Small business owners should apply both financial literacy and financial management skills to plan for projected growth and economic sustainability.

### *Benefits of Financial Literacy*

There are numerous benefits SBOs can gain from improving financial literacy skills. Hussain et al., in 2018, stated that financial information is the basis for lenders to evaluate small businesses to assist in their lending decisions. They also noted that financial literacy helps managers to use financial information to make better management decisions and assists business owners and their stakeholders in arriving at an informed and thoughtful business decision (Hussain et al., 2018). Hussain et al. illustrated that financial literacy skills are an essential management resource to promote employment creation and economic growth among small business owners. The presence of financial literacy and financial management skills often allows business owners to improve their ability to handle a period of recession (Hussian et al., 2018). A small business owner should be able to measure financial risk to maximize financial return, and financial literacy enables a small business owner to gain a competitive advantage in an increasingly global and competitive industry.

Not all SBOs have the time to learn financial management in a traditional manner. This often requires college courses or certification programs. Many SBOs often depend on accountants and financial managers to help them understand the complex nature of business finance. The importance of financial literacy for small business owners is clear and concise. Means of making the information more accessible and conducive to the SBOs could go a long way in improving SBOs collective financial literacy capacity. Identification of strategies used in the business world that led to financial stability may be of benefit to existing and future SBOs. Other SBOs may be more likely to adhere to proven strategies performed by peers than to follow subjective theoretical frameworks or information provided in traditional classrooms.

**Decision-Making**

A small business owner should incorporate excellent decision-making processes and strategic plans to maximize profits. A key aspect of shareholder theory is for small business owners to create strategies to increase profit generation efforts for the organizations and their shareholders. Stakeholder theorists have argued that different kinds of the core business process that add to firm value may need rigorous methods for evaluation in the decision-making process to contribute to the maximization of profit (van der Linden & Freeman, 2017). van der Linden & Freeman stated that multiple measures affect profitability, and the goal should not be to have one single dimensional objective to measure performance (2017). Stakeholder theorists focus on managerial decision-making with the goal of profit maximization as a secondary objective; ethical, inclusive, and accountable decision-making is a top priority (Aragon-Correa et al., 2017). The contrast between stakeholder theorists and profit maximizers' focus is minimal.

The objective for all businesses is to find ways to maximize profits through the decision-making process. The priority of profit maximizers is to engage in decision-making efforts that emphasize the profitability functioning of markets and businesses (van der Linden & Freeman, 2017). Stakeholder theorists do not necessarily have to deny profitability but expand the notion that profits may only be an outcome of business in the condition of the creation of value for their stakeholders (van der Linden & Freeman, 2017). A small business must evaluate the business processes and managerial system that enables them to make profits for their business and focus on continuous process improvement to add value to stakeholder holders.

***Value of Good Decision-Making***

Creating value by improving processes and systems in the organization should result in long-term business profitability. Small business owner’s decision to create value for the organization and the stakeholder may not translate to maximizing profits in the short term. van der Linden & Freeman argued that business is dependent on and creates value for different stakeholders and contributes to an environment of stakeholder fairness and transparency (2017). However, the value created by business owners may not have an immediate impact on profits initially, but the long-term implications could very well be substantial (van der Linden & Freeman, 2017). Small businesses should consider various factors such as labor cost, projection of productivity of employees without obscuring pay increase, the point of the value of providing inspiring jobs, safeguarding the work-life balance, and respecting the privacy of the employees (Turner & Endres, 2017). From this perspective, decision-making involves the simultaneous consideration of different values.

***Managerial Decision-Making***

Small business owners may also use the stakeholder theory and other theoretical managerial tools to assist in managerial decisions to help establish processes, protocols, measurement metrics, and targets for profit. Business owner's managerial decision-making should be guided by the principle of "stakeholder happiness enhancement" meaning that the objective of the business owners should be to enhance the happiness of its stakeholders over the foreseeable future" (van der Linden & Freeman, 2017). Business owners need to comprehend how decision-making affects different values of the business and understand how it will affect the better vision of the business (van der Linden & Freeman, 2017). Moreover, the starting point for managerial decision-making is the application of daily evaluation performed by the business owner.

Business owners must make critical decisions daily that will affect the business both short-term and long-term. A managerial decision is the establishment of a practical and rapid organizational response to any given situation, and the contextual appropriateness of a decision (van der Linden & Freeman, 2017). Business owner decision-making thus typically involves several dilemmas that affect the present-day transaction and future transaction (van der Linden & Freeman, 2017). Business owners should incorporate the cyclical process of investigation, validation, and reconsideration into daily business operations for growth and profitability (Turner & Endres, 2017).

***Decision-Making for Growth and Profitability***

All business owner's decision-making should require the evaluation of maximizing profits ethically. Thus, business owners should not only create an environment for maximizing profit but also consider other values that benefit the business and stakeholders (van der Linden & Freeman, 2017). By understanding that profit is not the sole determinant of business value, small business owners would be better served by maintaining a more holistic viewpoint of profit (van der Linden & Freeman, 2017). Factors such as discretion, enterprise, economy, assiduity, and frugality, should be weighted by an ability to decide between benefits and consequences of the said decision (van der Linden & Freeman, 2017). Some situations are more complicated and may lead business owners to make ethically questionable or exploitative decisions which lead to profits for the business (van der Linden & Freeman, 2017). A business owner should understand that profits are not a singularly formed concept and may be affected by other contrasting values (van der Linden & Freeman, 2017). A business owner should calculate how human and environmental values are involved with profits. A business owner objective is to understand both human values and environmental impact business growth.

Business owners should consider human rights and environmental values in the thick evaluator process. A business owners should had understood contexts of how these values are involved in making accurate calculations for profits (van der Linden & Freeman, 2017). For example, calculating the benefits of creating safety for employees may lower profits for the organization, but improve and help create a high-performing work environment that is pleasing to the employees and stakeholders. However, taking stock of the value of safety would require the SBO to evaluate the effect managerial decision-making can have on maximizing profit to fully understand the outcome for profits and growth (van der Linden & Freeman, 2017). Ensuring business safety protocols are present may initially be expensive but having an achievement award for a safe work environment can lead to higher stocks and investment among stakeholders. In addition, established protocols can improve managers' decision-making with employees.

***Decision-Making with Employees***

SBOs should consider the psychological impacts and influence of decision-making on employee's well-being. Employee psychological well-being correlates highly with improved small business performance. (Parmar et al., 2017). A critical element of a business is an employer's ability to direct resources and attention to the different levels of psychological need that foster worker satisfaction (Parmar et al., 2017). The stakeholder theory refers to ownership rights and stakeholder rights that fall under the umbrella of the stakeholder perspective (Parmar et al., 2017). Small business owners using the stakeholder perspective endeavor to primarily create value for stakeholders, including customers, employees, suppliers, investors, and the community (Parmar et al., 2017). Small business owners must thoroughly understand the effects of employee psychological well-being by understanding the value of the multiple stakeholders involved (Parmar et al., 2017). There are developments within the psychological individual that lend to the decision-making process.

Small business owners should consider employee's psychological makeup in the decision-making process. Parmar et al. argued that an individuals' development is predicated on the self-determination theory (2017). The three psychological components to understand the aim of satisfying employees are autonomy, competence, and relatedness (Parmar et al., 2017). Small business owners' decision-making process must involve their employees' ratification by understanding the self-determination theory, and its components of autonomy, competence, and relatedness (Parmar et al., 2017). Autonomy consists of employees being the source of their behavior (Bakker & van Woerkom, 2017). SBOs' ability to foster employees' autonomy could involve the development of skills and knowledge relevant to the business, which allows employees to demonstrate mastery of skills and knowledge in the work setting at their discretion.

Employee competence is described as employees' feeling of effectiveness in utilizing their capacities in interactions within a social environment (Osborne & Hammoud, 2017). Creating workplace environments that foster employee effectiveness, such as scaffolding managerial tasks, could assist with building employee competence. Caring for others and being cared for in addition to a sense of connection with others constitutes the premise of relatedness (Schummer et al., 2019). SBOs can foster relatedness by establishing individual and collective rapport with employees through team building, social gatherings, and even peer-modeling activities (Schummer et al., 2019). The self-determination theory allows organization to connect with all stakeholders.

A small business owner who applies the self-determination theory manages motivation and its consequences for the organization. Researchers stated that competence is the degree to which an individual perceives the ability to affect the organization, relatedness is the degree to which an individual feels a connection with others in the organization, and autonomy is the locus of causality in the organization (Parmar et al., 2017). A small business that satisfies these three needs creates an environment of psychological health and a feeling of well-being among employees.

Small business owners that utilize and implement tenets of the self-determination theory develop a more friendly corporate culture leading to more profits. Researchers demonstrated that high self-determination among employees creates favorable outcomes for the business or individuals (Parmar et al., 2017). When small business owners illustrate high self-determination and constancy, employees have higher performance, greater job satisfaction, and better attitudes toward work (Parmar et al., 2017). Parmar et al. suggested that the most influential business owners provide autonomy, competence, and relatedness to their employees' environments (2017). As a result, business owners manage more profit for all stakeholders within the organization, especially those who work directly with the organization. Also, small business profits produce policies that help control the ‘‘bottom line,’’ referring to financial profits (Parmar et al., 2017). By maximizing profits, small business owners create compensation schemes for employees, supplier contracts, customer management, and human resource management. The stakeholder theory when combined with the self-determination theory maximizes profits by both cutting costs and increasing revenue and positively impacting employees' experiences through an improved corporate culture (Parmar et al., 2017). Through effective communication, small business owners create incentives for employees' satisfaction by highlighting the importance of autonomy, competence, and relatedness.

Improved employee performance can also free managers to focus more on decision-making in relation to customers.

### ***Decision-Making with Customers***

Small business owners desire to meet customer relation needs and improve customer decision-making processes (Bader et al., 2019). A small business owner must work diligently to improve their products and services to satisfy customers, meet financial goals, and profit goals. All business owners desire to meet the customer’s needs, and the stakeholder theory provides an avenue to develop and increase customer satisfaction. They created an overall quality management system capable of creating more product and service value added to customers with fewer resources (Bader et al., 2019). By creating a quality demand, customers are willing to pay for quality services and products (Bader et al., 2019). A small business owner must establish power, legitimacy, and urgency within the organization through the decision-making process to ensured value and economic sustainability for customers (Bader et al., 2019). To remain relevant and impactful, SBOs must remain diligent in product and service evaluation. Creating a quality demand for customers based on the organization's quality decision-making can facilitate the generation of power, legitimacy, and economic sustainability, which is of benefit to customers, stakeholders, and business longevity. Analytics can be used to improve decision-making processes as well.

### ***Analytics Business Decision-Making***

The decision-making process requires that small business owners understand analytics and use mathematical tools to have a comparative advantage in the industry.

Blanco-Mesa et al., in 2018, introduced a proposed mathematical methodological perspective to treat business relationships among stakeholders that allowed a predictive tool based on the attitude and personal preferences to analyze the association among all stakeholders. Small business owners can use analytics to develop the decision-making process in uncertainty concerning the structure of importance for each business situation (Blanco-Mesa et al., 2018). The business environment dictated strategic planning and decision-making based on short-term and long-term goals (Blanco-Mesa et al., 2018). Small business owners need to analyze stakeholders and focus on developing matrices, identifying relative situational criteria, and understanding the complexity of change. SBOs understanding of these matrices can either cause their business to grow or fail within the first five years.

There are many dynamics a small business owner must understand and how the multi-faceted components of a successful business are integrated. A business owner's routine may involve human reasoning, such as attitudes, perceptions, and value judgments to the organization (Blanco-Mesa et al., 2018). Human behavior and the business environment can be quantified in the decision-making process by understanding the relationship's dynamic based on an information system (Blanco-Mesa et al., 2018). Business owners, using stakeholder theory, were studied to help researchers understand the business environments and effects on the organization. As a result, the researcher used the stakeholder theory to helped small business owners explained and predicted how organizations act by considering stakeholder influences (Blanco-Mesa et al., 2018). Also, business owners can account for how stakeholders act and seek to influence the organization by the decision-making process, human behavior, and information system. Business owners used analytics as a strategic management approach to evaluate the business environment and how business decisions affect stakeholders within the organization.

**Profitability**

One of the stakeholders' primary objectives is to maximize profits for all stakeholders within the organization. Along with gaining profits, small businesses have a social and environmental responsibility to benefit from any location that involves the community. A business that has a future is a company that coincides with other businesses and the local community (Thomas et al., 2020). Meanwhile, to develop an economically sustainable business, business owners must gain and improve their profitability in the industry. While many companies start businesses, many do not enjoy a long lifespan.

Business owner’s sustainability report can be used to demonstrate the company's expectations and management. Subsequently, stakeholders would be made aware of where a small business is gaining profits to demonstrate value to future stakeholders (Thomas et al., 2020). The expectations for a business can be demonstrated when an increase in profits garners increased investment (Thomas et al., 2020). With increased investment, the stakeholder can quickly identify the possibility of future business profits based on the rate of return of assets (ROA) (Thomas et al., 2020). Small business owners should understand the relationship between profitability, business sustainability reports, profit margins, and long-term growth. This relationship begins with clear communication with stakeholders regarding profits.

### ***Communicate Profits with Stakeholders***

Transparent communication about the companies' profits with stakeholders is imperative to small business success. Small business success is a primary stakeholder's desire, but ethical profiting can improve business growth. Communicating ethically and responsibly to diverse stakeholders, including the government, employees, investors, customers, suppliers, the media, and the public, has become a vital concern for many business owners (Fifka et al., 2020). The business owner will face stakeholder scrutiny and pressure toward its business conduct concerning governance, employee treatment, environmental issues, and community involvement (Fifka et al., 2020). SBOs need to disclose financial information because businesses affect society and the environment. Small business owners are bound to their shareholders' interests and face increasing pressure on reporting, transparency, and accountability (Fifka et al., 2020). A business owner must be transparent and accountable for all business activities and share a sustainable report with a shareholder. Business owners who seek transparency among stakeholders should bring more profits to the organization.

### ***Transparency Brings Profits***

Stakeholder theory was developed to help shift business owners' perspectives of benefit and sustainable economic growth to a holistic viewpoint that includes all stakeholders. When the stakeholder theory is used correctly, small businesses can benefit and learn that all stakeholders assist with revenue for a generation (Omondi-Ochieng, 2018). Small business managers can focus on what determines net income when stakeholders develop the competitive advantages necessary for financial success (Omondi-Ochieng, 2018). A small business owner and the stakeholders should understand that competitive advantage and superior performance are strategic management operations if all stakeholders are involved (Omondi-Ochieng, 2018). The business owner must find outstanding financial performance relative to its competitors' strategic financial resources to generate profits, planning, political, geographic, marketing, and financial resources amongst all competitors (Omondi-Ochieng, 2018). The business owner and the stakeholders working together can be more profitable and economically sustainable. Also, the stakeholder and SBO can create an institution that is resilient to the competitive market.

Business owners are increasingly expected to be more transparent about their business activities and openness to the mission. Since the financial crisis which began in 2008, global awareness has put intense pressure on companies to achieve profitability while remaining transparent (Brulhart et al., 2019). Business practices with economic sustainability activities are now seen to build strategic resources, including stakeholder relationships and a reputation for environmental awareness. Business owners' decision-makers may find it difficult to uphold new standards and requirements for business awareness the society is requesting for business owners. Nevertheless, if stakeholders are brief with business activities and are satisfied with the effectiveness, a positive reputation may enhance productivity and profitability. A business with high stakeholder transparency will be able to attract, motivate, and all stakeholders. The researchers found that stakeholder transparency positively influenced society proactivity, and society proactivity had a positive influence on profitability, and society proactivity mediated the relationship between stakeholder transparency and profitability. As a result, business owners must have a business structure focusing on profitability and the processes that inspired high performances within an organization.

#### ***Profit Business Structure***

Small business owners must also develop an organized business proxy structure to gain profitability. One research study mentioned the importance of using financial structure variables, return on equity (ROE), and ROA as a way to gauge profitability (Seyoum et al., 2020). These formulas are applied by stakeholders to make financial decisions that help businesses remain profitable and competitive. As a result, business owners should learn to balance financial structure choice and factors concerning profitability by identifying appropriate financing sources that contribute to success. Corrupt financial structures can lead to financial difficulties and bankruptcy. Seyoum et al. stated that financial structure should cover both types of financing long-term debt to equity ratio and short-term debt to equity sources (2020). The higher the debt burden the lower the profitability and greater likelihood of bankruptcy. However, the positive relationship between asset turnover, firm size, and growth opportunity with financial performance measures leads to business success (Patel et al., 2018). Small business owners can create profitability aside from making a sale.

Business owners should learn to balance financial structure choice and factors concerning profitability. Small business owners can realize that revenue generated does not always translate to profitability (Porto et al., 2017). Nevertheless, the traditional revenue and profit gain or loss are accounting driver information that small businesses should be able to translate and understand the meaning to generate profitability (Porto et al., 2017). Small business owners' financial information is essential for the existence of the business (Porto et al., 2017). A small business should implicate financial management skills into the organization to ensure that a business can survive over five years (Porto et al., 2017). Business owner must have financial management skills to gain revenue and profits to ensure growth.

**Financial Management**

A small business owner should understand financial management to prevent failure and survive for more than five years. Financial management is a tool in which business owners manage financial resources and develop a successful management forecast to develop a successful business model (Black et al., 2020). The financial management process includes creating a mission statement, choosing a long-term and short-term strategy, SWOT, develop strategies to accomplish its long-term and short-term goals, implement strategy, and balance scorecard (Black et al., 2020). Business owners should handle these resources and skills as a financial instrument to maintained and resolved situations that will bring the organization hither. Small business owners can sharpen these tools to create a successful business and not fail within five years.

A small business owner has numerous financial management tools at their disposal to help them succeed, but they first should establish a mission statement. The business mission statement explains the business's existence and values (Black et al., 2020). The small business mission statement explained the business's visions and direction that paints a picture of how the business will use its resources to affect its employees, local community, and society (Black et al., 2020). Black et al., in 2020, highlight the importance of vision: “where there is no vision, the people perish…” (Proverbs 29:18). Next, a small business chooses short-term and long-term goals. These goals are consistent with the mission statement to achieve these goals. The importance of goal achievement is that it will express confidence in the business, highlight a working decision-making process, identify opportunities for synergism among stakeholders, and evaluate performances throughout the organization (Black et al., 2020). Business owners should collect data and demonstrate the ability to analyze the information to make sound decisions (Black et al., 2020). Small business owners should consider some software to have implemented the financial management process to assist with evaluating the organization that dealt with technologies, laws, market conditions, and personnel (Black et al., 2020). Small business owners should develop financial management skills and utilize the tools accessible to them to stay competitive in a rapid-growing global economy. Small business owners can use financial management tools: the SWOT analysis, the balanced scorecard, and various financial ratios.

### ***SWOT Analysis***

SWOT analysis is a customizable and prevalent tool that business owner use to subjective opinions and decisions to guide future and current business situations (Granulo & Tanovic, 2020). The SWOT analysis is the strength, weakness, opportunity, and threat of a business and often used to evaluate a business. The SWOT analysis has no standard template because each business has its own specific goals and achievements (Granulo & Tanovic, 2020; Jovic et al., 2020). Strength are internal factors that businesses have that they excel at that separate them from the competition (Vlados, 2019). Weaknesses represent internal factors that stop an organization from performing at a high level (Vlados, 2019). Opportunities represent external factors that give the organization a competitive advantage for the future (Gürel, & Tat, 2017). Threats represent external factors that harmful to achieving goals (Granulo & Tanovic, 2020). The SWOT analysis can transform your business by consistently reviewing its performances and finding areas to improve in the industry. However, the SWOT analysis should be tailored for each organization.

Each small business must review its business and see how the SWOT analysis can help inform better management decision-making for its organization. Small businesses should utilize the SWOT analysis to provide stakeholders with specific business knowledge and skills (Gürel, & Tat, 2017; Vlados, 2019). Business owner's strengths of SWOT analysis used for different organizations, but the disadvantage requires each business owner to outline their own transparent and smart thinking decision-making process to take full advantage of the SWOT analysis (Lee & Kotler, 2019). The SWOT analysis has its advantages and disadvantages, but it is still a financial management tool used to get a competitive advantage among competitors. A small business owner can also use the balanced scorecard method to improve financial management among small business owners.

### ***Balanced Scorecard***

A balanced scorecard is a strategic management tool and financial management system that enables a company to set, monitor, and achieve key business strategies by growth, business process, customer perspectives, and financial data (Marcu, 2020; Yilmaz & Antmen, 2019). Small business owners have used the Balanced Scorecard as a financial management tool to improve their business. Robert Kaplan and David Norton (1990) developed the Balanced Scorecard to help managements align core business processes and develop corporate goals, initiatives and targets in four key areas: operations, finance, people, and customers (Granulo & Tanovic, 2020). The financial data addresses the short and long-term goals of organization success (Cristea, 2019; Yilmaz & Antmen, 2019). The customer perspective is related to the customer perception of their satisfaction and loyalty toward the organization (Asiaei & Bontis, 2019; Yilmaz & Antmen, 2019). The business process addresses the relationship between the financial areas of the company and customer and any improvement needed for a successful relationship (Yilmaz & Antmen, 2019; Guix & Font, 2020). The growth perspective addresses the human resources of competitive, employee skills, and the ability to achieve goals (Yilmaz & Antmen, 2019; Philbin & Kaur, 2019). The balanced scorecard method allows small business owners to view their financial information more as a functional relationship between all stakeholders, whether than a micro view of just collecting data and forecasting. Small business owners used the balanced scorecard to increase profits and improve performances in the organization.

Small business owners should develop a financial management tool to increase profits and performance within the organization. Business owners can use a Balanced

Scorecard to create structures for obtaining competitive advantage, increasing profits, and improving citizen services. Balanced scorecards are most effective when implemented using flexible and adaptable behaviors, performance orientation, efficiency, and progress (Despande, 2019; Rošulj & Petrović, 2019). The Balanced Scorecard is a strategic management tool used to identify and improve business functions (Peart & Knowles; Rošulj & Petrović, 2019). Balanced scorecards help management set clear and measurable goals targets and intitaives (Rošulj & Petrović, 2019). Business owners receive data and results, then interpret and utilize the data to make better decisions for the organization (Rošulj & Petrović, 2019). Business owners use the balanced scorecard to provide a performance management system that transforms the firm's strategy into performance goals. Small business owners should incorporate a software system, such as QuickBooks, to record SWOT analyses and balanced scorecard data to improve performance.

***QuickBooks***

QuickBooks is a comprehensive accounting technology small business owners should invest in at the start of a business to maintain financial accountability. QuickBooks is the most frequently used accounting system for small business owners (Fordham & Hamilton, 2019). Business owners using QuickBooks helps improve their efficiency, effectiveness and add more beneficial features other than basic bookkeeping (Bhansali, 2017; Fordham & Hamilton, 2019). In 1983 technology became available that allowed small business owners were computerized to provide higher speed and accuracy than traditional manually operated hardware such as calculators, comptometers, and cash registers (Fordham & Hamilton, 2019). In 1992, Intuit improved QuickBooks as a function to handle all accounting functions and created the software to manage a multi-industry transaction (Fordham & Hamilton, 2019). Business owners need software to improve day-to-to operations for higher speed and accuracy. If a small business owner does not hire an accountant, QuickBooks is the most used simple accounting software that small business owners can operate. Using QuickBooks would allow SBOs to focus on higher priority issues instead of the time-consuming work of bookkeeping.

All small business owners should have an accounting system to assist with daily business activities. In 2019, Fordham & Hamilton stated that fewer than a third of U.S small businesses currently use accounting software for their business. Fordham & Hamilton found that QuickBooks was more so used for industry-specific software than essential accounting function software (2019). Some business owners who have not used an accounting system stated that they have no need, do not see a need, and are unaware of the condition of the benefits of QuickBooks (Fordham & Hamilton, 2019; Richard, 2019). Small business owners who are not using QuickBooks need to analyze their information and realize the cost-benefit of an accounting system. Small business owners could calculate ratios and knowledge to assist in the decision-making process to prevent business failure.

***Basic Ratios***

Calculation of key basic financial ratios and being able to interpret the results is vital to business success. Small business owners who used QuickBooks can calculate different ratios that will help a business make better financial decisions. Business owners prepared cash flow ratios to form the cash flow statement (Das, 2018). They used cash flow ratios as a reliable indicator of liquidity, creditors are frequently using cash flow ratios regarding the company's ability to meet its payment commitments, and cash flow ratios provide a dynamic picture of the company (Das, 2018). Business owners used ratios as a quick way to analyze business performance and see the potential the organization may have in the future. The cash ratio is just one quick ratio that business owners used, but several others highlight the status of a small business.

Small business owners produce financial statements to calculate financial ratios as a useful tool for measuring and evaluating business performance. They used financial ratios as a crucial role in the analysis of financial statements because these statements provide the proper basis for assessing a business entity (Khaled, 2020). The most useful of these ratios are return on assets (ROA), earnings per share (EPS), and net profit margin (NPM) (Khaled, 2020). Stakeholders are often more interested in the amount of profit derived from invested capital than the profit level as a percentage of sales represented by the ROA (Khaled, 2020). Business owners used the EPS to reflect the efficiency reflecting how much a regular shareholder will earn after deducting the premium share of the net profit after interest and taxes that demonstrates the ability for expansion (Khaled, 2020). Business owners used the NPM to measure sales revenue percentage value after deducting all costs and expenses (Khaled, 2020). The higher the organization's NPM, the better management efficiency as reflected in business activities (Khaled, 2020). These ratios are small business tools to determine day-to-day operational needs. In addition to software and business ratio analyses, small business owners need tools and strategies to ensure organizational survival.

***Need for Effective Business Strategies***

There are several strategies to improve successful business strategies to prevent a business from failing. Small business owners account for a significant portion of the United States economy yet are failing at alarming rates (Turner & Endres, 2017). Between 2004 and 2014, only approximately 78.5% of new business startups survived their first year of operations (Turner & Endres, 2017). Turner & Endres (2017) suggested that personal characteristics needed to be included could contribute to small business sustainability and growth, such as strong negotiation skills, creativity, hard work, and self-discipline. Business owners' ability to lead as measured by leadership qualities such as attending to judgment, emotion, physical sensation, cultivating stillness, gaging ambiguity, and aligning with a vision (Turner & Endres, 2017). SBOs practice of effective leadership characteristics is important for business success. Transformational leadership is a leadership approach that can be used to successfully run a business.

There are several types of leadership styles, but the use of transformational leadership creates an opportunity to run a successful business. The use of transformational leadership addresses creating changes in the values and goals of employees and goal alignment is crucial to the success of a business (Turner & Endres, 2017). Most business leaders must expand their influence among many areas of the organizational environment and the people within each area to ensure an appropriate span of control. Business leaders should identify social networking, interpersonal ties, and the ability to create new connections with stakeholders for the sustainability of a business (Turner & Endres, 2017).

The ability to network is critical to business owners to obtain knowledge exchange which led to a higher sustainability rate in their business operations (Turner & Endres, 2017). Effective networking suggests that the SBO has established relationships and shared aspects of the business with others. As a result, networking may serve as a potential, informal loan application, since persons in the SBO's network have been assisting and sharing ideas that are believed to improve business operations. Also, the people in the network are likely to understand the need for financial support since they are in business as well. Even if the network is not a feasible financial option, networking in combination with transformational leadership has hopefully been used to refine the SBO's plans and vision of the business. Such preparation may position the SBO to pursue traditional financial supports more effectively.

If these means prove inaccessible, a business owner can obtain home equity, savings, or using a personal credit card for expenses associated with the business to make sure they are fully funding (Turner & Endres, 2017). Small businesses must have funding to survive. If a business is lacking in any area, it will cause them to fail within five years. Turner & Endres stated that fifty percent of small-business owners identified their business came from ideas from networking or creativity from existing business (2017). Small business owner's ability to network can decrease failure due to a lack of experience and SBOs can utilize networking to better implement transformational leadership within their business. Utilizing ideas from networking can assist an SBO in creating a better vision for their business and in turn could improve their ability to inspire their employees. Networking does not often appear directly related to business leadership. However, it seems that expanding one's business and social network can catalyze improving transformational leadership implementation, which ultimately, can lead to improved business success. Business owners should have a strong networking system when lacking experience at the initial start of business.

### *Lack of Business Knowledge*

Business owners may lack comprehensive business knowledge when first starting a business. Lack of experience for business owners may impact competitive edge, economic factors, crises, and shifts in priorities (Turner & Endres, 2017). A lack of business leadership skills contributes to small-business owners' failures in maintaining economic sustainability in organizations (Turner & Endres, 2017). Knowledge of how to facilitate such expansion is often limited for business leaders (Turner & Endres, 2017). Without this basic knowledge, many business leaders attempt expansion based on prior knowledge, which may lead to erroneous business decisions. Knowledge of a specific business leadership style may assist in curtailing business failures.

Transformational leadership can serve as a mechanism for leaders to understand why and how to create positive expanded relationships. While the nuances of the particular industry may require adjustments, utilizing transformational leadership as a foundation for understanding business leadership can be effective. Small-business owners are often required to simultaneously manage business expenses due to any high expenses unexpected costs that harm profitability and sustainability (Turner & Endres, 2017). For example, some small business owners often overlook health insurance costs and identified them as a serious challenge to their ability to maintain profitability (Turner & Endres, 2017). In addition, some business owner lacks the knowledge to utilize technology with their busy through awareness, experience, and expertise (Turner & Endres, 2017). The small business industry is unpredictable. The more informed a business owner is at the initial start of business the better they will be able to handle situations due to a lack of experience. Not only is leadership knowledge needed, understanding of finance acquisitioning is also imperative for business success.

Small business owners also need understanding of how to secure proper funding at the initial start of business.  Investors are wary of financial assistance to new small-business owners due to the lack of experience and risky proposition (Turner & Endres, 2017). New small business owners face challenges associated with financing a new business launch (Turner & Endres, 2017). Networking and transformational leadership may assist with this aspect. Expansion of social and business networks can subsequently expand SBOs pool of potential investors.

## Transition

Section 1 contained the business problem, method, and design I used for conducting my study. A comprehensive review of literature illustrated the need to explore ways to prevent small businesses from failing. Section 2 begins with an overview of the qualitative single-case study design chosen along with the sampling technique, data collection process, data analysis process, and measures of reliability and validity of my study. Section 3 concludes with a presentation of the findings and recommendations and personal reflections.

# Section 2: The Project

Exploring strategies small business owners use to improve financial management skills for better competitive positioning and profitability are the focus of the qualitative multiple case study. Profitability and competitive positioning are vital aspects of small businesses (Arunachalam et al., 2018). Improved supports and training offered to small business owners may improve local and national economic stability (Romanenko & Rakhuba, 2019). In this section, I discuss the purpose statement, the role of the researcher, participants, research method and design, population and sampling, ethical research, data collection, data analysis technique, and reliability and validity of the study.

## Purpose Statement

The purpose of this qualitative multiple case study was to explore the strategies SBOs used to improve financial management skills for better competitive positioning and profitability. The target population was five business owners with over 5 successful years of experience being a small business owner in Central Mississippi. These SBOs located in Central Mississippi have experience in the freight industry by operating and growing a small business successfully for over 5 years through their experiences in the successful implementation of financial management strategies. The implications for positive social change include the potential for improving the financial literacy of small business owners that may prevent business failure and improve the state and local economy of Central Mississippians through higher employment and tax revenues.

## Role of the Researcher

My role as a researcher was to select a methodology and design best for my study, and to gather data participants for the evaluation. The role of the researcher varies for different study types (Glegg, 2019). For this study, my role was to use data collection instruments to collect data on participants' experiences to better understand the topic of research as suggested by Yin's 2018 research. I selected the applicable and feasible methodology and design, locating participants, as well as gathered and evaluated data for the proposed study (Wa-Mbaleka, 2019). As the orchestrator of the study, I was ensured proper and principled protocols of ethical behavior, validity, and reliability are adhered to throughout the study. I served as the main data collection instrument for the study by conducting interviews. I have professional relationships with participants. The used of interview and transcription protocols was used to mitigate potential biases which is aligned with the recommendations contained in Yeong et al., 2018. Interview protocols were used to ensure consistency in questions and to guide the interview process. I ensured all research studies were ethically sound and in accordance with IRB and the *Belmont Report* protocols was a vital researcher's role. I collected various financial statements from participants as secondary data sources.

## Participants

The focus of the study was to explored strategies to help small businesses survive beyond 5 years. Yin (2018) highlighted the important role of participants in a study and addressed the qualitative research features for selecting participants. All participants were small business owners related to the field of study. The sample size meets the suggested interview participant number needed to obtain data saturation for the proposed study. The target population were small business owners in Jackson, MS who had at least 5 years of experience running a small business. A purposive sample was used for the study. The criterion for the selection of the participants were that each business owner had to successfully sustain their business for over 5 years. A minimum criterion of 5 years of business experience, suggests the owners were able to sustain profitability (Alarussi & Alhaderi, 2018). Professional relationships and contacts provided access to participating small business owners. Each participant received a brief explanation of the purpose of the study, a resume and synopsis of my background. Participants received consistent communication, including follow-up phone calls, emails, and social media contacts. During the interview, I ensured that all the participants understood and were comfortable conveying the information for the study.

## Research Method and Design

### Research Method

The three methods of research design are quantitative, mixed method, and qualitative. Interactions with interview participants to attain a holistic understanding of a research phenomenon is only produced in qualitative studies (Zyphur & Pierides, 2017). Specifically, qualitative exploratory research is used to gain a deeper understanding of why certain things are happening to provide a comprehensive and scholarly rationale for events (Yin, 2018). Yin, in 2018, stated that qualitative research allows researchers to develop a sense of an event and patterns by analyzing data retrieve from the phenomena. A qualitative case study was appropriate to explore strategies small business owners use to survive beyond 5 years because it is not known which strategies are most effective and identification of strategies requires exploration into the phenomenon of SBA management practices.

Identification of the strategies used by SBOs and rationales behind the choices would not be revealed in a quantitative design. The quantitative method is a reliable source for in-depth research on the examination of quantitative relationships and testing hypotheses (Yin, 2018). The quantitative research method is a systematic, deductive, evidence-based approach, which uses statistical data techniques to determine significant relationships among dependent and independent variables (Yin, 2018). Measures of effectiveness of strategies would be more befitting for a quantitative design and subsequent research studies (Zyphur & Pierides, 2017). The mixed-method approach includes both qualitative and quantitative methods (Zyphur & Pierides, 2017). The quantitative approach and mixed-method approach could not be used to provide the depth and richness of a multiple case study design and are not appropriate for this study.

## Research Design

To explore the strategies small business owners used to improve financial management skills for better competitive positioning and profitability a multiple case study design will be used. A multiple case study can be used for the analysis of an exploratory inquiry with specific case findings being a reliable database (Harrison et al., 2017). Exploration of participants' business experiences regarding financial management skills that foster better competitive positioning and profitability by small businesses is best addressed by an intensive study of the group (Gustafsson, 2017). I explored the best strategies to help a small business survival over 5 years.

This study contains a focus on strategies to help small business survival over 5 years. The ethnography design was not appropriate for this study, as suggested by Isaksson et al. (2017), since the beliefs, feelings, and culture of research participants by the everyday lives and realities of people were not explored. I used the ethnographic design to collect data on culture by observation, a deeper understanding of an agent of change, rather than strategies of improvement used by SBOs (Isaksson et al., 2017). Phenomenological studies, another design option, are used by researchers to focus on the study of an individual or a group of people who share phenomenological life experiences (Goergen et al., 2019). The objective of the study was to identify strategies that will grow all stakeholders and do not involve the lived experiences of a person or group, thus eliminating phenomenological study design was not an option for the study. Data saturation occurs when the data collection results in no new information emerging from study participants' responses (Yin, 2018). Interviews and data collection were continued until the data saturation is reached. Solicitation of additional participants was conducted if needed.

## Population

The target population was business owners with over 5 successful years of experience being a small business owner in Central Mississippi. SBOs had businesses located in Central Mississippi in the freight industry and have had self-reported financial management success. According to public records, 5 local business owners met the selection criteria.

Participants had to have 5 successful years of experience being a small business owner, reside in Central Mississippi, conduct business in the freight industry, and have had self-reported financial management success. Sampling methods vary and should be directly aligned with research questions and overall study purposes (Etikan & Bala, 2017). Purposive sampling relies on the researcher's judgment regarding selection of participants (Etikan & Bala, 2017). Purposive sampling was used to select participants based on a predetermined set of criteria to make theoretical, analytical, or logical generalizations on the studied group. The exploratory design lends to purposive sampling since the findings of the proposed study can lead to further research (Sharma, 2017). The major weaknesses of purposive sampling are researcher biases and limited transferability (Sharma, 2017). Participants were selected using specific selection criteria, to curtail researcher bias. In addition, objective transcriptions of all interviews combined with member-checking should further foster objectivity of analyzed (Wadams & Park, 2018). The limited transferability was a result of the selection of a specific group of participants. The findings may not apply to other regions, industries, or demographics (Maxwell, 2020). Purposive selection of small business owners was used to ensure participants' backgrounds and business experience were relevant to the study. Purposeful sampling directly aligned participants with the intended research question regarding small business owners' life-learned experiences. Interviewees', at a location of their choosing, participated in face-to-face interviews, using open-ended interview questions. Participant response data were analyzed using qualitative computer software to eliminate any potential interpretative bias.

## Ethical Research

After receiving my approval number 01-04-22-0752806 from the Walden University IRB, I solicited participants using the criteria establish. Solicitation included using word of mouth, business network contacts, and social media. Social media and individual email solicitations were posted and sent, respectively, to obtain the target participants needed. When combined with ethical considerations, social media and email are practical and effective means of participant solicitation (Hammer, 2017). Once enough participants agreed to be a part of the study, soliciting was concluded.  Study solicitation resumed to ensure the target sample size was reached only if agreeing participants could not complete all aspects of participant responsibilities or withdraw from the study. An email signifying withdrawal from the study was all that was needed if a participant no longer desires to be a part of the study, as suggested by Fernandez (2020). The consent form included the research questions, a statement of consent with the agreement, and a recorded interview.  Participants were sent an email containing full study details and a consent form (see Appendices A and B).

All research study processes were ethically sound and in accordance with IRB and the *Belmont Report* protocols (Lantos, 2020; Sutton, 2020). Throughout the study anonymity was maintained. Information collected during the study did not contain items considered as personal identifiers, which adhere to confidentiality procedures recommended by Audrey et al. (2017). Avoidance of embarrassment, personal harm, offense, fright, or distress is an essential aspect of the data collection process (Audrey et al., 2017). The interview transcripts and secondary data remained secured on an encrypted flash drive for 5 years and subsequently destroyed to protect the privacy of the participants to protect the data collected (Wallace & Sheldon, 2015). Pseudonyms were used for all participants. Use of pseudonyms prevented breached of confidentiality while maintaining the ability to effectively and accurately analyzed data collected (Saunders et al., 2018). Data was secured on an encrypted laptop in accordance with Walden University policy.

## Data Collection Instruments

Participant interviews were used as the primary data collection instrument in this study. Participant interviews are commonly used in qualitative studies (McGrath et al., 2019). Participants' specific perspectives regarding a phenomenon as opposed to large-scale generalizations were explored through interviews (McGrath et al., 2019). Regarding the current study, the phenomenon was strategies SBOs used to improve financial management skills for better competitive positioning and profitability. Semi structured interviews were used to conduct data collection. The semi structured interview process not only allowed for the collection of data regarding the topic but also allowed for follow-up questions and interpretations of participants’ nonverbal communications (Constantinou et al., 2017). Face-to-face interviews were used to gather information needed for the study. Interview questions were constructed to align with the research questions, after reviewing studies on small business financial management and similar pertinent articles. After approval from IRB at Walden University, interviews were conducted. Participants were contacted and scheduled for the interviews. Interviews were scheduled in 30-minute increments. The amount of time allotted for the interviews allowed participants to thoroughly answer each question posed, as well as allow for elaboration and follow-up questions. Interviews were recorded, via Zoom. All interviews were transcribed, and each participant was asked to review the summation of the collected data to provide validation and feedback resulting in member checking of the information (Van Audenhove & Donders, 2019). The member checking processed assists in ensuring data accuracy and reliability (Candela, 2019).

## Data Collection Technique

The proposed multiple case study was explored the strategies small business owners use to improve financial management skills for better competitive positioning and profitability. Data techniques included semistructured interviews and documentation (Yin, 2018). The interview was structured to collect data regarding participants' life experiences while owning a small business and strategies used to sustain success. The face-to-face interview allowed access to a wealth of specific industry knowledge that may not be published yet (Constantinou et al., 2017). The advantage of face-to-face interviews was a maximum degree of communication and interaction between the researcher and participant (Constantinou et al., 2017). A face-to-face interviewer can observe behaviors and nonverbal cues. There was also disadvantaged to face-to-face interviews. Potential disadvantaged was bias of the interviewer and time constraints on respondents (Hawkins, 2018). For this case study, the advantages of face-to-face interviews outweighed the disadvantages.

## Data Organization Technique

Interview data was collected by using a voice recorder, or Zoom video platform, in response to the interview questions. Voice or video recordings enabled accurate recall and transcription of participant responses (Vindralo-Padros & Johnson, 2020). The recordings, regardless of platform, was stored on an encrypted flash drive to protect all data (Wallace & Sheldon, 2015). Additionally, interview notes were taken during the interview. Researcher noted required recall of precise details, which add to the quality of data analysis (Archard, 2020). New and pertinent responses was noted and highlighted during the interview and reviewed during data analysis (Archard, 2020). After all interviews, transcription, coding, and organization of the interview data was taken place to determine reoccurring themes. Transcription of the interview textual data was completed using the Dragon v15 software. Transcription software increases the reliability of interview data and decreases human transcription errors (Bokhove & Downey, 2018). Yin (2018) suggested qualitative validity and reliability rested upon triangulation of data, saturation, trust, and applicability; all of which were achieved through the use of interviews, recordings, and IT data devices. The interview transcripts and secondary data was remained secured on an encrypted flash drive for five years and subsequently destroyed to protect the privacy of the participants to protect the data collected (Wallace & Sheldon, 2015). According to Walden University policy, I was deposed of all information related to my study.

## Data Analysis

The purpose of this qualitative multiple case study was to explore the strategies small business owners use to improve financial management skills for better competitive positioning and profitability. Braun and Clarke's (2006) six-step framework was used for thematic data. Thematic analysis identifies qualitative data set patterns.  Thematic analysis was the ideal process for analysis due to the exploratory rather than theoretical focus (2006). Thematic analysis was conducted to analyze the qualitative data for the proposed study.

A full write-up of the thematic analysis was the last step of the analysis. Identification of patterns and themes was required open and axial coding (Maguire & Delahunt, 2017). After open coding, data was organized based on meanings originating from collected data (Vollstedt, & Rezat, 2019). The process of axial coding was the analysis of coded data to determine code connections (2019). Broad themes and subthemes became evident during analysis. The Dragon software was used to highlight the major themes collected in the interview. My objective was to identify themes and patterns to improve financial management skills for better competitive positioning and profitability along with the successful strategies to prevent failure within 5 years (Yin, 2018). Semi structured interviews, documents, and member checking provided in-depth responded for identifying and interpreting the data.

## Reliability and Validity

### Reliability

Each participant was asked to review their transcribed responded to ensured accuracy. Dependability and consistency were vital to qualitative research (Hayashi et al., 2019). Reliability was when data collection and analysis were consistent and free from inaccuracies (Hayashi et al., 2019). Bias from the researcher can negatively affect the reliability of the research (Yin, 2018). Transcription software increased the reliability of interview data, decreased human transcription errors and researcher bias (Bokhove & Downey, 2018). Member checking was a method to assure reliability and validity (Candela, 2019). Each participant was asked to review their transcribed responses to ensure accuracy. Internal consistency was another measured of reliability. Internal consistency assured evaluation methods were appropriated for the study and maybe the most critical phase of evaluating reliability (Pham, 2018). Reliability and validity ensured the design of the case study has credibility, trustworthiness, and data dependability (Yin, 2018). Reliability regarded the amount of credibility, transferability, dependability, and confirmability of the data (Yin, 2018). Validity and reliability provided the necessary elements to ensure the credibility and dependability of the case study.

The dependability of the proposed study was sustained by conducting the interviews in similar settings throughout the study. Limiting setting changes can limit impacts to participant responded and thus solidify the dependability of the study findings (Bergen & Labonte, 2020). In the case in which unavoidable changed occur, interviewer notes will reflect the occurrences and potential impacts. Although every potential contextual change cannot be accounted for, the study was designed to replicate consistent contextual settings for each interview conducted (Bergen & Labonte, 2020).

### Validity

Member checking was used to validate the accuracy and understanding of data collected and emerging themes. Validity was critical in qualitative research as it is a key element of quality (Yin, 2018). External validity was the ability to be transferable in qualitative research through the evidence providing other researchers (Yin, 2018). Member checking was a way to validate results and conclusions in qualitative research (Candela, 2019). In addition to the interviews, methodological triangulation data was incorporated by collecting documents such as a chart of accounts from the participants to aid in achieving data saturation. Data triangulation was the used of various data sources to determine a consensus of study findings (Renz et al., 2018). The additional data sources serve as a means of validating interview responses, in the case of the proposed study.

## Credibility

The participants' perspective of the phenomena central to the explorative nature of the study. Member checking of all the participants' responses in this study can solidify the integrity of the findings to assure accuracy and credibility (Yin, 2018). Participants will have the opportunity to review the findings from interviews to determine the legitimacy of the results and provide clarifications when needed (Thomas, 2017). Credibility of the study will be ensured by synthesizing the notes and interpreting the study using member checking and confirmation of the authenticity of data.

## Transferability

Transferability was also be predicated on the proposed transfer setting being similar to that of the proposed study; rural, southern, and specific to the logistics industry. The results of the qualitative study have the potential for being generalized or transferred to other contextual settings (Finfgeld-Connett, 2010). Transferability, for qualitative research, was largely determined by the person attempting to applied findings to another context (Finfgeld-Connett, 2010). However, the thick description of the proposed study methodology and analysis process should foster transferability (Cornelissen, 2017). I illustrated the transferability for future readers and researchers by analyzing the data from participants, member checking, and other research findings data collected measures.

## Confirmability

Thick description of the proposed study methodology, sampling, secondary data source acquisition process, and analysis process was added to the current study to increase the confirmability. The assurance of findings being able to be confirmed by other researchers was known as confirmability (Nassaji, 2020). Confirmability regards ensured that data and finding interpretations were not just made up or erroneous but based on collected data. The concept of confirmability directly related to the establishment of reliability and validity of a study (Haven & Van Grootel, 2019). Detailed record of the findings' analysis process, sampling and data sources allowed for replication of the study, in a similar setting, which can confirm study results (Johnson et al., 2020). I was presented confirmability of the study by recording the finding of the interview, member checking, and coding the data for the recording initial interview.

## Transition and Summary

The purpose of this qualitative multiple case study is to explore the strategies small business owners use to improve financial management skills for better competitive positioning and profitability. Section two provided a discussion on how to collect data and provide analysis for reliability and validity. In section three, I will present the findings, implications, make recommendations generated from the data collected from the study, and offer any areas of new research.

# Section 3: Application to Professional Practice and Implications for Change

## Introduction

The purpose of this qualitative multiple case study was to explore the strategies SBOs use to improve financial management skills for better competitive positioning and profitability. The target population was five business owners with 5 successful years of experience as SBOs in central Mississippi. These SBOs, located in Central Mississippi, have experience in the freight industry by operating and growing a small business successfully for over 5 years through their successful implementation of financial management strategies. The implication for positive social change includes the potential for improving the financial literacy of small business owners that may prevent business failure and improve the state and local economy of Central Mississippians through higher employment and tax revenues.

This section contains a discussion of the data analysis from the interview data that coincides with the five themes. Five participants cooperated and agreed to take part in the qualitative case study. Participants answered five open-ended semi structured questions to answer the overall research question of this study. Zoom videoconferencing interviews and interview dialogue were transcribed for data analysis. Next, correlation of the thematic analysis of the five major themes that emulate the financial management skills for better competitive positioning and profitability was completed. Lastly, an in-depth analysis of the interviews and illustration of present the findings, applications to professional practice, implications for social change, recommendations for action, recommendations for further study, reflections, and the conclusion are presented.

## Presentation of Findings

The findings for this qualitative multiple case study derived from the open-ended interview questions. Study data is presented as a data collecting matrix to explore the strategies small business owners, in Central Mississippi, used to improve financial management skills for better competitive positioning and profitability. The primary research question for this study was: What strategies do small business owners in Central Mississippi use to improve financial management skills for better competitive positioning and profitability? The five participants were small business owners in the freight industry with over 5 successful years of experience being a small business owner in Central Mississippi. These small business owners manage their businesses differently, but each business is successful in managing a business over 5 years using financial management skills.

Participants were coded as SBP1, SBP2, SBP3, SBP4, and SBP5 to protect the security, privacy, and confidentiality for all participants. The freight hub where these small business owners operate their business in Central Mississippi were observed by the researcher. After the interview, Yin’s (2018) five-step process was used to identify the matching themes by (a) compiling, (b) disassembling, (c) reassembling, (d) interpreting, and (e) summarizing data. The themes which were identified as (a) financial management, (b) successful business strategies, and (c) profitability.

**Table 2**

*Frequency of Themes*

| Themes | N | Percentage |
|---|---|---|
| Financial Management | 73 | 31% |
| Successful Business Strategies | 104 | 45% |
| Profitability and Revenue | 55 | 24% |

**Table 3**

*Participant Responses to Financial Management*

| Participants | Percentage of responses to Financial Management |
|---|---|
| SBP1 | 22% |
| SBP2 | 32% |
| SBP3 | 21% |
| SBP4 | 11% |
| SBP5 | 15% |

**Theme: 1 Financial Management**

The first common theme to emerge from interviews was that of the importance of financial literacy and management. Each participant had their own unique in the way of using financial management for their business. These independent contractors received multimillion dollar contracts from FedEx. The primary objective for these small business owners was to manage the funding received to foster financial gains. Each SBO has enormous operation expense such as the maintenance of trucks, fuel cost, employee payroll, loan payments, inflation cost, safety cost, and legal cost. SPB3 stated "that it is important to understand that the money and the revenue will come and focus on where the business is going and making sure that one possesses the education to operate the business properly and profitability." SBP4 stated that, "you must want to broaden your business while understanding the territory being serviced." These small business owners must know the geography of the territory of the route location in which the service as well as the territory in which they can hire. SPB3 stated that in 2004 there were more males working but there are more single moms working in his industry now. SBP2 stated that "financial managements skills are the key to improving a businesses' competitive positioning". SBP1 stated that "nimbleness, creativity, and thinking outside the box are keys to effective financial management." SBP5 stated that his "background is an accounting there is a big difference between running someone else's finances and doing it for your own business."

All participants managed their business in a similar way, but each had their own focus that fostered their success. SBP1 stated "as a business owner studying, reading, and understanding the market are vital successful financial responsibility because finances change based on ever-changing government regulations." SBOs need to understand how the government regulations affect the interest rates and banking industry, which is how SBP1 make moves with his business with the increase and decrease of interest rates.

SPB1 spoke more specifically about the elements that contributed to their success by stating,

> My ethnicity and build relationship with him at a multiple conversations, just meeting with them, you know, outside of, you know, the bank, and just showing a sense of understanding about my industry, allows to foster a good relationship with allowance or at the bank says something that is extremely important and also use a small bank, a local bank at the time was bank plus that I utilize to enter into the business to get some additional financing or to purchase of trucks, and whatever I may have needed to move my business forward. So, as a business owners is very important to continue to study read and understand the market around you when it comes to finances because finances change based off of the government so continue to read and understand how the government up an interest rates and lowering interest rates and how that affects the banking industry has been something that has allowed me to make moves within my business, time and it with the increase of interest rates and the decrease of interest rates, and how those things will impact the loans that I'll you know that I'm servicing for the bank. So, knowing essays can save a small business thousands of dollars. and they can allow you to borrow more money if they be because of the low interest rates low payment so they can actually use some funds to buy a lot of business I would say that education and continuing education will be understanding at least that my minuet of new aspect of the finance process.

Each business secured a business loan over the life of their time in business. Nevertheless, SBP2 stated that he “maintains financial stability of the company by limiting debt and working towards operating in financial freedom.” In fact, SBP2’s main financial management success is limiting debt. SBP3 stated that “increasing banking skills through financial management has allowed me to weather financial storms that would have devastated other businesses.” SBP3 also said that “the benefit of increasing financial skills strengthen the ability to withstand fluctuating cycles of business.” SBP4 stated that “financial management determines if the business succeeds. SPB5 stated that “revenues strictly based on how many packages they give us. Therefore, we just must strictly manage expenses just paying attention and counting dollars.”

Each participant used a form of financial management and accounting software to manage working capital and reporting more efficiently. Data matrices, upper management and micromanagement were incorporated periodically to assist with financial management decisions for day-to-day operation. SPB1, SPB3, SPB4, SPB5 use QuickBooks software to manage financial data. SPB1 stated that “the detailed financial information is handled by an accountant via QuickBooks.” SPB1 stated that:

> I use Excel to try to dive in and manage the business QuickBooks strategies around financing credit strategies around forecasting. In order to you know just be better prepared and business to look down the road long term help improve cash flow. So, just made me a stronger business more solid business and recognizing your cash flow and how it flows kind of helps you to improve your profitability and also to see where you are, are losing money or making money out. For me, it's

> all about efficiency so you're trying to find ways to increase your efficiency in delivering your product or service. So and wages is a big place to try to control your expenses some of your expenses your largest expensive but you know some of the smaller things that will creep up on you, that really can take away your profitability safety being one of those.

SPB3 stated that “QuickBooks is used to keep up with the business transactions and forecast raw logistics numbers.” SPB4 stated that he “used QuickBooks along with Excel spreadsheets to analyze spending inputs and outputs.” SPB5 stated that “without an accounting background I don’t think I would be a small business owner.” SPB2 was the only participant not to use QuickBooks. Instead, he used an operational payroll and a few online systems to operate the busy.

***Correlation to Literature***

Small business owners use of financial management was essential for their businesses to survive over five years and the testimonies from the participants correspond to the literature presented. The participants provided some real-world experience that coincided with the extant literature. Similar to the findings from Black et al. (2020), participants from the current study used financial management tools to manage their financial resources, develop successful management forecasts and develop a successful business model. The findings confirm the research of Fordham and Hamilton (2019) that most of the participants use QuickBooks and some type of accounting software for business operation. Several of the participants indicated using QuickBooks improved their efficiency, effectiveness and contained more beneficial features than other bookkeeping software. Similar findings were reported in studies by Bhansali (2017) and Fordham and Hamilton (2019). Participants' interview responses mimic past research literature on the topic of financial management strategies and further support previous assertions made in past studies.

### ***Correlation to Conceptual Framework***

Participants' past business experience were a form of entrepreneurial education used to improve business survival. Gianiodis and Meek (2020) presented results that emphasized the importance of both formal and informal entrepreneurial education and means for evaluating the effectiveness of said educational opportunities. The participants in the study reflect the use of informal education experiences through past business ventures. FedEx evaluated the expectations of these participants and invested millions into their operation which further fostered the success of their business (Gianiodis & Meek, 2020). Freeman's stakeholder theory was illustrated by FedEx being the investor to the participants that services customers, hire employees, and have contractors with needed suppliers (Peng & Isa, 2020). The success for all stakeholder is vested for all parties to succeed so that everyone benefits from the business relation. The participants illustrated the stakeholder's theory by establishing feasible means to protect and expand FedEx's investments. The study participants used the stakeholder investment to improve customer service, employee management, and the business contracts of their respective businesses.

**Table 4**

*Participant Responses to Success Business Strategies*

| Participants | Percentage of Responses to Successful Business Strategies |
|---|---|
| SBP1 | 25% |
| SBP2 | 13% |
| SBP3 | 17% |
| SBP4 | 11% |
| SBP5 | 34% |

**Theme: 2 Individualized Business Strategies**

Small business owners created business strategies tailored to the needs of the business in order to survive beyond 5 years. SBP1 had several successful business strategies he used throughout his time as a small business owner. SBP1 stated that “a good bank and a good loan officer are critical to establishing solid financial foundation. Most small business must start with a loan in order to start their business.” He also emphasized building a positive relationship with banks. He suggested banking with small, local banks to get additional financing and support not always available at larger banks. In his case, SBP1 needed trucks to operate his business. He highlighted the point of getting low interest rates. SPB1 stated “the importance of financial literacy and having the knowledge and verbiage to foster positive banking relationships.” A small business owners should continue to study the target industry markets and governmental changes. SPB1 stated that “financial literacy and studying the market broaden perspectives and demonstrate studiousness to people wanting to invest in the business." SPB2 serves different types of business owners, and he diversifies his business to eliminate middlemen. For example, SPB1 has a mechanic shop for truck maintenance to save on overhead. He also used real estate divestments to consolidate some debt to extend loan terms from 5 years to 20 years.

SPB1 stated that "good employees make money for the business, while bad employees cost the business money." SPB1 provided competitive pay for his employees. SPB1 "has two lines of credit so that if there's a downtime period, I will not have to lay people off. Nevertheless, you have to be creative in recruiting and copy success strategies in the workplace. When it comes to employees, knowing the size of employment forces works best for your mindset and you scope of management skills.  Extra managers to manage the profitability of the employees is important."

SPB2 stated "a financially stable company requires a business owner to thoroughly research the business and industry before starting." He got into the business by doing research and building relationships with other business partners. His research, determination, and tenacity helped him start and run a successful business. "If a person doesn't know the business industry the business will not last." SPB2 believes in being a micromanager in which he still has managers who help run the business. He recommended to "remain engaged with the business so that it will not fail."

SPB2 stated that he "pays his employees more money than the market. The average manager makes $120 a day, but I pay my manager $160 a day to secure quality management." SPB2 pays for a small term insurance for his employees. SPB2 paid $200 bonus a month along with other bonuses for employee who take care of the vehicle and to employees that deliver a certain number of packages monthly. He pays for a week vacation and pays sick leave. SPB2 feels these “incentives are success strategies that foster the success of the business.” His employees never miss a day and normally give a months’ notice when they need to take off. “You have about six weeks to against for the shortage in worker that week.” SBP2 works hand-and-and with his managers “to see how to approach the other employees. You must have workers and you must have money to run a business.”

SPB3 stated that his “strategy is to use Excel to drive and manage the business through QuickBooks strategies around financing, credit, and forecasting. To know how to run a business the SBO needs long-term vision to improve cash flow. A business owner with vision could foster a more solid business that secured the cash flow needed to improve profitability and minimize losses.” SBP3 believes in “establishing efficiency to deliver product and services, control expenses, while being aware of anomalies that may impact future financial metrics and percentages.” SBP3 stated that “ignoring business metrics could result in lost revenue.” SPB3 consistently monitored the company’s financial spreadsheet data to identify potential problems before they arise. SBP3 paid attention to the market and the economy to assist with developing business strategies. SPB3 were aware of business failures in his industry and learned from other people’s mistakes to establish a competitive advantage. SPB3 learned that “people and products are the biggest part of business so hiring right is a key strategy.” SPB3 hired a management firm to hire high-level employees. SPB3 stated “the hiring market has change from majority male workers to more single moms.” SPB3 began his decision-making process “with prayers and asks God for the wisdom” to run his business successfully.

SPB4 stated that “in order to run a successful business a business owner must get familiar with the industry territory. The territory included all business operation such as routes, geography, local economy, and operational cost.” SPB4 elaborated on the importance of logistics by stating:

> How many people that you have in that day, you know, how many employees that you have on the cloud syncing sir. To maximize it, you're watching your calls to the best of your ability. Ability you're watching your, your volume, you're seeing how many people that, Unfortunately, that you don't need. You know, you're seeing how many people. I mean how many vehicles, is it just necessary to have on the road, so that you're getting the maximum profit from your business. It just, again it all centers and towns around the same thing is your people in your vehicles, and you try and keep that under control, so that you can maximize your profits. Those are the two key things. Your, your employees. Keeping employees, trying to retain employees and your vehicle, and of course your fuel. Those are the key factors.

SPB4 watched “the volume of trucks and employees needed to run the business.” SPB4 stated that “retaining employees, trucks, and access to fuel are the key factors to run the business.” SPB4 believed in “receiving input for the employees to also run a successful business.” SPB4 observed the territory by being aware of infrastructure in the area. SBP4 stated that "roads that are paved, clay, or gravel determine the livelihood of a vehicle along with fuel cost to these rural areas in Central Mississippi."

SPB4 analyzed the business by "identifying and attempting to reduce the highest operating costs. A small business owner must be involved in the day-to-day operations to better understand the company's financial situation." SPB4 has a checks and balances decision-making process in which they allow the manager to make business decisions and allows them to hire and operate the business successfully. SPB4 used their "financial background along with QuickBooks data to analyze spending and make certain business decisions from a macro-management perspective." SPB4 surrounded "[themselves] with people in the industry and incorporates faith and discipline into [their] strategy development. A small business owner could be successful because successful businesses do not happen overnight."

SPB5 has an accounting and finance background and utilizes this knowledge to evaluate how business decisions affect business operations. SPB5 "focused on building equity by using financial metrics to help make decision." SPB5 used "business metrics to manage business expenses." He guided his managers regarding business cost using a macro-management business model. SBP5 used metrics to maximize profitability. He used analytics to make most business decisions. "This approach maximizes opportunities to grow, hiring and running day-to-day operations." SBP5 utilized metrics' analysis to build equity and successfully sustain the business for 12 years.

SBP5 operational metrics provided data regarding the safety of his trucks and monitor potential accidents. SPB5 "tried to take advantage of all programs that can help his business success such as the CARES Act." SBP5 provided professional development programs to his manager to empower them in the decision-making process. SPB5 wanted his manager "to be able to solve 95% of the problems that may occur." SBP5 has a business consulting firm he uses to help make business decision as well. SBP5's wife handles the HR and recruitment of employees. SBP5's "payroll is the largest expense so they had to create a training budget for the employee until they are officially employed." Lastly, SPB5 continually "examine[s] long-term industry trends and formulates successful financial strategies based on identified tends to increase profits."

### ***Correlation to Literature***

Financial management strategies presented by study participants align with findings from Nouri and Soltani (2017) which emphasized business owners' need to utilize strategies specific to their business situation. Nouri and Soltani (2017) further iterated that the industry, business size and ownership influence the approaches taken by successful businesses. Participants from the current study provided responses confirming Hussain et al. (2018)'s research findings which suggested that small business owners with financial literacy are enabled to implement acceptable financial practices and develop financial management systems to record, analyze, and produce financial information. While each SBO in this study utilizes varied approaches to financial management, all affirm that knowledge of business financials was key to success. The participating SBOs understand that decision-making affects the vision and subsequent value of the business, which aligns with the finding from van der Linden & Freeman, (2017). Differentiating strategies to meet the specific needs of the business affirms findings from Spencer et al. (2009). SBOs variation of financial and non-financial measures could increase overall performance (Spencer et al., 2009). The variation in the use of financial management strategies was also aligned to the stakeholder's theory. Small business owners using the stakeholder perspective endeavor to primarily create value for stakeholders, including customers, employees, suppliers, investors, and the community (Parmar et al., 2017). Small business owners used analytics to develop the decision-making process in uncertainty concerning the structure of importance for each business situation (Blanco-Mesa et al., 2018). Lack of experience for business owners may impact their ability to differentiate financial strategies and subsequently negatively impact the businesses' competitive edge, economic factors, crises, and shifts in priorities (Turner & Endres, 2017).

### ***Correlation to Conceptual Framework***

All participants were focused on a common goal of business success, but participants had varying management styles for operating their successful businesses. Stacy (2019) stated that the stakeholder theory helped business owners remain competitive by establishing their own goals, objectives, and pursuing their interests to have a successful business. The results from this study indicate that SBOs understand the need to adjust strategies to fit the specific needs of their organization. Freeman (1984) added to his stakeholder theory as a core component to small business owners to manage a successful business through profitability (Colvin et al., 2020). All five participants reported to FedEx to evaluate business relationships and coexist within the industry (Dinsmore, 1990). The relationship between FedEx and the participants has fostered profitability amongst these small business owners which benefited the investor, customer, organization, and all stakeholders are vested in the success of the relationship. While each participant was supported by FedEx investments, they each use individualized financial management strategies tailored to their business success, to the benefit of FedEx.

**Table 5**

*Participant Responses Related to Diversifying Income Resources*

| Participants | Percentage of responses related to diversifying income resources |
|---|---|
| SBP1 | 29% |
| SBP2 | 13% |
| SBP3 | 27% |
| SPB4 | 9% |
| SBP5 | 22% |

**Theme: 3 Profitability**

Small business' ability to make a profit was essential to success and survival over five years. Having a positive net income maintain the business, and retained earnings are needed to foster business growth. Small business owners required creative means to generate working capital and profits and offset business expenses, which necessitates effective financial decision-making processes. These participants utilize a variety of strategies to foster financial gains and increased profits through understanding the financial language of financial literacy.

SPB1 that they “learned finance and the different caveat of a finance and banking and how it can help turn a profit.” SPB1 also suggested “networking with other small business owners to better understand the nuances of business management. School helps a lot,” but SPB1also “learned through business experiences. Therefore, you must find what works for you and your business.” SPB1 maximizes profit by “identifying movement in the market. For example, identifying which trucks are out for delivery or how cargo vans on a route could reduce fuel cost. The key was to maximize the volume of packages and minimize the number of trucks enroute.” SBP1 understood that the market and customers were not the same but understands the market and adjustments to stay profitable. SBP1 started out with “one truck and has grown to 70 trucks by implementing effective financial management strategies to make a profit.”

SBP1 implemented strategies to increase the profit margins. SBP1 “listened to business leaders like Jeff Bezos and implemented some of his strategies. Everyone needs partners in business so they can brainstorm creative ways to manage revenue.” SBP1 stated that “a small business should operate a financial model of 13% payroll and 10%-15% allocated for maintenance from profits. Small business owners must manage their profitability of the employees by understanding the workforce that works best for the business. Not pursuing profits to the point of counterproductivity and burnout. If a small business owner lacks management skills, they will start to lose profits. Small business owners cannot wear all the hats all the time.” Lastly, SPB1 started making “$100,000 a year after effectively implementing targeted financial management and business strategies." SPB1 has increased annual revenues to $700,000, and periodically, can generate $100,000 in a week.

SBP2 stated that "financial literacy is needed to run a business and without financial literacy a business will close. Also, a small business owner must have financial literacy to continue profitability." SBP2's education was one of the keys to help understand financial literacy to maximize profit. SBP2 micromanages his managers and employees by making sure he duplicates other employees such as himself to maximize profits. SBP2 paid his employees well to get maximum output from his employee which in return maximize profits. SBP2 "utilizes employees for maintaining the trucks which lowers maintenance cost." The money he saved from lower maintenance costs he shares with employee through bonuses. In addition, SPB1 understood that "profits are the key to running a business and to make money financial literacy is required." Lastly, SPB2 started with "only $600, after expenses, in profits. After paying off business debt, profits rose to $1,800 a month." Currently, SPB2 operates a business with $1.7 million in annual profits.

SPB3 used QuickBooks to analyze his cash flow to improve his profitability. SPB3 "monitors wages to make sure payroll does not take away from profitability." In addition, "injures, safety and lawsuits can hinder profits if not monitored." Furthermore, SPB3 stated that "wasting gas and not watching expenses is a key predictor of declining profits." SPB3's debt-to-income ratio were low, so he was able to weather financial uncertainties. SPB3 started out with "one route and now has over 40 routes." SPB3 could "gain more routes and profitability but focuses on balancing [his] business and personal life.” SPB3 utilized the breakeven ratio and other ratios to manage his business’s financials. SPB3 stated that “being abreast of financial literacy allows [him] to work with the bank and understand the difference in financial ratios to grow [his] business.” SPB3 started off “making about $100,000 annually.” Today, SPB3’s business generates roughly $3 million in annual revenue.

SPB4 focused on “acquiring multiple trucks to have on the road to get the maximum profit for business and lower cost.” SPB4 has a financial background and used it to run other people businesses. When she started her own business, she was prime and ready to run her own operation from her experiences. SPB4 stated “being mindful and doing whatever it takes to run a successful business is vital.” SPB4 used QuickBooks and other Excel spreadsheets to analyze her data to see her spending to maximize profits. SPB4 started off making “about $200,000 annually.” Today, SPB4 was generating about $2.5 million in revenue.

SPB5 used traditional financial metric to maximize profits. SPB5 biggest expense was “payroll, and [they] manage the expense by using QuickBooks to cut down payroll as much as possible to maximize profits.” SBP5 stated that “55% of the expenses goes to payroll, 6% goes to repair, maintenance, and fuel. The higher the expenses, the lower the profitability.” SBP5 examined and analyzed metrices to find how you could make a profit with interest expense and depreciation for new trucks. SBP5’s focused on “operational effectiveness fosters the business’ effective profitability.” SPB5 stated that “profitability allows them to grow faster and have more resources and money to spend on vehicles and expand to new territories." SPB5 explained the intentional focus on expansion by stating that:

> So, we're hoping that we can pick up another territory this year. And then, hopefully, a fourth and a fifth and 2023. We are our goal is, if you looked at a map, there's a territory there's a terminal in Jackson, Mississippi. Where are you, where are you from, Okay, so there's a there's a terminal over there and Pearl. And then if you went west, you've got Monroe, Louisiana, that's probably two hours West, you've got McComb Mississippi that is another hour and a half hour 45 whatever south of Earl, as you've got Murray and then salvation God has fired right. So that would be our goal would be to sort of pick out that market. And so, those five separate terminals know if you have a million dollars each and revenue, on average, on hopefully by the end of next year we can get all that lie down and have about 5 million revenues.

SBP5 utilized daily operation metrics to maximize profit as much as possible. SPB5 started off making about $70,000 annually. Today, SPB5 profited about $300,000, annually. In addition, their "business model projection is targeting new territories for growth and business expansion."

***Correlation to Literature***

Small business owners' main objective should be to find creative ways to gain revenues, lower expenses, and to gain profit for growth. Small business owners of this study emphasized financial literacy to better understand day-to-day business decision-making to improve profitability which aligns with the findings of Vaaler & Wilhelm

(2020). Participants increased financial literacy through education, real-world experience, and communicate effectively with other business leaders in the industry. The business owner should understand, analyze, and make financial decisions through micromanagement or macro-management leadership (Purwidianti & Tubastuvi, 2019). The finding confirms the research study of Resmi et al. (2019) stated that financial literacy guided business owners to optimize strategy to operate a business efficiently and financial management system like QuickBooks can help to maximizes profitability. As suggested by Schummer et al. (2019), this study's SBOs build relationships with their employees through team meeting, bonuses, and evaluation, which fosters business success. Business owners prepared cash flow ratios and other business metrics to form the cash flow statement (Das, 2018).

***Correlation to Conceptual Framework***

Small business owners' main objective was to maximize profit by understanding stakeholders and factors that contribute to that goal. Freeman (1984) suggested that without this understanding, SBOs may not remain successful because the specific needs of the stakeholders would not be met. There were four major stakeholder groups of owners, customers, employees, and suppliers into more contrasting, and compelling models that include governments, business associations, and entire communities (Donaldson & Preston, 2010). The participants from this study demonstrated understanding of the need to be aware of and consider all stakeholders when making financial decisions. Small business owners' understanding of mutual interest and objective is a vital aspect of Freeman's stakeholder theory in improving business operations, processes, and profitability (Berman & Johnson-Cramer, 2019). The participant used the stakeholder theory model for joint ventures between the business owners, employees, and stakeholder (Dinsmore, 1990). As a result, the participants objective to all shareholders should be to have success together to maximize profits, analyze the business data, effectively communicate with financial literacy, and to effectively use all business resources to survive over five years.

## Application to Professional Practice

The purpose of this qualitative multiple case study was to explore the strategies small business owners used to improve financial management skills for better competitive positioning and profitability. These SBOs located in Central Mississippi have experience in the freight industry by operating and growing a small business successfully for over five years through their experiences in the successful implementation of financial management strategies. The three themes which were identified were financial management, successful business strategies, profitability to maximize profits and to survive over five years. The first theme financial management related to a business owner ability to manage cash flow, expenses, and to gather and understand the financial data for business improvement. The second theme successful business strategies pertain to a business capacity to utilize the financial data to make sound business decision to improve profitability and growth. The third theme profitability referred to the capability of a business surviving over five years with cutting cost, a financial software, and day-to-to analysis of the business operation.

The research from this study may helped a small business owner increased sustainability and profitability. The participants illustrated that financial literacy was important to understand financial information to make exceptional business decisions to cut down cost for growth and profitability. The implications for positive social change result in the potential for small business owners to survive over 5 years by small businesses maximizing profits, involved all stakeholder interest for growth, and analyzed day-to-day operation for improvement in the industry.

## Implications for Social Change

The results from this qualitative multiple case study may provide a small business owner with strategies to improve financial management skills for better competitive positioning and profitability. The information gathered from this research study may help SBOs in Central Mississippi and other small business develop success strategies and improve profitability. Further, the recognition from this study could provide small business owners the information they need to prevent business failure. Small businesses are the backbone of America, and the more successful small businesses are the stronger our national economy will be.

The findings from this study may help a small business analyzed their business with QuickBooks and develop creative strategies for their business. A small business owner must learn financial literacy to be able to communicate the language of business to bank, investors, and other stakeholders. The success of small businesses will increase employment, bring taxes into the community, and increase funding for the government for better streets and schools. In addition, the identification of effective financial management strategies could lower the entry threshold for minority business owners in the freight industry. Increasing the ability of future minority freight business owners would bolster the equity of business opportunities and promote positive social change.

## Recommendation for Action

Recommendations for small business owners from this study include in-depth analyzed on strategies used to improve financial management skills for better competitive positioning and profitability. Small business owners needed to decide on the type of business leader in operation. Whether the business leader will be a micromanager or a macro-manager. Also, a small business leader must have the equity or credit in-order to handle financial crisis.

A small business owner should have the same type of metric to evaluate their business and the status of sustainability and profitability. Local governments should increase training opportunities for SBOs to increase accessibility to knowledge and resources that would foster sustainable local business markets and future business development. Designating funding for the provision of small business financial management training could serve as a long-term investment in the local business community which could result in improved local commerce.

## Recommendation for Further Research

This was a qualitative multiple case study to explore the strategies small business owners used to improve financial management skills for better competitive positioning and profitability. A limitation to this study was that the target population was in Central Mississippi and that the study focusses on the freight industry. There were five participants that suppose about their experience of running a successful business over five years.

The recommendation would be to interview participants from a different geographic and a larger overall population. A quantitative or mixed methods study on small business owners along with a broader geographic and another region and industry may be of benefit. I recommended future researcher to explore specific areas where small businesses have failed to evaluate their experiences. Lastly, it was recommended that an experimental study be conducted to compare the trajectories of SBOs with business backgrounds and SBOs without. Such a study could provide additional data regarding the impact of financial management strategies. The small population of the current study may not represent the majority of business owners in Central Mississippi or the freight industry. Conducting future research, with contrasting population participants, could provide much needed data to further determine the impact of financial management knowledge.

## Reflections

The purpose of this qualitative multiple case study was to explore effective SBOs use to improve financial management, and subsequently sustain business success. I interviewed SBOs in Central Mississippi who have operated successful businesses for at least Five years. The hypothesis that SBOs had implemented specific financial strategies that fostered business success and that they would find the topic of this study beneficial and informative to, both, SBOs and future entrepreneurs. The hypothesis was affirmed, as multiple inquiries were returned from SBOs interested in my study. Five participants, ultimately, were selected to take part in the study, and 100% of the study participants indicated the significance of my research, as well as their hopes for the study being influential in supporting and developing future SBOs' effective financial management skills.

Study participants not freely share their strategies was a concern regarding participant responses. However, all five participants appeared comfortable, candid, and straightforward during the interview data collection process. All study participants knew about my experience as a financial management advisor, the rationale for conducting this study, and that anonymity would be assured, as stated in the study introductory email and consent form. Lastly, it was also believed that I was not the only SBO to notice the impacts of a lack of financial management strategies on small business success. After interviewing five SBOs, I learned that this belief was accurate, because all five study participants confirmed that lack of logical and effective financial management strategies can lead to business failure.

The Doctrine of Business Administration scholar program at Walden University has been an experience that I will reminder for the rest of my life. I am thankful yet humble for my experience over the last five years. I have been pushed to the limit and I came out stronger than ever. I have learned how to press through despite life circumstances. After I become Dr. Jackson, I plan on teaching at a university to change people's lives, like this program have done for me. I have grown professionally and personally through this program. In addition, I have gained new friends through this program that I will always cherish. It was a pleasure exploring the research articles and interviewing the participants. I expanded my knowledge of small business in ways I could not image. I have a desire to run and manage small businesses in the future. As an accountant, I realize the assistance small businesses need and can offer the financial literacy necessary for the sustainability of small businesses.

## Conclusion

Small business failure, according to Isle et al. (2018), can be largely attributed to many small business owners' lack of financial management skills. According to the U.S. Bureau of Labor Statistics (2020), 20% of all new business falter in the first year and 50% of all new small businesses fail within the first five years. It is vital that SBOs understand and implement financial management strategies to sustain competitive positioning and profitability. Regarding financial management strategies used by successful small business owners, three themes emerged from this study: (a) financial management, (b) individualized business strategies, and (c) profitability. These themes were constructed through the experiences of small business owners running a successful business for over five years. The findings from this study are consistent with previous literature on the topic and are aligned with Freeman’s (2009) stakeholder theory. Freeman (2009) explained the concept of stakeholder theory in which SBOs can efficiently manage stakeholder relations are more competitive and experience better financial performances for the SBO. Small business success is essential for all stakeholders including the investor, suppliers, customers, and employees. Other stakeholders that benefit from small business success are the government, communities, and other related businesses. Small businesses are the backbone of America and the success of small business foster the success of our nation.

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# Appendix A: Interview Protocol

## Research Question

What strategies do small business owners in Central Mississippi use to improve financial management skills for better competitive positioning and profitability?

## Interviewee Information

Location: ___________________________________________

Time: ______________________________________________

Date: _______________________________________________

Interviewee: ___________________________________________

Years in Business: _______________________________________

## Ask Interview Question

1. What successful strategies have you used to improve financial management skills?
2. How has developing financial management skills improved your profitability?
3. How has improving your financial management skills improved your competitive positioning?
4. What recently acquired financial management skills and strategies have had the most significant positive impact on your business.
5. How did financial education assist with business success?
6. Is there anything else you are willing to share with me on the topic that I did not ask?

## Interview Protocol

While conducting the interview, I will comprise these following steps for each participants:

1. Introduction myself;
2. Review with participants the nature of the interview;
3. Present and sign consent form;
4. Starting of the recording of the interview;
5. Ask semistructured interview question and take notes of the interview;
6. Follow up question during interview the one hour;
7. Inform the participant that all information will be safely stored for 5 years and then destroy
8. Thank participants;
9. End interview and discuss with participants Walden’s policy and member checking;
10. End of protocol.