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African American Small Business Strategies for Financial Stability and Profitability

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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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Abstract

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by

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MBA, Texas Southern University, 2011

BA, California State University, Northridge, 2006

Doctoral Study Submitted in Partial Fulfillment

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Abstract

Despite the high failure rate of African American small businesses in the United States, only 2% of the U.S. Small Business Administration loans in 2016 were awarded to African American business owners. Most small business owners cite lack of access to financial resources as an influential factor that leads to business failure. Grounded in resource-based view theory, the purpose of this multiple case study was to identify strategies African American small business owners in Los Angeles County, California use to obtain financial resources to achieve sustainability for at least 5 years. Data were collected from in-depth interviews with 4 purposively selected African American small business owners and supplemented with a review of internal reports and original business plans that outlined their financing strategy. The data analysis process entailed Yin's 5-step analysis to guide the coding of participants' responses to identify keywords, phrases, and concepts to develop theme clusters. Through thematic analysis, 4 themes emerged to include: financial resources improved business success and stability, internal financing, business mentors and networking to secure financial stability, and overcoming nonfinancial challenges. All participants noted access to financial resources as the most important resource needed for their business to succeed, particularly in the initial phase of launching their businesses. The implications for social change include the potential to enhance African American small business profitability and growth leading to new employment opportunities, improved community amenities, and business mentor programs with youth, which can encourage wealth for the surrounding community of Los Angeles County and local government.

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Dedication

I would like to dedicate this research to my family. To my wife, Leah Robinson, who nudged and supported me throughout the program. We met merely a few months prior to the start of this journey and you've displayed unbelievable patience, support, and unwavering love; I am grateful God prepared me for this moment and excited to share the rest of my life with you. With God leading our journey, the sky is the limit. To our unborn children, may you be encouraged to continue to reach for your highest dreams, understand the importance of faith, sacrifice, and family. Mom, I miss you, and I know you are watching with pride from heaven at this accomplishment. The endless sacrifice and life lessons you taught me I practice on a daily basis, as my actions and decisions represent your legacy and I am thankful to be your son. To my Granny, I am constantly amazed at the sacrifices you made over 50 years ago that directly impact me today. Your unconditional love and sacrifices as the matriarch of this family are the reason I am able to succeed. To my Grammy, thank you for all of your love and prayers. To my father, thank you for the words of encouragement, prayers, and teaching me a strong work ethic, rather it was working multiple jobs or going without to provide for the family. I am appreciative to have you in my life. To YaYa, Nana, Mama Arvella, Mama Veverly, and Dr. B, each of you have been my guardian angel during a critical stage in my life, the moment we met, God formed a bond that will never be broken. Thank you for correcting me when I am wrong, picking me up when I fell down, and loving me! To DaJuan, Keenan, KA Sigmas, and Friends – thank you for the support, I love you! Blu-Phi! "I can do all things through Christ who strengthens me" (Philippians 4:13)!

Acknowledgments

Thank you, Lord, for the grace, strength, and resources to complete this long journey, "…and in the wilderness. There you saw how the Lord your God carried you, as a father carries his son, all the way you went until you reached this place" (Deuteronomy 1:31). Thank you to my Chair, Dr. Marilyn Simon, for supporting me with patience, unlimited access during late evenings and weekends, words of encouragement, and excellent mentor guidance. I would also like to thank my committee members, Dr. Mary Dereshiwsky and Dr. Gergana Velkova, for their valued feedback.

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Section 1: Foundation of the Study

Small business owners create more than 60% of all new jobs annually and represent 99.7% of all U.S. employers (U.S. Small Business Administration [SBA], 2014a). Small business owners significantly influence innovation and growth in the U.S. economy, yet the failure rate for small business owners continues to be high (Khelil, 2015). The Bureau of Labor Statistics reported that more than 50% of new businesses fail within the first 5 years of business formation (SBA, 2014a). Beck (2013) researched the common reasons of business closures and uncovered several differences between unsuccessful and successful small business owners.

Factors that influence the success of small business owners include (a) industry and management experience, (b) educational attainment, (c) human resources and administration, (d) business partners and mentors, (e) marketing and sales, and (f) financial capital (Beck, 2013). Of the six causes observed, the most noteworthy cause to business closure is a shortage of access to sufficient financial resources to sustain the business (Zaridis & Mousiolis, 2014). My goal with this study was to provide a systematic view of the financial strategies that small business owners have used to obtain financing that could help achieve small business sustainability beyond 5 years.

Background of the Problem

Small business owners contribute approximately 50% of the gross domestic product in the United States and are critical to strengthening local communities (SBA, 2014a; Singh & Gibbs, 2013). Small businesses are independent companies with less than 500 employees on staff (SBA, 2014a). In the United States, there are almost 27.6 million small businesses, and small firms were responsible for 63% of new jobs created between 1993 and mid-2013 (SBA, 2014a; U.S. Census Bureau, 2015). Each year an estimated 700,000 new businesses launch in the United States (SBA, 2015). However, more than 50% of new businesses fail within the first 5 years after initiation, and approximately 470,000 small businesses in the United States failed in 2011 and closed (SBA, 2014a).

Small business owners have the potential to provide economic growth and job creation but lack the knowledge and resources to sustain a profitable and sustainable business. Opening a new business venture requires an investment of financial capital, and without access to such funds, many business owners will struggle to remain operational (Jennings, Greenwood, Lounsbury, & Suddaby, 2013). The number of African American small business owners increased by 34% between 2007 and 2012, which was the second highest rate of new minority-owned businesses created during the 5-year span (U.S. Census Bureau, 2015). However, African American business start-ups fail at higher rates compared to business start-ups owned by other ethnic groups and attribute financial capital as a leading factor for this high failure rate (Lofstrom & Bates, 2013). Identifying and analyzing African American small business owners who obtained access to financial resources to fund a profitable and sustainable business might lead to new information that guides aspiring business owners regarding strategies to sustain a business venture longer than 5 years.

Problem Statement

More than 50% of new businesses fail within the first 5 years after initiation, primarily because of a lack of financial resources (SBA, 2014a). Only 2% of SBA loans in 2016 went to African American business owners in comparison to 5% to Hispanic business owners and 21% to Asian-owned businesses (SBA, 2016). The general business problem was that African American small business owners are unable to sustain financial resources due to lack of working capital. The specific business problem was that some African American small business owners lack strategies to obtain financial resources for small business sustainability beyond 5 years.

Purpose Statement

The purpose of this qualitative multiple case study was to explore strategies that African American small business owners have used to obtain financial resources to sustain their business operations beyond 5 years. The target population consisted of African American small business owners located in Los Angeles County, California who had successfully implemented working capital for small business sustainability beyond 5 years. The implications of positive social change include the potential to improve African American small business owners' understanding of practical strategies to acquire financial resources, which could lead to increasing business survival through profitability and growth. Increased African American small business profitability and growth can lead to new employment opportunities and contribute to the economic well-being of society.

Nature of the Study

As the researcher, I used the qualitative method in this study. The three methods or paradigms of research are quantitative, qualitative, and mixed methods (Flick, 2015). Qualitative researchers seek a comprehensive representation of a phenomenon by analyzing, understanding, and attempting to interpret and define the viewpoints that affect human behavior (Yilmaz, 2013). The qualitative method has become useful to decision makers for establishing new strategies (Yin, 2014). In contrast, quantitative researchers gather data, but depend less on observations, focus groups, and interviews and instead apply statistical techniques to examine and capture data (Hagan, 2014). Some researchers use mixed methods research by combining components of quantitative and qualitative research to apply multiple approaches to data collection (Harrison, 2013). The quantitative and mixed methods were not suitable for this study because my intent was to evaluate complex realities and data, rather than obtain numerical data to test hypotheses.

In this study, I used a multiple case study design. Multiple case study research is appropriate for reinforcing outcomes by analyzing multiple sources, strengthening the patterns of findings, and thus broadening the strength of the results (Hyett, Kenny, & Dickson-Swift, 2014). Investigators typically use five commonly recognized designs for qualitative inquiry: case studies, ethnography, grounded theory, narrative, and phenomenology (Flick, 2015). Ethnographic and phenomenological research designs received consideration for this study. Researchers use an ethnographic research design to examine a social group or culture (Goldstein, Gray, Salisbury, & Snell, 2014). I did not select an ethnographic research design because the purpose of this study was not to explore or investigate group activities to describe the interrelationship of behaviors and interactions. Researchers use a phenomenological research design to examine individuals' lived experiences and their collective perceptions of a phenomenon (Bailey, 2014). I did not select a phenomenological research design because the purpose of this study was not to explore shared experiences of a phenomenon. Researchers conducting case study designs can answer *why* and *how* questions rather than questions regarding how many (Yin, 2014). The multiple case study was the most suitable design to analyze emerging concepts from multiple sources and identify fresh insights to address the specific business problem.

Research Question

The research question I developed to guide this study was: What strategies do African American small business owners use to obtain financial resources for small business sustainability beyond 5 years?

Interview Questions

I used the following semistructured interview questions so participants could explain, in-depth, the strategies that they as African American small business owners had used to implement and maintain their business.

1. What challenges, if any, did you face to obtain financing to start your own business?
2. What strategies did you use to obtain sufficient financial capital to start and maintain your small business?
3. To what do you attribute your profitability, longevity, and ability to remain in business beyond 5 years?
4. How did financial resources improve the competitive advantage for your organization?
5. What challenges, if any, have you faced as an African American small business owner?

6. What resources do you credit for helping your business to succeed?
7. What other information, if any, would you like to share regarding the financial strategies you used to achieve small business sustainability?

Conceptual Framework

The resource-based view (RBV) theory served as the conceptual framework for this study. Edith Penrose (1959) originated RBV theory in the 1950s. The theory received its name from Peter Wernerfelt (1984), who noted organizational resources are a source of competitive advantage and firm survival. Penrose used the RBV theory to provide an explanation of how business leaders use internal tangible and intangible resources to improve financial profitability (Greene, Brush, & Brown, 2015). Key propositions underlying the theory are the categories of resources available to business owners, which include (a) financial resources, (b) human resources, (c) organizational resources, and (d) physical resources (Kozlenkova, Samaha, & Palmatier, 2014).

Thomason, Simendinger, and Kiernan (2013) further defined RBV theory by validating the influence financial resources offer business owners to obtain other resources and remain profitable. Researchers have found that small business owners who are able to acquire financial resources are less susceptible to business closure (Coleman, Cotei, & Farhat, 2013). The RBV theory was a relevant construct to this study, as the theory serves as a framework to understand how attaining financial resources may contribute to profitability and sustainability for small business owners. As related to this study, my utilization of the propositions offered by the RBV theory enabled participants to effectively share their perceptions and experiences. In this study, the RBV theory was a suitable theory to frame my study and research and interview questions around and allow for African American small business owners to explain strategies and resources necessary to acquire financing that enabled them achieve small business sustainability.

Definitions

African American- or Black-owned business: A business owned by an individual who self-identifies as African American or Black and has origins in any of the Black racial groups of Africa (U.S. Census Bureau, 2015). The use of this term embraces people who self-identify their race living in the United States or report admissions such as African American; Kenyan; Nigerian; and Afro-Caribbean entries, such as Jamaican or Haitian (U.S. Census Bureau, 2015). I used the terms African American and Black interchangeably in this study.

Business failure: When a business owner does not succeed in business beyond 5 years. Business failure occurs when a small business owner ceases business operations, temporarily or permanently, resulting in zero cash flow (Khelil, 2015).

Financial capital: A monetary resource or asset measured in terms of currency required by a small business owner to offer services or products (Ioniţă, 2013).

Financial sustainability: The ability of a business to adequately fund operational activities and provide profitable services or products to improve the durability and competitiveness of the business (Fonseka, Tian, & Li, 2014).

Minority-owned business: A business owned by an individual who self-identifies as an African American, Black, Native American, Alaska Native, Native Hawaiian, other

Pacific Islander, Asian, or Hispanic and not as Caucasian non-Hispanic (U.S. Census Bureau, 2015).

Nonminority-owned business: A business owned by an individual who self-identifies as non-Hispanic Caucasian and owns 51% or more of the equity, stock of the business, or interest (U.S. Census Bureau, 2015).

Small business: An independent business with fewer than 500 employees (SBA, 2014a).

Successful business: Borland and Lindgreen (2013) defined a successful business as a business whose leaders have sustained business operations for a minimum of 5 years.

Sustainability: The process by which small business owners govern their financial risk and operational obligations to remain profitable to survive the likelihood of business failure (Iyer, 2015).

U.S. Small Business Administration (SBA): A governmental agency that offers resources to assist small business owners, including business consultations, financial guarantees, and contracts to small businesses in start-up and growth stages (Harris & Patten, 2014).

Assumptions, Limitations, and Delimitations

Assumptions are facts presumed to be true that a researcher cannot verify (Kirkwood & Price, 2013). Limitations are potential weaknesses of a study (Henderson, Kimmelman, Fergusson, Grimshaw, & Hackam, 2013). Delimitations are boundaries or restrictions of a study set by a researcher (Svensson & Doumas, 2013).

Assumptions

Researchers use the assumptions within a study to describe recognized realities and facts presumed true (Dahan & Shoham, 2014). In this study, my first assumption was that participants would provide honest responses to each interview question. Since participation was voluntary and participants could withdraw at any time, I assumed participants would be openly interested in sharing their experiences with trustworthiness, and therefore, this assumption would be met. My second assumption was that African American small business owners would accurately recall all financial strategies they used and describe their challenges in obtaining financing. Meeting the second assumption was likely because of the small business owners' prior experience obtaining financial capital and their unique perspective on strategies and resources.

Limitations

Limitations relate to the absence of evidence to support the results of research and identify possible weaknesses of a study (Henderson et al., 2013). The small sample size of the study was a limitation, and because of this, the research findings may not apply to a broader population (see Venkateshwarlu, Agarwal, & Kulshreshta, 2011). A person's memory serves vital roles in everyday life but is also predisposed to inaccuracies, illusions and distortions that influence a person's ability to precisely remember past experiences (Yin, 2013). The participants' biased responses to interview questions and researcher's' biased interpretation of the data have an effect on the research findings. I used bracketing, to set aside my preconceived perceptions to mitigate bias (see Yilmaz, 2013).

Delimitations

Delimitations are restrictions that researchers impose to focus the scope of a study (Rule & John, 2015). The first delimitation was the geographic location of the businesses, which included only small businesses in Los Angeles County, California. The second delimitation was that the study only included research on African American business owners who had sustained a business for longer than 5 years. The third delimitation was a focus on small businesses as defined by SBA analysts based on number of employees and annual sales revenue. The fourth delimitation involved limiting participants to African American small business owners who had used business financing to sustain and maintain their business.

Significance of the Study

Small business owners are critical to the strength and development of the U.S. economy, as they create the majority of new jobs (Decker, Haltiwanger, Jarmin, & Miranda, 2014). The small business owner segment accounts for more than 60% of new jobs created, but more than 50% of new businesses fail within the first 5 years of business formation (SBA, 2014a). The lack of access to sufficient financial resources to sustain the business is the most common reason for business closure (Miettinen & Littunen, 2013). My goal with this study was to add to the existing body of literature on the fundamental strategies for small business sustainability by examining a RBV of small business financing (see Coleman et al., 2013). Analyzing and relating the findings of this study with previous research and the conceptual framework may lead to new strategies that

African American small business owners could use to acquire financial capital to improve business survival beyond 5 years.

Contribution to Business Practice

The research literature includes wide-ranging information on why small business owners fail; the most common reason is lack of financial capital (Khelil, 2015). The findings from this qualitative multiple case study contribute to effective business practices by adding to the existing literature on how African American small business owners acquire financial resources to improve sustainability and longevity (see Lofstrom & Bates, 2013). Identifying the financial strategies and resources of African American small business financing may nurture business performance and success rates (Wang, 2013). Business consultants in the SBA agencies in Los Angeles County may be able to use the data to help aspiring African American small business owners acquire loans to initiate and grow their businesses. Pinpointing the successful strategies for attaining financial capital to improve the survival of small business owners is an evolving subject for researchers (Kautonen, Hatak, Kibler, & Wainwright, 2015). The results of this study included insights into successful strategies that have led African American small business owners to acquire financing.

Implications for Social Change

The findings of this study may affect or contribute to positive social change. African American small business owners seeking to start their own business could gain new insights on how to acquire financial resources, which could lead to increasing business survival through profitability and growth. Increased African American small business profitability and growth can lead to new employment opportunities and encourage wealth for the surrounding community of Los Angeles County and the United States. Despite the 411,252 new business formations in 2012 (U.S. Census Bureau, 2015), many business owners fail due to a lack of financial capital to operate their businesses effectively (Beck, 2013). When new business owners fail, then jobs disappear; the impact of local small business owners' collapse spreads beyond the business ecosphere and affects monetary benefits to local, state, and national economies (Khelil, 2015). The high failure rate of African American small business owners threatens stability in families, communities, and local economies (Wang, 2013). Singh and Gibbs (2013) noted many economic and social benefits to improving the success and survival rate of African American firms, including additional funding for their local economy, improved community amenities, business mentor programs with youth, and local jobs. Access to financial resources is a primary factor of small business success (Zaridis & Mousiolis, 2014). Analyzing the strategies learned from successful African American small business owners may improve access to financial resources for aspiring or existing business owners.

A Review of the Professional and Academic Literature

A literature review is an important element in a research study. The objective of conducting a review of the literature is for researchers to learn current information significant to the research question of their studies and subsequently to expand upon that information (Cronin, 2014). This literature review served as a means to understand the strategies used by African American small business owners to obtain financial resources for small business sustainability beyond 5 years.

My review of the literature consisted of a focused keyword search of scholarly journal articles, books, and electronic media across several disciplines. The databases and search engines I used in the literature search included Business Source Complete, Google Scholar, ProQuest, SAGE Premier, EBSCOhost, and government databases. To locate the literature for review, I used the following keywords: *African American business owners, small business owners, small business loans, profitability, financial sustainability, personality traits of successful small business owners, entrepreneurs, minority small business owners, failures and challenges for African American small business owners, financial capital, business mentors, knowledge and education required of small business owners,* and *small business financing.*

After reviewing more than 250 sources, I identified and evaluated 195 relevant references for this study. Of the 194 selected sources, peer-reviewed articles comprised 93% (180 sources), while the remaining 7% (14 sources) included books, conference publications, and government websites. Twelve (6%) of the 194 sources had publication dates before 2013, and 182 (94%) had publication dates on or after 2013. The following subsection will include a discussion of the RBV theory as a conceptual framework with application to research. In this study, the theory served as a framework for me to understand how attaining financial resources may contribute to small business sustainability.

Resource-Based View (RBV) Theory

In the late 1950s, Edith Penrose created the RBV theory because of displeasure with the use of neoclassical economic methodology to measure business growth of organizations (Blackburn, Hart, & Wainwright, 2013). In theory, small business owners use tangible and intangible resources or a combination of both to create competitive advantages in the market (Chicksand, 2015; Penrose, 1959). The RBV theory is a strategic management theory that researchers use to examine firm resources that are essential to small business owners' daily operations and help to create a competitive advantage (Perrigot & Pénard, 2013). Of the four resource categories examined in the RBV theory (financing resources, human resources, organizational resources, and physical resources), financial resources is most significant to small business owners (Kozlenkova et al., 2014). In the context of RBV, financial resources serve as an opportunity for small business owners to acquire other resources to achieve financial success and remain profitable (Thomason et al., 2013).

Small business owners with more financial resources outperform small business owners with limited financial resources and are less susceptible to business closure (Greene et al., 2015; Lockett & Wild, 2014). Small business owners should consequently use financial resources strategically to sustain a business beyond 5 years to remain profitable (Coleman et al., 2013). The application of the RBV theory might contribute to new strategies required for African American small business owners to obtain financial resources to for small business sustainability beyond 5 years.

Supporting and Opposing Theories and Models

Researchers can use several theoretical lenses to explore a phenomenon. I initially considered the entrepreneurial alertness theory for grounding my study. Israel M. Kirzner coined the term *entrepreneurial alertness* in the early 1970s (Bostaph, 2013). The theory is an extension of Ludwig von Mises's model of functional entrepreneurship (Bostaph, 2013). Kirzner's (1973) entrepreneurial alertness theory advanced different behavioral concepts to understand the *spontaneous learning* and *alertness* process associated with entrepreneurship (Nunes, 2015). Kirzner noted that small business owners are agents of change who face minimal risk if they can purchase a product at a low price and sell it for a higher price (Toma, Grigore, & Marinescu, 2014). The underlying concept of Kirzner's theory is the business owner's ability to identify profitable products or services to remain sustainable.

Other researchers have used the entrepreneurial alertness theory framework to understand the cognitive factors associated with successful business owners, such as the knowledge gained from prior experiences (Keyhani, Lévesque, & Madhok, 2013). Palich and Bagby (1995) further developed entrepreneurial alertness theory to include cognitive heuristics and the idea that lower levels of risk perception and higher levels of confidence may lead to misguided entrepreneurial aspirations, not successful business ventures. Gaglio (2004) later extended the works of Kirzner (1973) by addressing how small business owners respond to signals of change with the help of technology and market research to improve performance and growth. Entrepreneurial alertness theory failed to address if a viable business opportunity exist in the market. The business owner evaluates circumstantial data, timing and rely on emotions to make the decision to launch the new business. Kirzner's theory offered limited information regarding the financial resources necessary to initiate and sustain the small business; hence, the theory failed to address the financial resources required to purchase new products and adequately fund the formation of a new business (Keyhani et al., 2013).

I also considered using the theory of economic development (TED) to ground my study. The theory is Joseph A. Schumpeter's most recognizable model (Bostaph, 2013). In 1911, Schumpeter released the first publication of TED, which examined an individual's desire to drive innovation through all cycles to completion and against all resistance (Becker & Knudsen, 2016). Researchers have used Schumpeter's philosophy to understand how economic systems and operational efficiency improve both innovation and business sustainability (Becker & Knudsen, 2016; Bostaph, 2013).

Knight (1921) later extended the works of Schumpeter using TED to examine the high degree of risk associated with developing new business possibilities for small business owners. Knight found the feeling of accomplishment as a motivational component to establish a successful business (Nunes, 2015). When TED initially appeared 1911, scholars commented on the shortage of versatility and absence of focus on financial resources (Bostaph, 2013). In addition, Schumpeter used TED to suggest an entrepreneur's ability to innovate and create new products is cyclical and routine behavior for all business owners, regardless of adequate financial capital (Becker & Knudsen, 2016). Schumpeter (1934) expanded Knight's findings of entrepreneurship using TED to introduce entrepreneurial profit and the fundamental values in the necessity of credit and money required to establish a new business venture.

Although TED met the objective of this study with moderate success, the theory itself had notable weaknesses that led me to not select it as the theoretical framework. The creation of new wealth through innovation concept complements the organizational structure of large companies as opposed to small businesses (Bostaph, 2013). Economic experts have abandoned their conventional method to understand the role governments and policy makers play to drive economic development (Toma et al., 2014); therefore, innovation is not a necessity to become a successful business owner, while identifying the adequate resources to improve business sustainability is vital to success (Beck, 2013).

I found differences in the literature relating to the statistics of small business failures and strategies to improve business survival. Analysts at the SBA (2014a) reported that 70% of small business owners' new establishments survive two years, and approximately one third survive 10 years. Researchers for the Bureau of Labor Statistics reported more than 50% of new businesses fail within the first 5 years of business creation (SBA, 2014a). Despite the fact that statistics and types of business vary, uncovering influences that contribute to a provisional survival of small businesses and entrepreneurial start-ups are essential to the vitality of the U.S. economy (Decker et al., 2014). The following subsection will include comprehensive information on why new small businesses fail, but no single theory on the cause exists (Khelil, 2015). Hence, exploring the success of African American small business owners who had sustained a small business for a minimum of 5 years may lead to new understandings of the issue.

Small Business Owners

The standard definition of a small business owner is the proprietor of an independent firm with fewer than 500 employees on staff (SBA, 2014a). An entrepreneur is a person who maintains a business (an entrepreneurial venture), is willing to take risks, and focus on the creation of new innovative products to generate profit (Nunes, 2015). Small business owners’ typically concentrate on enhancing well-known services and products and estimate limited growth and sustained profitability to maintain the business (Nunes, 2015). Both small business owners and entrepreneurs can have small businesses, but they have contrasting styles of management and growth projections to maintain their business (Minai, Uddin, & Ibrahim, 2014). Successful small business owners and successful entrepreneurs respond to business opportunities based on the marketplace and require financial resources to maintain a profitable business (Hunter, 2013; Toma et al., 2014).

Evolution of entrepreneurship. Early theories of entrepreneurship consist of economic profit and risk acceptance. Schumpeter, the pioneer of entrepreneurial research, explained the role innovation plays in diminishing economic systems (Garud, Gehman, & Giuliani, 2014). Legacy inventors of the 18th and 19th centuries made groundbreaking contributions and created a foundation for subsequent entrepreneurs in the United States (Hunter, 2013). Notable U.S. brand names established during this period include the Coca-Cola Company, Procter & Gamble, Harley-Davidson, and Levi Strauss & Co. (Hunter, 2013).

Although there is a connection between small business owners and entrepreneurial ventures, they are different entities (Schumpeter, 1934). Business owners may launch entrepreneurial ventures at any employee size and can experience exponential growth over time (Koryak et al., 2015; McKeever, Jack, & Anderson, 2015). In contrast, some small businesses may initially expand but may stay in the small business category for their operational lifespans (Minai et al., 2014).

The small business segment became a progressively larger fraction of companies in the U.S. economy due to job creation (Carlsson et al., 2013). Between 1980 and 2010, small business owners were responsible for employing approximately 18% of the U.S. workforce (Decker et al., 2014). Small business owners created more than 60% of all new jobs annually between 2007 and 2014 (SBA, 2014a). Business evolution due to globalization and technological advancements creates an opening for competition in markets previously considered impermeable for small business owners (Lofstrom, Bates, & Parker, 2014).

The adoption of small business ownership began as some of the wealthiest people in the United States became entrepreneurs (Hunter, 2013). Small business ownership became an instrument to gain upward mobility and attain the American dream (Hunter, 2013). As a result, there was a growing popularity of intrapreneurship, whereby leaders of large corporations implemented the innovative vigor of entrepreneurship and small business strategies into their organizational archetype (Busenitz & Barney, 1997).

Successful small business owners. Small business owners are sizable contributors to financial development and job creation in the U.S. economy (Decker et al., 2014). Small business formation transpires when the right individual embraces the right business venture; however, determining how to identify that business venture can be perplexing (Mathias, Williams, & Smith, 2014; Neck, Houghton, Sardeshmukh, Goldsby, & Godwin, 2013). The resilience and financial capital of small business leaders may explain their success, as overcoming problematic circumstances and developing an optimistic perspective to look to the future despite harsh market conditions is a dynamic adaption process (Ayala & Manzano, 2014).

This subsection will include an analysis of the strategies and characteristics of small business owners to examine influences that contribute to successful business ownership. Evidence about the strategies and influences that result in business survival beyond 5 years is difficult to find (Zaridis & Mousiolis, 2014). Personality traits differentiate small business owners from one another (Becker & Knudsen, 2016; Minai et al., 2014; Sánchez, 2013). Small business owners' personality type could lead to business survival or failure if an individual is passionate about succeeding (Pihie & Bagheri, 2013; Spivack, McKelvie, & Haynie, 2013).

Several of the most notable business people in the United States, such as Thomas Edison, Henry Ford, and Steve Jobs, ended their career as successful small business owners (Hunter, 2013). The claim that their psychological and cognitive profiles were similar is not a debate, but the belief that each person can attribute the same trait as the single reason for successful small business endeavors is disputable (Busenitz & Barney, 1997). Gai and Minniti (2015) involved exploring behavioral patterns and small business owner trends to uncover common traits of successful entrepreneurs based on ethnicity

(Black, Oliver, Benson, & Kinghorn, 2013). Psychological and cognitive domains may explain relationships between small business ownership aspirations and individual differences that distinguish successful entrepreneurs from unsuccessful entrepreneurs (Sánchez, 2013).

Cognitive characteristics of successful small business owners include a strong internal locus of control and the desire for achievement (Sánchez, 2013; Spivack et al., 2013). Small business leaders with higher levels of an internal locus of control have confidence in their ability to uncover financial resources and personal power to control the outcome of their business venture (Busenitz & Barney, 1997; Sánchez, 2013). The cognitive characteristics that contribute to business growth and operational efficiency are (a) financial resourcefulness, (b) extraordinary negotiation skills, (c) self-control, and (d) determination (Spivack et al., 2013). In addition, strong communication skills help small business owners express the nature of their business efficiently and increase the likelihood of receiving financial capital (Furtner, Baldegger, & Rauthmann, 2013).

Resilient business owners usually exhibit an extraordinary amount of self-esteem, and they have the ability to survive in diverse settings and continually search multiple financial sources in an effort to avoid business failure (Ayala & Manzano, 2014). The attitude of a business owner contributes significantly to the level of success the individual experiences acquiring financial capital (Santandreu-Mascarell, Garzon, & Knorr, 2013). Small business leaders with the mental fortitude to work hard to achieve their financial capital goals have a higher probability of achieving success (Pihie & Bagheri, 2013). Small business owners' personality type could lead to business survival or failure if the individuals are passionate about succeeding; however, strategies can help business owners without the aforementioned personality traits to succeed if executed correctly (Pihie & Bagheri, 2013; Spivack et al., 2013).

Before business formation, small business owners must first recognize that business opportunities exist. Successful small business owners who identify business opportunities can convert the commonplace into a unique and unforeseen business opportunity to generate revenue and achieve profitability (Davidsson, 2015). Small business leaders vary in their ability to recognize, capture, and make efficient use of evolving marketplace trends (Liu, Chen, & Hsu, 2014) and to secure financial capital to fund these investments (Kozlenkova et al., 2014).

Opportunity recognition for small business owners is an essential strategy to achieve sustainability (Sun & Cai, 2013). The ability to differentiate high-potential from low-potential opportunities and quickly identify hurdles before they become insurmountable is a complicated process for early-stage small business owners, especially if they are managing a small amount of financial capital (Beck, 2013). However, skills to recognize opportunities can save business owners time and money, which are both valuable resources to help businesses succeed (Glaeser, Kerr, & Kerr, 2015; Lugar-Brettin, 2013). Small business owners must learn to navigate the objections of a developing new business and acquire financial capital; business owners can acquire such knowledge from business mentors (Jones, Sambrook, Pittaway, Henley, & Norbury, 2014; Solesvik, 2013). During the initial stages of business launch, access to contacts within a business network for early-stage small business owners can strengthen confidence as knowledge attainment and potential financial capital resources begin to grow (Criaco, Minola, Migliorini, & Serarols-Tarrés, 2014).

The second strategy business owners attribute to success is a strong business mentor network (Laužikas & Dailydaitė, 2013). Mentors can help novice business owners identify viable financial resources for new business owners, enhance their creative thinking, and strengthen their social capital (Bates & Robb, 2013; Light & Dana, 2013). The primary function of developing social capital for business owners is to network within small, powerful groups that can offer inroads to contacts at a business financing institution (Estrin, Mickiewicz, & Stephan, 2013; Omrane, 2015).

Business mentors may help small business owners to identify business-financing options and leverage their business acumen to decrease the operational costs of the organization and increase the sustainability and profitability of a new business venture (Sun & Cai, 2013). The role of extracurricular activities such as clubs and societies is to deliver improved opportunities for learning by performing tasks through action and experience that mirror the business initiation process (Pittaway, Gazzard, Shore, & Williamson, 2015). Educational institutions offer a starting point to build valuable social networks that foster the free flow of innovative ideas and collaboration between students and future small business owners (Testa & Frascheri, 2015). The third strategy business owners attribute to success is education (Addae, Singh, & Abbey, 2014)

Business education experienced rapid development in the 21st century, as business-related theories spread to sciences, arts, humanities, and engineering to evolve beyond business schools and nest within nonbusiness disciplines in academia (Bae, Qian, Miao, & Fiet, 2014; Roberts, Hoy, Katz, & Neck, 2014). The growth in the number of universities, colleges, and other training programs that offer entrepreneurship curricula and degrees reflects the value of business programs (Elert, Andersson, & Wennberg, 2015; Williams-Middleton & Donnellon, 2014). Higher education has a positive effect on innovative and knowledge-based start-ups, with an emphasis on educating small business owners on financial risks to avoid and financial resources available to become successful business owners (Leschke, 2013; Roberts et al., 2014).

The fourth strategy business owners attribute to success is organizational management and strategic planning. The strategy consists of keeping track of business performance metrics such as cash flows, revenue, profit, and expense (Abdulsaleh & Worthington, 2013). This information will help business owners accurately forecast sales projections and future expenditures and identify quickly if additional funding is necessary to operate the business (Miettinen & Littunen, 2013). Writing a business plan to outline successful business milestones prior to the launch of a new business venture will help business owners monitor their progress. Small business owners will also have documentation to show potential investors how to acquire new financial capital (Abe, Troilo, & Batsaikhan, 2015).

Small business owners pursue new business ventures without knowing how the market will respond and whether their new services and products will succeed (Kautonen et al., 2015; Kohlbacher, Herstatt, & Levsen, 2015). Early-stage business initiation embraces an assortment of high-pressure decisions and actions, all of which are groundbreaking, aggressive, proactive, and financially risky (Robinson & Marino, 2015;

Wynarczyk, Piperopoulos, & McAdam, 2013). However, the propensity to fail is ideal for small business owners without adequate financial capital, and each of their decisions and actions to grow their business will cease if they do not have enough financing to operate a business (Van Zant & Moore, 2013). The most significant strategy successful business owners found is the ability to attain financial capital (Abdulsaleh & Worthington, 2013).

Small Business Financing

Starting a new company in the face of adversity has the possibility to incur high personal expense and a liquidity premium for time and capital (Khelil, 2015). The risk associated with the financial uncertainty of an early-stage business venture is hard to avoid as a small business owner (Miettinen & Littunen, 2013). The success of firms may depend on the individual resources available and on entrepreneurs' interaction with the environment to mitigate high-risk factors (Hakala, 2013). The risk associated with the financial capital allocated for a venture is a strategic risk for small business owners and includes additional responsibilities. Three categories of strategic risk are (a) a high level of borrowing, (b) obligating large portions of corporate assets to undefined environments, and (c) venturing into an undeveloped marketplace to procure high returns by seizing business opportunities in the market (Hakala, 2013).

Importance of business financing. Financing is imperative for any small business owner, but is most significant in the initial phase of launching (SBA, 2014b). Small business owners' ability to identify financial resources and manage their business accurately may determine if the business succeeds or fails prior to the 5-year mark

(Greene et al., 2015). Internal and external financing resources are available for small business owners (Fonseka et al., 2014). Internal financing resources include personal loans from a close friend or family member or through bootstrap financing, which is when business owners use personal savings, credit cards, or assets to fund the business (Abdulsaleh & Worthington, 2013). Small business owners can use bootstrap financing to bridge their current financial resources without issuing equity from the business to an investor or obtaining external financing (Arslan & Staub, 2013). In many cases, the expanding demands of a business exceed revenues during the first 5 years; therefore, external financing resources are necessary to maintain the business (Beck, 2013).

External financing resources include (a) government financing, (b) bank loans, (c) venture capital, (d) crowdfunding, and (e) angel investors (Thomason et al., 2013). Leaders of lending institutions frequently view small business owners as a high credit risks. Attaining financial information for privately held businesses is difficult, and although small business owners often submit a comprehensive business plan or include personal assets as collateral, it is still a risky proposal for angel investors (Zaridis & Mousiolis, 2014).

Small business challenges. Achievement for small business owners is difficult to measure given the various indicators of success, as not all organizations respond to equivalent measures of business success. Financial measures of achievement may not be suitable for evaluating socially embedded organizations (Khelil, 2015). Business owners can use both financial and nonfinancial measures to assess business performance (Bullough & Renko, 2013). Financial criteria include profits, new customers, expansion, market share attainment, and income (Ioniţă, 2013). Nonfinancial criteria include customer satisfaction level, perceived customer loyalty, desire for autonomy, and service to the community (Ioniţă, 2013). Small business literature indicates a shortage of experience, of financial resources, and of support for business owners as the reasons for most business failures (Miettinen & Littunen, 2013). Most small business owners fail because of (a) financial issues, (b) changes in priorities, (c) competition, (d) fear, and (e) unforeseen business crises (Miettinen & Littunen, 2013).

Business survival is the ubiquitous measure of business success; business failure occurs when a small business owner ceases business operations, resulting in zero cash flow or business activity (Khelil, 2015). Business failure is a negative experience for small business owners (Singh & Gibbs, 2013). However, failure is not always synonymous with business closure. Failure can include voluntary termination, such as interest in pursuing new profitable entrepreneurial opportunities or retirement (Khelil, 2015). Business failure represents one of the most problematic, intricate, yet appreciated learning experiences that small business owners have the fortune to absorb; if the business owner is able to build on the experience, create another business and become successful (Khelil, 2015). Conversely, small business leaders encounter considerable ambiguity concerning market acceptability and buyers' demand (Bullough & Renko, 2013). The more radical the innovation, the greater the cynicism small business owners must endure and the more financial capital they must secure to fund their business (Kautonen et al., 2015).

The display of confidence is beneficial for small business owners who wish to improve stature, trustworthiness, and influence in the business community (Ng, 2015; Van Zant & Moore, 2013). Although researchers have established that African Americans seem to express more eagerness, a greater disposition, and more curiosity to become entrepreneurs when compared to other ethnic groups, this information has not translated into Black business owners who are more successful than other business owners (Williams & Bryan, 2013). The African American population will increase by more than 33%, which is faster than the expected growth in the total population, by 2060; as the African American population continues to mature, the number of African American small business owners will reflect this growth (Colby & Ortman, 2015; U.S. Census Bureau, 2015). The following section will involve examining African American-owned businesses in the United States to understand the business ecosystem and financial resources available to help business owners maintain a profitable business beyond 5 years.

African American-Owned Businesses in the United States

In the United States, there are approximately 27.6 million active and operational small businesses (U.S. Census Bureau, 2015). Small businesses represent more than 99.7% of all U.S. employers and small business owners created more than 63% of all new jobs in 2012 (SBA, 2014a). Small business owners' success depends on their ability to access financial resources, but not all business owners experience the same success in the face of similar circumstances to acquire financing (Ling & Chok, 2013; Smith & Tang, 2013).

In the 5-year period from 2007 to 2012, the number of small businesses increased by 39% to 8 million firms, and African American firms grew by 34% to 2.6 million firms (U.S. Census Bureau, 2015). Despite the considerable number of small business owners who launch new businesses, African American business start-ups fail at higher rates compared to other ethnic groups (Sciglimpaglia, Welsh, & Harris, 2013; Singh & Gibbs, 2013).

Busenitz and Barney (1997) explored the psychological and cognitive domains of small business owners and discovered a significant difference in the level of entrepreneurial aspiration among certain ethnic groups. African American business owners have a higher internal locus of control compared to Caucasian and Hispanic business owners (Apetrei, Kureshi, & Horodnic, 2015). Therefore, a higher internal locus of control translates into the ability to control outcomes in business and the confidence to be successful in new venture creations (Sánchez, 2013). Pager and Pedulla (2015) examined new business creation ambitions by ethnic group and found African American and Hispanic business owners experienced the highest rate of ambition to become a business owner, followed by Koreans and Cubans.

African American small business owners face many obstacles, especially regarding the sustainability and profitability of new business ventures (Shinnar, Cho, & Rogoff, 2013). The ongoing global economic downtrend has adversely affected numerous small business owners; however, African American business owners are more acutely predisposed to financial hardship (Ellis, Griffith, Allen, Thorpe, & Bruce, 2015; Parker, 2015). The successful financial strategies that stimulate business formation and the influences that dictate why members of certain ethnic groups such as Cubans and Koreans have a higher likelihood of creating successful small businesses and attaining financial resources than other groups such as Blacks and Hispanics are elusive (Wang, 2013). Racial disparities in income, wealth, and education directly correlate to African American small business ownership (Fairlie, 2013). Less understood are the large and continuing racial inequalities in business ownership and performance in the United States (Fairlie, 2013). The absence of research is startling given the extensive impact of the racial variances and the significance of small business ownership as an option to make a living in the United States (Sonfield, 2014).

Cultural differences in small business ownership. African Americans seem to express more eagerness, a greater disposition, and more curiosity to become entrepreneurs when compared to Caucasian business owners (Williams & Bryan, 2013), but this has not led to more sustainable and profitable new business ventures for this group (Meares, Gilderbloom, Squires, & Williamson, 2015). There are fewer African American business owners compared to Caucasian business owners per capita in the United States (Carter, Mwaura, Ram, Trehan, & Jones, 2015). Moreover, African American business owners are less likely to be successful than their Caucasian counterparts (Wang, 2013).

Interest in pursuing a new small business venture is approximately 50% higher for African Americans between the ages of 18 and 64 than Caucasians in the same age group (Lofstrom & Bates, 2013). Caucasians are less likely to engage in business start-up activities (6.2%) than African Americans are (11.1%), and African Americans are 1.79

times more likely to be nascent small business owners than Caucasian Americans with similar socioeconomic backgrounds (Lofstrom & Bates, 2013). Entrepreneurship is an alternative to unemployment for African Americans, creates more jobs for the minority population in the local community, and can serve as a pathway out of poverty (Bradford, 2014; Mora & Alberto, 2014).

There is a considerable desire to strengthen Black business ownership (Mijid & Bernasek, 2013). The discrepancy in new business creation rates between Caucasian and African American individuals has persisted almost continuously since the 1930s (Blount, Smith, & Hill, 2013). African Americans are one third as likely as Caucasians to be self-employed and abandon their businesses at a higher rate than Caucasians due to a lack of access to financial capital (Singh & Gibbs, 2013).

The wealth discrepancy in the United States between Caucasians and African Americans hurts employment (Hamm & McDonald, 2015). African Americans leave the workforce to pursue self-employment opportunities, in part due to the lack of upward mobility and diversity at their place of employment (Okechukwu, Souza, Davis, & de Castro, 2014; Singh & Selvarajan, 2013). The reasons for the entrenched low rate of African American entrepreneurship are extensive, but consistently reflect financial issues as the most common cause of business failure for African American small business owners (Khelil, 2015). Financial issues are the leading cause of this phenomenon, but this hurdle is only one of many that cause the disparity (Singh & Gibbs, 2013).

Financial capital resources. African American business owners endure numerous obstacles when attempting to acquire financial capital (Singh & Gibbs, 2013), including inferior access to capital, discriminatory lending practices from banking institutions, and a lack of personal savings to help launch a new business venture (Casey, 2014). Starting a new business requires access to internal or external financial resources (Greene et al., 2015). Without these resources, sustaining a new business is not a viable option for minority populations, especially African Americans (Wodtke, 2015).

External sources of capital are an obstacle for African American business owners. Minority-owned businesses have less access to institutional financing and support than nonminority-owned businesses (Freeland & Keister, 2014). For instance, African Americans have less community lending establishments and personnel who can offer financial aid to new businesses (Bates & Robb, 2015).

African American small business owners who apply for credit with banking institutions experience a higher rate of denials of credit than other groups do (Bradford, 2014). External finance hurdles may drive African American business owners to rely on internal sources of funding (Cole, 2013). Black business owners are less likely to be profitable than nonminority business owners because the absence of equity and the debt ratio are a primary source for verifying capital-funding loans (Cole, 2013). The financial disparity minority-owned businesses face while trying to maintain a successful business relates to the economic vulnerability of small business owner households (Freeland & Keister, 2014).

In 2012, African American households had the highest proclivity to be delinquent in mortgage payments, followed by Caucasian households and then Hispanic households (Bates & Robb, 2016). The difference in credit acquisition for minorities was the primary issue, and Hispanics and African Americans historically have lower creditworthiness when compared to Caucasians (Bates & Robb, 2016). Personal savings are the primary source of initial capital for most new business opportunities and African American business owners traditionally have less personal savings compared to nonminority business owners (Van Zant & Moore, 2013). Low creditworthiness scores and a shortage of personal savings illustrate how African American business owners suffer from inferior levels of financial capital (Meares et al., 2015). Successful business owners who have initiated new business ventures with undercapitalized budgets use creative finance solutions such as bootstrap financing options, crowdfunding, and angel investors to raise start-up capital (Bruton, Khavul, Siegel, & Wright, 2015; Mollick, 2014). If the only topics precluding more African American business owners from new venture creation and reaching success were educational attainment or location, the resolution would be relatively straightforward (Singh & Gibbs, 2013; Studdard, Dawson, & Jackson, 2013). African American business owners who experience issues acquiring capital are unlikely to find monetary resources among members of their social network, family members, or business mentors (Liu, Miller, & Wang, 2014).

Business mentors and social capital. African American business leaders use cultural influences to build external and internal network connections (Foley & O'Connor, 2013). Social networking and business relationships have varying degrees of success for each ethnicity (Raluca, 2013). Some ethnicities are more likely to succeed as business owners and build strong networking circles (Wang, 2013). The differentiating factor is their ability to access the four forms of capital: (a) economic, (b) human, (c) political, and (d) social; economic capital is the hardest resource for African American small business owners to attain but the most beneficial (Bates & Robb, 2013). Business mentors help novice business owners identify new business opportunities and financial resources to help during the beginning stages of business operations (Omrane, 2015). These relationships enhance the likelihood of recognizing collaborative ventures with other small business owners that require minimal financial resources to improve products and services for customers (Gedajlovic, Honig, Moore, Payne, & Wright, 2013).

Social capital is an intangible benefit that comes from an association to a particular ethnic group and its related networks (Wang, 2013). African American small business owners can increase their survival rate as small business owners by networking within small, powerful groups that deliver entry into other power-exclusive groups for potential joint ventures (Estrin et al., 2013). The ability to cultivate relationships with a high-ranking member of a financial institution, such as a broker, will enhance small business owners' ability to gain insight into and influence the receipt of monetary benefits (Kwon, Heflin, & Ruef, 2013). Business leaders with the skill to expand their networks, including their online social networks, can open new opportunities to identify financial resources (Chen, Chen, & Xiao, 2013). Furthermore, they gain a competitive advantage through social intercorrelations, and they experience a higher level of success by increasing relationships with banks (Jonsson & Lindbergh, 2013).

Government resources for African American small business owners. The U.S. government can improve enthusiasm for small businesses by lowering government-enacted barriers (excessive paperwork and inflexible permits for new business ventures) and reducing the risk associated with entry into the marketplace (Solomon, Bryant, May, & Perry, 2013). If the external perception of government is that a substantial focus is on control and suppression, aspiring business owners will believe the economic environment is too intimidating to enter (Solomon et al., 2013). In 2011, a study performed by researchers at the World Economic Forum found the level of confidence in American business owners and government organizations was in the lower quadrant of the 23 countries evaluated and below the 50% trust reference line at which the United States was evaluated during the study (Hunter, 2013). The study revealed trust and confidence decreased as small business owners in the United States believed government regulations only benefitted certain Caucasian business owners (Hunter, 2013).

Criticism of government policy is growing in the Latino and Black business community, as Latinos and Blacks' eagerness to develop stronger public–private partnerships with the government has not come to fruition (Liu et al., 2014). Affirmative action programs created by the government offer an impartial platform to improve the minority businesses survival rate in the United States (Mora & Alberto, 2014). Ethnic small business owners such as African Americans in California benefit from affirmative action programs, as indicated by the modest increases in entrepreneurial activity; these programs limit opportunities in the labor markets and lower the opportunity costs of doing business in the state (Mora & Alberto, 2014).

Small business programs led by various federal, state, and local government agencies created to improve minority businesses may appear controversial on the surface (Liu et al., 2014). The primary goal of these programs is to nurture minority business ownership (Mora & Alberto, 2014). Minority-owned businesses receive billions of contract dollars annually through affirmative action programs (Snider, Kidalov, & Rendon, 2013). African American small business owners often endure discrimination in credit markets that limit new venture formation when the return on the business surpasses the market-borrowing rate (Mora & Alberto, 2014). Low levels of personal wealth and liquidity restraints may also create barriers to new venture formation and access to financial capital for minority-owned businesses to operate successfully (Solomon et al., 2013). Location of small business owners influences their ability to secure external financing options (Beck, 2013). Small business owners located in metropolitan statistical areas (MSAs) are more likely to secure external financing compared to small business owners located in rural areas (Liu, 2012). Furthermore, small business owners who live in an MSA can interact with local bank institutions to build and maintain relationships to increase the probability of gaining approval for a loan (Abdulsaleh & Worthington, 2013).

Small businesses in Los Angeles County. Small businesses significantly influence Los Angeles County's economy (U.S. Census Bureau, 2016). Over 92% of African American and Hispanic small business owners live in MSAs such as Los Angeles County, whereas only 68% of Caucasian business owners reside in this area (Liu, 2012). African American small business owners hire African Americans and other minorities in their local community more than Caucasian small business owners do (Mora & Alberto, 2014). The geographic location of Los Angeles, California, was suitable for the study, as African American small business owners account for 7.1% of all businesses in Los

Angeles County, which is one of the largest MSAs and housed the second-largest number of African American firms in 2012 (U.S. Census Bureau, 2015, 2016). Los Angeles County is a microcosm of the diverse collection of business owners in the economy, as 55% of the firms in the county are minority small business owners (U.S. Census Bureau, 2015). Assiduity to African American small business dynamics and the financial resources that increase sustainability and profitability should improve, because African American small business owners are fundamental to job creation and wealth building in the Los Angeles County and U.S. economies.

Transition and Summary

The literature supported the need for more research on analyzing and establishing financial strategies that contributed to the sustainability and profitability of African American small businesses. Section 1 consisted of the business problem and purpose of this study. A review of the literature provided observations from a variety of small business scholars regarding evidence that connects to the value of business mentors, successful strategies of small business owners, challenges of small business owners, and internal and external business financing options available to small business owners.

The conceptual framework for this study was RBV theory, which contributed to revealing financial strategies or resources required for African American small business owners to obtain financing that could help achieve profitability and small business sustainability. With the high failure rate of new African American small businesses, examining this phenomenon through the RBV lens contributed to new observations of financial strategies that may be valuable to current or aspiring African American small business owners. In Section 2, I will explain the data collection process and provide additional detail regarding the research method chosen for this study. In Section 3, I will include a comprehensive investigation of the outcomes, implications, and recommendations for action and future research studies.

Section 2: The Project

Small business owners create approximately 411,000 new businesses annually; however, only 50% survive the first 5 years of operation (SBA, 2014a). I selected the financial profitability and sustainability of African American small business owners who established and maintained a business for a minimum of 5 years as the focus of this qualitative multiple case study. Section 2 will include detailed descriptions of the techniques and methods within this study. This section will also include the purpose statement, my role as the researcher, participant enrollment, research method and design, population and sampling technique, and ethical research. I will also discuss the data collection technique, data analysis, and the reliability and validity of the study findings in this chapter, followed by the transition and summary.

Purpose Statement

The purpose of this qualitative multiple case study was to explore strategies that African American small business owners have used to obtain financial resources to sustain their business operations beyond 5 years. The target population consisted of African American small business owners located in Los Angeles County, California who had successfully implemented working capital for small business sustainability beyond 5 years. The implications of positive social change include the potential to improve African American small business owners' understanding of practical strategies to acquire financial resources, which could lead to increasing business survival through profitability and growth. Increased African American small business profitability and growth can lead to new employment opportunities and contribute to the economic well-being of society.

Role of the Researcher

The role of the researcher in a qualitative study is to serve as the primary instrument for the data collection process and to adhere to ethical guidelines (Aitken, 2014; Flick, 2015). Cronin (2014) stated that the role of qualitative researchers is to interview participants, code the data, identify themes and patterns, and draw conclusions. As the researcher in the study, I served as the research instrument for data collection by interviewing the study participants and directly interacting with participants during the interview process.

Monitoring researcher partiality, interpreting, and addressing the impact of an individual's own perceptions when collaborating with participants and understanding meanings are critical to any research study (Deakin & Wakefield, 2014). I have never been a small business owner in Los Angeles County, but I had interacted with small business owners in the Los Angeles County business community. I did not select any company or business owner that I had a business relationship with as a participant for this study. The business leaders I met with to interview for the study expressed an interest in understanding the resources available for small business owners to acquire financial capital to achieve small business sustainability.

The *Belmont Report* protocol outlines the basic principles to protect human subjects and address ethical guidelines that researchers must follow when administering research with human subjects (U.S. Department of Health and Human Services, 1979). The *Belmont Report* is a guideline of the essential ethical principles scholars must follow when administering research which are (a) justice, (b) respect of persons, and (c) beneficence justice (U.S. Department of Health and Human Services, 1979). The ethical framework requires that researchers adhere to participants' rights to confidentiality and personal autonomy, follow the principles of beneficence and justice, gain informed consent, and select subjects fairly (Brakewood & Poldrack, 2013).

I sent individual e-mails to prospective business leaders who met the criteria for this study after obtaining permission from the Institutional Review Board (IRB) of Walden University. Next, I explained the informed consent process to potential participants. Before the interviews began, I obtained signed consent forms from each of the participants. The informed consent included an explanation of participants' confidentiality rights, the data collection process, the risks, and the data analysis and storage process. Also, I protected participants from harm and ensured each participant that confidentiality was of utmost important to me as the researcher. In addition, by following the principles of (a) justice, (b) respect of persons, and (c) beneficence, I was able to abide by the three most important researcher responsibilities outlined in the *Belmont Report*.

Researchers also bring individual biases, morals, perspectives, and assumptions to the research environment (Yin, 2014). Bracketing is a method of reducing personal influence and bias during the research process (Chan, Fung, & Chien, 2013). Bracketing is setting aside any personal experiences, perceptions, values, and beliefs to mitigate bias (Yilmaz, 2013). In this study, I used bracketing by taking interview notes, audiotaping each interview, and developing a precise manuscript to reduce personal bias using bracketing.

The interview protocol (see Appendix A) consisted of a list of semistructured questions. The rationale for using an interview protocol is to reduce bias by using a guide to achieve a well-planned interview with predetermined questions to collect relevant data regarding participants' perceptions (Deakin & Wakefield, 2014). I used open-ended interview questions in the study to provide participants with more flexibility and express their perspectives freely without judgment (see Grossoehme, 2014). Utilizing an interview protocol allowed me to improve reliability and increase effectiveness during the interview process.

Participants

Selection of the participants is significant to the result and quality of the data in qualitative research (Flick, 2015). Participants must have extensive familiarity with the research topic and suitable experience to offer detailed knowledge of a phenomenon under study (Sotiriadou, Brouwers, & Le, 2014). Researchers have found participant selection is a fundamental step to make certain quality assurance procedures in research and the identification of adequate participants to understand complex topics of the phenomenon under study (Cleary, Horsfall, & Hayter, 2014). Researchers use purposeful sampling to choose participants who fit the criteria of a study (Robinson, 2014). Purposive sampling allows researchers to collect descriptions of participants' experience that are rich in detail and imagery relating to a phenomenon (Grossoehme, 2014).

I used a purposeful sampling technique to identify and recruit four African American business owners. The population for the study was African American small business owners in Los Angeles County, California. The eligibility requirements for participants in this study were being African American and owning a small business in Los Angeles County, California, with fewer than 500 employees. The business owners had attained the financial resources to start and maintain their business for at least 5 years and were at least 18 years of age prior to the start of the interview.

Researchers achieve success utilizing social network platforms, such as LinkedIn, to identify participants and request an introductory meeting (Raluca, 2013). However, if reaching out directly to the company owner is not an option on social media, office managers serve as company gatekeeper’s researchers use to locate participants (Sun & Cai, 2013). The SBA office in Los Angeles County, California, and the Greater Los Angeles Black Chamber of Commerce have databases, open to the public, that contain contact information and an active list of potential study participants located within Los Angeles County (SBA, 2016). From this population, I selected participants who met the study criteria. Potential participants received a letter of invitation through e-mail (see Appendix C), followed by a telephone call in which I requested their participation. The letter of invitation included the intent of the study and the participant consent form as an attachment for potential participants to examine and sign electronically by responding to the e-mail. I selected the first four business leaders who replied and indicated their consent by responding to my original e-mail.

Developing rapport with participants helps to build trust (Wedlund, Nilsson, Tomson, & Erdner, 2013). Researchers can establish rapport during e-mails and phone calls with potential participants before the interview (Flick, 2015). Ensuring proper preparation and open dialogue regarding the objective of the study before interviews will build trust and a positive working relationship with participants from different backgrounds (Morita & Burns, 2014; Tuttas, 2014). I established a working relationship with each participant through open communication methods, such as telephone calls and e-mail correspondence, once the participant agreed to volunteer in the study.

Research Method and Design

Research Method

I selected a qualitative research method for this study. The three methods of research are quantitative, qualitative, and mixed methods (Flick, 2015). Qualitative researchers provide a comprehensive illustration of a phenomenon by exploring, evaluating, and attempting to understand and describe perspectives that affect human behavior (Parry, Mumford, Bower, & Watts, 2014). Qualitative research involves subjective analysis and insights into participants' lived experiences and words rather than an objective measurement of phenomena used in quantitative research (Suddaby, Bruton, & Si, 2015). Quantitative researchers apply statistical procedures to analyze and capture data but rely less on interpretations, focus groups, and interviews compared to qualitative researchers (Hagan, 2014). Researchers combine elements of quantitative and qualitative research in mixed methods studies and apply multiple approaches to data collection because one methodology would not appropriately answer the research question (Harrison, 2013).

A review of the differences between quantitative, qualitative, and mixed methods research revealed that the qualitative method was most appropriate for this study. I selected a qualitative method over quantitative and mixed methods because the standard of practice in management research, including an examination of small business growth and financial sustainability, has continuously been the application of the qualitative methodology (see Minai et al., 2014). Quantitative methods research was not a suitable approach for this study because there was an emphasis on interviewing participants to observe behaviors and understand their experience within the context of the viewpoint that is not a measurable quantity (see Erlingsson & Brysiewicz, 2013). I did not select a mixed method approach because the purpose of this study was not to analyze relationships between variables (see Harrison, 2013).

The norm of practice in management research indicates that the preferred technique of quantitative research is not always the best method to analyze small businesses because of the distinctive features of each small business and the small size of business operational structures (Minai et al., 2014). In contrast to other approaches, researchers use the qualitative methodology to uncover an expansive range of integration patterns specific to the phenomenon (Flick, 2015). A qualitative methodology was most suitable for this study to understand the lived experiences and interpret the viewpoints that influence human behavior. In addition the objective of this study was to explore the strategies that African American small business owners use to obtain financial resources to achieve profitability and small business sustainability beyond the 5-year mark in Los Angeles County, California.

Research Design

I selected a multiple case study design for this qualitative research study. Research designs vary, and each has benefits and shortcomings. The choice of research design is contingent on the nature of the research and the study objective (Flick, 2015). Qualitative researchers explore how the elements in question work together to form a holistic view of a systemic phenomenon (Parry et al., 2014). Researchers use five commonly accepted designs for qualitative inquiry: case studies, ethnography, grounded theory, narrative, and phenomenology (Flick, 2015).

I considered phenomenological and ethnographic research designs for this study. I did not select an ethnographic study because the purpose of this study was not to analyze or examine group activities or shared groups (often cultures) to describe the interrelationship of behaviors and interactions (Goldstein et al., 2014). I did not select a phenomenological study because the purpose of this study was not to explore individuals' lived experiences of a phenomenon and their shared opinions of a phenomenon (Bailey, 2014; Finlay, 2014).

Case-based research typically involves exploring an event, activity, or single experience and using a flexible method to investigate societal and evolving disciplines (Yin, 2014). A case study design is an ideal technique when (a) the fundamental research questions are *how* or *why* questions; (b) the concentration of study is a present, not a historical, phenomenon; and (c) a researcher has limited or no control over behavioral actions or events (Sugar, 2014). A case study can be multiple cases or a single case restricted by location and time (Yin, 2013). The case study design involves gathering data from two or more sources (Vohra, 2014). Multiple case studies (multicase) include data collection from multiple individual units such as specific groups, people, or phenomenon (Sugar, 2014), in contrast to single cases study that only includes embedded subunits

(Hyett et al., 2014). Multiple case studies are typically more dependable and contain more validity than a single case study (Yin, 2013). In this study, I used semistructured interview questions, company documents, archival information, and notes from participants interviewed. Participants came from a variety of businesses with each business being a separate case under study.

Data saturation is a point when new information or topics do not emerge (Cleary et al., 2014). During data saturation, researchers gain an improved understanding of the direction of the data analysis process (Foley & O'Connor, 2013). Responses from targeted participants generate no additional information but only recurring issues (Palinkas et al., 2015). Francis et al. (2010) asserted that saturation might occur after four to 15 interviews. In this study, I selected a minimum sample size of four interviews for initial analysis. To ensure data saturation, I continued interviewing small business owners until no new information emerged during the interviews. After receiving IRB approval (04-19-17-0393943) for this study, I interviewed African American small business owners located in Los Angeles County, California who had experience acquiring financial resources to improve business sustainability; data saturation occurred after interviewing four participants.

Population and Sampling

The population and sampling requirements are beneficial and ensure that participants exemplify the topic under study (Marshall, Cardon, Poddar, & Fontenot, 2013). Sampling is a method where a researcher selects a subgroup of a population to analyze; purposeful sampling helps to select participants who fit the criteria of a study

(Robinson, 2014). Purposeful sampling technique offer researchers informed choices about sampling to enhance the quality of exploration synthesis (Flick, 2015). Researchers use purposeful sampling to identify participants who will be rich in data and will offer detailed knowledge of a phenomenon during interviews (Robinson, 2014). In this study, the participants had at least 5 years' experience being a small business owner, knowledge and firsthand experience on attempting to acquire business financial resources, and expertise to provide an understanding of the phenomenon and to answer the research question.

The objective of sample size planning is to approximate a suitable number of participants for a carefully chosen study design (Acharya, Prakash, Saxena, & Nigam, 2013). A study with very few participants might risk insufficient depth and breadth, but too many participants might yield superficial or cumbersome amounts of information (Cleary et al., 2014). I collected names of probable participants from a membership database of the Greater Los Angeles Black Chamber of Commerce and SBA office in Los Angeles County that contained the names and contact information of members.

The recommended sample size for a case study is between two and six participants (Yin, 2013). Yap and Webber (2015) used 20 participants in a case study to explore corporate culture, but indicated the large number is not necessary to assess small business owners accurately. I interviewed four African American participants who had obtained the financial resources to achieve small business sustainability for at least 5 years.

The population for the study consisted of African American small business owners over the age of 18 located in Los Angeles County, California from different business categories. The categories were (a) female-owned small businesses, (b) male-owned small businesses, (c) African American-owned small businesses, and (d) business owners who acquired financial resources to maintain a profitable business beyond 5 years with fewer than 500 employees. Small business owners are critical to the U.S. economy and the local economy of Los Angeles County (Singh & Gibbs, 2013; U.S. Census Bureau, 2015). The Greater Los Angeles Black Chamber of Commerce and SBA office in Los Angeles County, California, had listings for African American small business owners within Los Angeles County (SBA, 2016). From this population, I identified nine participants who met the study criteria and interviewed the four participants accessible for the study.

The sample size should include the number of participants that will lead to data saturation standards in which the case becomes recurring (Marshall et al., 2013). Data saturation is a point when new data or themes do not emerge (Palinkas et al., 2015). At the completion of data saturation, answers from targeted participants generate no additional data but only repeated topics (Fusch & Ness, 2015). If data saturation is not reached after the initial interview, then the second step involves two or three more interviews as recommended by Francis et al. (2010). To ensure data saturation, I interviewed small business owners who had experience acquiring financial resources to improve business sustainability and reviewed an internal PowerPoint presentation and written reports regarding their businesses and business plans. I continued interviewing participants until the achievement of data saturation, which occurred at the fourth interview.

Ethical Research

African American small business owners who met the requirement for participation in the study received a letter of invitation through e-mail (see Appendix C). Before gathering data, I offered each participant a copy of the consent form. I ensured all selected participants understood that (a) they were volunteering freely and their privacy will remain protected permanently, (b) the principles of beneficence and justice as the participant, and (c) they can disengage from the interview at any time. The *Belmont Report* protocol details the fundamental principles to protect human participants and address ethical guidelines researchers must follow when conducting research with human subjects and protect participants' rights, safety, dignity, and well-being (U.S. Department of Health and Human Services, 1979). Researchers must safeguard the privacy and general well-being of all participants (Blackwood et at., 2015).

Enrolled participants met the sampling criteria and volunteered to be part of the study and share their knowledge of strategies for financial stability and profitability as African American small business owners. As the researcher, I followed the participant's right to privacy and the treatment of the participants with dignity and fairness while involved in the study. I adhered to the three important principles of (a) justice, (b) respect of persons, and (c) beneficence and guidelines of ethical research defined in the *Belmont Report*. I asked participants to sign the consent form before the interviews commenced.

There are fundamental principles to follow while researching human participants to ensure ethical research. The informed consent process involves researchers offering participants the following in writing: (a) a choice to disengage from the study at any time, (b) an explanation of how the participants' characteristics will remain private, (c) the purpose of the study, and (d) an inclusive assessment of the impending risk participants face (Brakewood & Poldrack, 2013). Participation was voluntary, and participants were able to freely disengage from the study at any time.

Appendix C will include the e-mail that each participant received, and I included the consent form that participants returned prior to arranging an interview. Interviews lasted approximately 35-45 minutes, and an outline of the interview structure and protocol appears in Appendix A. Scholars must make every possible effort to mitigate any potential harm to interview participants by procuring informed consent, protecting the interview participants' rights to privacy, and ensuring confidentiality (Blackwood et al., 2015). Additionally, researchers must protect participants' and businesses' distinguishable information by coding the data and storing it in a safe place (Brakewood & Poldrack, 2013).

I ensured the participants that data would remain in a safe and secure location. Researchers should maintain a copy of each participant's signed response in a protected safe only accessible by me for a minimum of 5 years (Brakewood & Poldrack, 2013). I will keep hard copies of the participants' consent forms, the research notes, company documents, archival information, and the audio recordings in a filing cabinet for 5 years before shredding the data. The Walden University IRB necessary to initiate the interview process approval number is 04-19-17-0393943.

After receiving the Walden IRB approval number, I called each potential participant to make appointments, explained the purpose and benefits of participating in the study, built a relationship, and gain their trust. During the call, I promised to provide a one- to two-page briefing of the study findings. To ensure confidentiality, researchers should use a unique identifier for participants rather than their names (Ghooi, 2014). I guaranteed confidentiality in all phases of the interview process, from prospecting to the final group selection, by assigning each participant a randomized numeric code. I used BO1, BO2, BO3, and BO4 for the four African American small business owners, where BO refers to *business owner*.

The participants' names do not appear in the outcome or conclusion sections of the completed study as recommended by Ghooi (2014). I retained a copy of each selected participant's signed response to acknowledge a willingness to participate in a protected safe only accessible by me for a minimum of 5 years. I will also keep hard copies of the selected participants' consent forms, research notes, and audio recordings in a filing cabinet for 5 years before shredding the information (Brakewood & Poldrack, 2013). Participants did not receive any form of incentive for their participation in this study.

Data Collection Instruments

In qualitative research, the researcher is the primary data collection instrument (Barry, Chaney, Piazza-Gardner, & Chavarria, 2014). I was the primary data collection instrument using semistructured interviews. Interviews questions help the researcher focus precisely on cases under study in qualitative research, and semistructured interviews use open-ended questions to focus the interview interviewees can express their perspectives freely without judgment (Grossoehme, 2014). Researchers can use different data collection instruments in research, including surveys, questionnaires, interviews, and reviews of existing documents and chronicles (Bettis, Gambardella, Helfat, & Mitchell, 2014).

Qualitative case studies have six common data-gathering sources: (a) archival records, (b) interviews, (c) direct observation, (d) participant observation, (e) physical artifacts, and (f) documents (Yin, 2013). Similar studies by Gai and Minniti (2015) on African American small business financing used interviews to advance understandings and offer an interpretation of participants' personal observations. For data collection, I used semistructured face-to-face interviews conducted at a private conference room at the participant's business office (see Appendix A). In addition, I analyzed the publically available business plans, company documents (including a PowerPoint presentation), and archival information that outlined the business owner's financing strategy and available resources. Company documents and business plans were the secondary data collection source for this study.

During face-to-face interviews, participants answer semistructured interview questions to obtain rich details of a phenomenon (Sotiriadou et al., 2014). The questions in the instruments are clear and semistructured so participants can provide their perceptions and ideas of the phenomenon as recommended by Horne, Lincoln, Preston, and Logan (2014). The qualitative semistructured interview protocol selected for this study was a structured interviewing method in which researchers can discover, gather, and recreate events from the lived experiences and viewpoints of participants that they could not attain using a quantitative research technique as recommended by Cleary et al., (2014).

Recording the interviews using a tape recorder leads to collecting reliable and valid data during the data collection process (Yin, 2014). The use of a tape recorder ensures truthful and accurate data recall during the investigation process (Mealer & Jones, 2014). I reviewed and transcribed the interviews to ensure the responses were correct and dependable.

Researchers use member checking as an opportunity for participants to validate the truthfulness and integrity of the data gathered (Koelsch, 2013). It is imperative to complete member checking in a qualitative study, as it improves the reliability of the investigation (Grossoehme, 2014). To authenticate my understanding, I administered member checking after each interview. The method of member checking in this study allowed participants to review data and interpretations taken from his or her interview to confirm credibility and ensure data is consistent with the participant's intended description of the experience.

The interview questions in Appendix A served to measure the perceptions relating to African American small business owners. Furthermore, I used available business plans, archival information, and company documents such as an internal PowerPoint presentation as secondary data to validate data from the interviews. Data scoring involves attaining themes and meanings in participants' answers pertaining to the strategies

African American business owners can use to attain financial resources and to assist in data analysis (Barry et al., 2014).

Data Collection Technique

There were multiple sources of evidence for this study. The sources included open-ended interviews, company documents such as an internal PowerPoint presentation and written reports regarding their businesses and business plans. I contacted each participant to schedule the telephone interview, requested documentation applicable to the research study, addressed any issues or concerns about the data collection process, ensured the participant read and acknowledge the consent form and authorize consent to record the interview. Qualitative case studies have six common data-gathering sources: (a) archival records, (b) interviews, (c) direct observation, (d) participant observation, (e) physical artifacts, and (f) documents (Yin, 2013). The primary data collection technique for this case study is a face-to-face semistructured recorded interview to collect rich data. I also audiotaped each interview to ensure accuracy. The interviews included open-ended questions (see Appendix A). Open-ended questions allow participants to express their perceptions freely without judgment (Grossoehme, 2014). The principal method to collect information in case-based research is interviewing participants to understand their point of view, to share their perceptions on a phenomenon, and to establish meaning (Yin, 2013).

Researchers use interviews to capture rich details and understand complex topics pertaining to participants' experiences (Cleary et al., 2014), and they use open-ended interview questions to probe and ask additional follow-up questions to interpret themes and meanings (Robinson, 2014; Yin, 2014). Through freedom of expression during interviews, participants can provide data for a deep exploration of a topic and reliable data for quality research (Koelsch, 2013). The major disadvantage of administering interviews is the additional time required to complete interviews; as a result, participants may have less interest conversing about sensitive issues, and the researcher can affect information shared about the phenomenon (Cleary et al., 2014). Semistructured interviews can introduce partiality into the phenomenon under study and affect the findings (Yin, 2014).

I obtained consent from the IRB prior for all activities associated with data collection. The data collection procedure began with contacting prospective participants who met the study criteria to schedule interviews after receiving their completed informed consent form. In addition to the e-mail authorization for the interview with each participant, I included a request for sourcing company documents. Prior to beginning the interviews, participants provided me with company documents such as a PowerPoint presentation and written reports regarding their businesses and business plans. The purpose of reviewing the internal PowerPoint presentation and business plans was to use secondary data to validate data from the interviews. Reading business plans and reviewing other documents provided by the participants provided valuable insight to help answer the central research question. I was able to combine the data obtained from the documents with the data collected during the interviews. Interviews took place in a private conference room at the participant's business office to ensure the confidentiality of discussions and to exclude interruptions by nonparticipants. The interviews lasted between 35-45 minutes.

In-depth, semistructured interviews were appropriate for gathering rich details from participants to explore their experiences and establish meaning (Wang & Lien, 2013). I used the same interview questions for all participants to decrease disparity in the responses and to identify comparable codes or themes from the transcript. After identifying themes, I performed data analysis by interpreting emerging themes. The process involves comparing key themes with the existing literature and the conceptual framework (Mathras, Cohen, Mandel, & Mick, 2016) as a means to make sense of the concepts and themes in terms of participants' experiences (Koelsch, 2013). Prior to beginning interviews, participants provided company documents and archival information, the next step was to analyze the gathered data and provide a synopsis of the results. I examined the content searching for emerging issues, business performance progress, and patterns. The notes and results on the company documents were part of the data analysis along with the interview notes. I administered a similar analysis of the archival information.

I audio tape recorded each interview session and sent the transcriptions back to the participants for member checking. Member checking increases the truthfulness of the data collected (Koelsch, 2013). In member checking, participants validate that emerging themes are consistent with the participant's intended description of the experience (Yin, 2012). Member checking improves the accuracy, credibility, validity, and transferability of data (Sinden et al., 2013). In this study, the goal of member checking was to provide findings that were authentic, original, credible, and reliable pertaining to the strategies African American small business owners used to attain financial resources. After interpreting the interviews, I visited the business owner and conducted member checking with participants to validate the interpretations for truthfulness. During the member checking process, each participant received a copy of my interpretations of the participants' responses and all participants confirmed the accuracy of my interpretation of the interviews.

Data Organization Technique

Researchers uphold data validity and reliability with proper data organization procedures that help in the analysis, reporting, and exploration of the data (Barry et al., 2014). In this study, I used Microsoft Excel to catalog, track, and maintain the research articles and journals into a password-protected computer. I used an audio-recording device in combination with the interview protocol to improve the quality of the study. The audio recordings were first transcribed into Microsoft Word document and then uploaded to NVivo software to help manage and analyze these data. NVivo software assisted with coding and data interpretation and uncovers emerging themes from participant interviews (Woods, Paulus, Atkins, & Macklin, 2015).

Labeling involves cataloging both hardcopy files and electronic files using designated codes for each participant interviewed (Koelsch, 2013; Yin, 2014). I applied codes that distinctively categorize the four interviewed participants by two letters and a number. The code letters was BO for business owner, and the numbers to correspond to each business owner is 1 through 4. The purpose of applying coding in research is to unify the material before conveying meaning to the data (Sotiriadou et al., 2014). All information gathered will remain in a locked file cabinet for 5 years in a storage location appropriate for safeguarding data before destruction (Mealer & Jones, 2014).

Data Analysis

The intent of data analysis is to understand responses from participants and provide insights to themes and patterns connecting to a phenomenon (Newman & Covrig, 2013). I used triangulation to enhance data analysis. The triangulation process involves gathering data from multiple sources to ensure the reliability of a participant's response (Yin, 2014). Triangulation also improves research quality and reduces bias (Grossoehme, 2014). Four forms of triangulation are (a) methodological triangulation, (b) theoretical triangulation, (c) investigator triangulation, and (d) data triangulation (Cho & Lee, 2014).

The suitable data analysis method for the research design of this study was methodological triangulation. Researchers use methodological triangulation to collect data from multiple sources (Carter, Bryant-Lukosius, DiCenso, Blythe, & Neville, 2014). The data analysis from the relevant archival information, company documents, open-ended interviews, and notes from participant interviews provided insight into the study. Newman and Covrig (2013) stated methodological triangulation is a technique suitable for analyzing multiple viewpoints of data. I analyzed multiple sources of data to understand financing strategy in place during the initial launch of the business. In addition, I reviewed plans in place to keep the organization financially sustainable. I treated the responses and company documents with confidentiality, and only I performed the analysis and interpreted the results. The name of the company, physical address, business category, social media channel, business practices outside of attaining financial capital for the business or any unique identifier of the business owner such as age, name or gender of the participants do not appear in the study.

Data analysis is a systematic review of data elements that include data interpretation to discover underlying meaning (Lewis, 2015). NVivo software helps to manage, organize, and analyze the research data by coding and creating categories based on interview transcripts (Woods et al., 2015). I used a transcriber and an NVivo software expert to help with data analysis to ensure accuracy.

Semistructured interviews were the primary data source in this study. A process to establish meaning, based on interview data, is coding participants' statements into clusters of invariant constituents, single concepts, or ideas, to develop theme clusters (Lewis, 2015). I used a five-stage data analysis process in this study. The data analysis consisted of the following steps (Yin, 2013):

1. Collect the data;
2. Separate the data into grouping;
3. Group the data into themes;
4. Assess the material; and
5. Develop conclusion.

After collecting and reviewing the company documents, archival information, journal notes and interview data, the coding process began. Researchers quantify coded data, which consists of organizing, categorizing, and sorting meaning units theoretically related to themes (Woods et al., 2015). After organizing the interviews under their respective headings and codes, researchers quantify the codes from most to least occurrences and understand the languages to help create ideas on which to build layers of sophisticated inquiry to identify key themes for analysis (Chan et al., 2013). After identifying the coding process and themes by applying NVivo software, researchers can relate the developing themes' connection with the conceptual framework theories and existing literature. From the interview, themes and meanings that emerge from interviews provide a voice to the lived experiences of the participants. The themes and meanings that materialize from the interview offered insights to uncover the successful strategies necessary to acquire financing by African American small business owners.

Reliability and Validity

Accurate, genuine, and valid findings are the overarching goal in quality research (Yin, 2013). In qualitative research, reliability and validity are tests used to authenticate the trustworthiness, quality, and rigor of data gathered and investigated during a research inquiry (Slater & Ziblatt, 2013). Attention to quality is essential to establishing consistency in a study technique over time and allows for a truthful representation of the phenomenon under study (Prion & Adamson, 2014). Researchers manage quality by applying these tests in qualitative studies during analysis, data gathering, and recording the research outcomes (Foley & O'Connor, 2013). The criteria to assess rigor in qualitative case study research and maintain reliability and validity include transferability, confirmability, credibility, and dependability (Houghton, Casey, Shaw, & Murphy, 2013; Wang & Lien, 2013).

Reliability

Reliability in qualitative studies relates to the dependability and integrity of the research and data collected (Barry et al., 2014). Dependability refers to the constancy of data and the trustfulness of the study by investigating the method used to develop the result. Qualitative researchers gather written texts, which are often transcriptions of individual interviews, to understand the meaning of experiences in the study sample (Yin, 2014). The objective of maintaining reliability in research is to lessen errors and partiality to produce continuous and dependable outcomes (Prion & Adamson, 2014). For case-based research, member checking helps uphold dependability and maintains reliability to ensure trustworthiness in the study (Sinden et al., 2013). Researchers have found record logs as an effective method to maintain the transcripts that connect to the data gathering and analysis procedures (Grossoehme, 2014). To ensure dependability in this case study, I retained a record log of the transcript and audio tape content, analysis of company documents and archival information, and tracked all the choices made during the research process.

Member checking contributes to the reliability of the data, allows participants to evaluate the interview transcript and primary analysis, and ensures the truthfulness and credibility of findings (Carter et al., 2014). Member checking also improves the validity of the study by decreasing the chance of misinterpreting the data (Yin, 2014). Using identical interview questions for each interview provides reliability and allows a record log of the procedure to yield similar outcomes when following a similar process (Koelsch, 2013). In this study, the objective of the member checking process was to offer results that were authentic, original, credible, and reliable pertaining to the strategies African American small business owners used to attain financial resources.

Validity

Different from quantitative validity, the focus of qualitative validity is on the credibility, transferability, and confirmability of the results under study (Cope, 2014). In qualitative research, ensuring validity of data involves evaluating and reevaluating the precision of outcomes throughout the research process (Yin, 2013). Credibility refers to the plausibility of the results (Prion & Adamson, 2014). Administering research in a trustworthy manner establishes credibility (Slater & Ziblatt, 2013). Triangulation refers to collecting information from multiple sources to gather the information necessary to analyze a phenomenon and to ensure reliability in response to improve the credibility of the study (Yin, 2014). In this study, the multiple sources were semistructured interviews, company documents, archival information, and notes from participants interviewed. I used triangulation to improve the credibility of the study. Triangulation helps enhance the research quality, explain meanings, and authenticate replication of understandings and observations from multiple sources and viewpoints (Grossoehme, 2014).

Transferability refers to whether findings can transfer to another comparable situation or context while preserving the meanings found (Houghton et al., 2013; Pierce, Schmidt, & Stoddard, 2015). By providing a rich and thick description of the data, transferability to other populations is possible (Kaczynski, Salmona, & Smith, 2014). Researchers who transfer results to a different context are responsible for making a judgment of the applicability of the transfer (Cope, 2014). The rich description of data provided in this study enhances the transferability of the findings.

Confirmability is comparable to dependability in that the methods for determining both are similar (Jeffers, 2014). Confirmability refers to the impartiality and truthfulness of information (Houghton et al., 2013). To ensure confirmability, researchers use member checking to authenticate data gathering and confirm the truthfulness of data analysis. Member checking involves permitting participants to examine the interview data to ensure the truthfulness of interpretation (Koelsch, 2013). As the researcher, I used an audit trailing to establish thoroughness and accuracy of a study by offering the details of data analysis and insight to some of the choices that led to the results.

Data saturation is a point when data are repetitive and when new information or ideas emerge from the data-gathering process (Palinkas et al., 2015). I used member checking to authenticate data collection to ensure confirmability of the study. I allowed participants to review data and interpretations taken from his or her interview and findings from company documents to ensure data were consistent with the participant’s intended description of the experience. Data saturation is vital in qualitative research because it supports the dependability, credibility, transferability, and confirmability under study (Grossoehme, 2014). Data saturation is a point when new data or themes do not emerge (Cleary et al., 2014). At the completion of data saturation, answers from targeted participants generate no additional data but only repeated topics (Fusch & Ness, 2015). As the researcher, I administered interviews until data saturation occurred, transcribed the data, reviewed company documents and monitored the procedures defined to maintain reliability and validity to allow repetition of this study.

Transition and Summary

Section 2 will include a discussion of the project. The purpose of this qualitative multiple case study was to explore the strategies African American small business owners have used to acquire financial resources to achieve small business sustainability beyond 5 years. The target population consisted of African American small business owners located in Los Angeles County, California, who obtained financial resources to achieve small business sustainability beyond 5 years. My role as the researcher was to function as the primary instrument for the data collection process and to maintain strict adherence to ethical guidelines. In Section 2, I discussed data collection, research method and design, population and sampling, ethical research, data collection instruments, data organization techniques, data analysis, and methods to ensure the reliability and validity of the data. Section 3 will include the results of the study, the significance of the study, and probable implications for social change. I will also include recommendations for action and further study, a discussion of personal reflections, a summary, and research conclusion in Section 3.

Section 3: Application to Professional Practice and Implications for Change

Introduction

The purpose of this qualitative multiple case study was to explore strategies African American small business owners used to obtain financial resources to sustain their business operations beyond 5 years. My primary instrument of data collection was semistructured, face-to-face interviews with four African American small business owners in Los Angeles County, California. Prior to beginning the interviews, participants provided me with an internal PowerPoint presentation and written reports regarding their businesses and business plans. I also reviewed archival data, including historical business files. My analysis of this data resulted in four themes: financial resources improved business success and stability, internal financing, business mentors and networking to secure financial stability, and overcoming nonfinancial challenges.

This section will include an overview of the study, a restatement of the purpose of the study, the presentation of the findings, applications to professional practice, implications for social change, and recommendations for action. The remaining subsections will include my recommendations for future studies and reflections. I will conclude this study with an overview addressing the importance of implementing effective financial strategies for small business owners to improve business sustainability and profitability.

Presentation of Findings

The overarching research question for this qualitative multiple case study was: What strategies do African American small business owners use to obtain financial resources for small business sustainability beyond 5 years? To answer this question, I conducted semistructured interviews with successful African American business leaders located in Los Angeles County, California and reviewed company documents and secondary archival data. The description of company documents reviewed for this case study appear in Table 1. Four themes emerged from the data obtained from company documents and secondary archival data:

- Financial resources improved business success and stability,
- Internal financing,
- Business mentors and networking to secure financial sustainability, and
- Overcoming nonfinancial challenges.

Table 1

Description of Reviewed Company Documents Involving Financials

Company identification	Description	*n*
Company Document 1	New owner business plan (5-year financial projections)	5
Company Document 2	Company expansion presentation	2
Company Document 3	Revised business plan (10-year financial projections)	1
Company Document 4	Internal annual business performance report	2
Company Document 5	Potential investor/business partnership communications	3

Theme 1: Financial Resources Improved Business Success and Stability

The first theme to emerge was financial resources improved business success and stability. This theme emerged from a thorough analysis of the participants' responses and a review of business plans that included their marketing strategy, strategic financing plans, and business contingency plans. All participants noted access to financial resources was the most important resource that supported the success of their business. BO4 stated, "Well, I think the first thing is to be able to identify resources in which to gain financial stability."

Bates and Robb (2016) noted that access to financial resources is critical to achieve stability. In Bradford's (2014) study, small business owners specified that a lack of access to credit created barriers to maintaining new ventures and business profitability. The findings from this study aligned with Bates and Robb's and Bradford's findings regarding the role financial strategies and resources play in the success of African American small business owners. Participants discussed three main topics related to Theme 1. These three nodes that I identified under Theme 1 are presented in Table 2.

Table 2

Nodes Related to Theme 1: Financial Resources Improved Business Success and Stability

Theme 1 nodes	Sources	References
Critical financial resources	4	14
Efficient financial resources	3	12
Growth and competition for businesses	3	8

Four participants indicated the importance of access to financial resources was critical, which validated Greene et al.'s (2015) assertion that small business owners' ability to obtain financial resources is important in every phase of an organization and affects the growth and overall likelihood of business survival. The words *critical financial resources* took place 88 times in the combined interviews and documents to describe the business owners' strategies to access financial resources, and the words *financial stability* appeared 71 times in the combined interviews and document review to describe participants' long-term goal of accessing financial resources. Access to financial capital has a substantial influence on the sustainability and success of small businesses

(Khelil, 2015). BO1 and BO3 stated that acquiring financial resources as a small business owner was the key to business survival during the initial stages of a new business venture. Participants' descriptions of access to financial resources as critical aligned with Greene et al.'s finding that a lack of financial resources limits growth in small businesses.

BO2 and BO4 noted that external and internal financial resources are vital to maintain a small business. BO1 stated, "I reviewed the cost of general office-type supplies and business activities and basically came up with an estimate on how much I would need per month to maintain a business." The business plans reviewed included the description of each business owner's short-term and long-term goal and the financing needed to meet that goal. BO3 prepared presentations and written reports he presented to financial institutions. Analysis of organizational documents and participants' responses to interviews revealed that the business owners had a planned strategy to attain the financial resources necessary to manage the daily operational tasks of their small business. The words *efficient financial resources* appeared 65 times in the combined interviews and review of financial documents when discussing how financial resources improved business success and stability. Small business owners need access to financial resources to support their daily operational expenses and working capital requirements (Zaridis & Mousiolis, 2014). All four participants noted that access to financial resources was necessary to cover the cost of operating and maintaining their business on a daily basis. BO3 stated that adequate financial resources help organization leaders acquire capital for annual responsibilities and funds to grow the business.

BO3 noted that financial resources are essential to cover payroll expenditures, BO1 mentioned office space or mortgage, and BO4 mentioned the ability to add new products and services to the portfolio. The role financial strategies and resources played in the success of these African American small business owners was consistent with Abe et al.'s (2015) findings that working capital allows small business owners to manage their business effectively and look for growth opportunities. BO3 articulated, "Although we're making money, we're still struggling to meet the weekly $2,000 payroll. So, it's a terrible way to grow a business because you want to grow, but if you grow, you're going to have financial issues."

All four participants noted the need for continued access to financial resources to stay relevant in a competitive business environment. During the interviews, participants reaffirmed that financial resources help to market businesses to new clients effectively and to expand the business. BO4 articulated, "You pour a lot of your own money into it. So that's difficult when you're pulling from one area of life to pour into another area of life to run the business effectively." The phrase *growth and competition in businesses* appeared 54 times in the combined interviews and documents. Access to financial resources allows African American small business owners to acquire the financing required to obtain other resources to grow and create a competitive advantage (Carter et al., 2015).

BO3 mentioned that financial resources helped business leaders obtain other resources to hire new employees for clients more quickly and efficiently than the competitors. BO1 and BO2 stated financial resources enabled their business to compete with larger and more established firms in the same industry. BO2 explained, “Once marketing and publishing expanded and income started to increase, I was able to maintain the business.” BO4 noted financial capital enhanced existing business partnerships and relationships with clients that resulted in a competitive advantage, as other firms were not able to offer these services.

An examination of the data through the lens of the RBV theory revealed that business leaders need to use organizational resources as a source of firm survival and competitive advantage (Green et al., 2015). Key propositions underlying the theory are the categories of resources available to business owners, which include (a) financial resources, (b) human resources, (c) organizational resources, and (d) physical resources (Kozlenkova et al., 2014). BO1, BO3, and BO4 indicated human resources are vital assets for new small business owners. Financial resources to maintain and operate a business were the most critical resource each small business owner attributed to success.

All four participants indicated that after they secured financial resources, other resources were readily available. The importance of initial financial resources to achieve business stability aligned with the findings of Abe et al. (2015), who noted that initial financial resources, along with human resources and physical resources, are necessary to sustain profitability. Theme 1 also aligned with Greene et al.’s (2015) findings that a shortage of initial financial resources limits growth for small businesses and was also consistent with Lockett and Wild’s (2014) finding that access to financing has a positive correlation with a firm’s competitiveness and stability. Furthermore, each participant in this study was in agreement with the paramount role financial strategies and resources have in the success of small businesses.

Theme 2: Internal Financing

The second theme that emerged was internal financing. All four participants described using internal financing resources to finance their businesses initially, including personal savings, credit cards, or personal assets. Financing is imperative for any small business owner, but is most significant in the initial phase of launching a business (SBA, 2014b). Bates and Robb (2015) indicated small business owners often use internal funding resources to initiate a new business venture. According to Bruton et al.'s (2015) findings, if small business owners are not able to identify internal funding options, the business owners will seek external funding resources to grow and manage the small business as needed. The findings from this study regarding the need for an effective strategy to seek internal funding as a primary resource and use external funding as a secondary resource to launch the small business aligned with Bates and Robb's and Bruton et al.'s study findings that African American business owners often exhaust all internal financing options before seeking alternative methods to pursue external financial resources. Participants discussed three main topics related to Theme 2. The nodes that I identified under Theme 2 appear in Table 3.

Table 3

Nodes Related to Theme 2: Internal Financing

Theme 2 nodes	Sources	References
Personal savings, credit cards, and personal assets	4	17
Business partnership	3	13
Bank and government agency	1	5

The four participants mentioned internal financing resources were necessary to start their business. When asked why they initiated the business with internal funding resources, BO2 and BO3 stated that they did not have external funding accessible to them as new business owners. During the interview, BO3 discussed the strategy to use internal financing resources by him and his partners:

> It was the only strategy we had because we didn't have the finances, we didn't have the credit, and we didn't have family members that we could go to that we could borrow money from, or even that would cosign for us.

BO2 articulated, "Originally the financing came completely out of my pocket. I had a day job, so I started to use my savings as a primary source of income to run the business." The statements of BO2 and BO3 were in accord with the findings of Bradford (2014), who indicated that African American small business owners use internal financial capital at the start-up phase when they lack access to adequate external financial resources.

The phrases pertaining to *personal savings*, *credit cards*, and *personal assets* appeared 92 times in the combined interviews and business plan documents to describe strategies to access internal financial resources as a primary financing option. The most common word specific to personal savings strategies was *cash*. The word *cash* appeared 45 times in the combined interviews and documents to describe strategies to acquire financial resources when external financing was not accessible. BO2 and BO3 used an array of funding resources during both start-up and business expansion phases and stated they used internal resources of financing, such as credit cards and personal savings, not as a strategy but as the only viable financing option available as new business owners. BO2 was the only participant to acquire financing from family members, but only as the company gained popularity in the marketplace. The internal and external sources used by the participants and similar strategies to obtain financing by each business owner are in the dendrogram in Figure 1. The company documents reviewed (see Table 1) supported these findings.

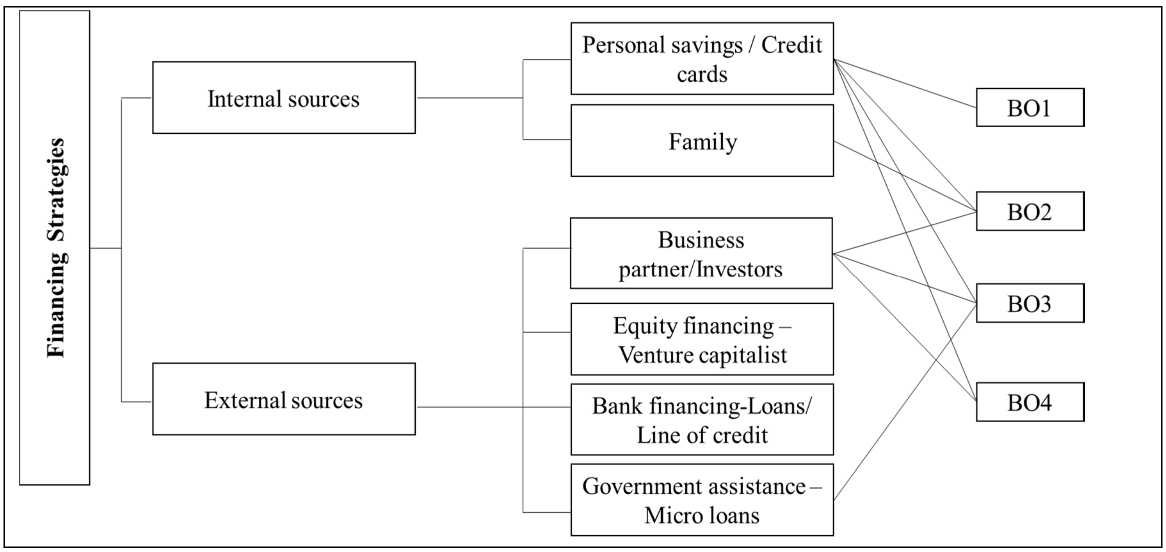

Figure 1. Dendrogram of the strategies participants used to finance their small business.

External finance hurdles drive African American business owners to rely on internal sources of funding (Mollick, 2014). During the interview, BO1 and BO4 pointed out that in their company documents, their financial strategy consisted of saving money one to two years prior to business launch and using their personal savings to initiate the small business. In contrast, BO2 and BO3 responded to a business need in the marketplace and needed immediate financing to launch their business based on a unique opportunity. BO4 explained the financial projections included in the business plan helped the business owner to assess the first-year expenses and revenue goals of the company to remain operational. Likewise, BO1 leveraged the financial projections in his business plan to determine the new customers needed each month and at the correct price point to achieve sustainability.

All the business plans reviewed included marketing strategies and business contingency plans to communicate with prospective business partners and encourage potential investment or partnership opportunities. BO1 prepared two years in advance of business launch to save money for the new business venture; therefore, external financing was not necessary to fund his business. Similarly, BO4 prepared 1 year prior to business launch to save enough money to finance the business and attributed identifying the right business partner with the financial and operational resources to fund the growth of the business and eliminate the need for external financing.

Successful business owners who have initiated new business ventures with undercapitalized budgets use creative finance solutions such as seeking business partnerships to raise start-up capital (Bruton et al., 2015). During the interviews, BO2, BO3, and BO4 shared their desire for business partnerships to fund the launch and growth of their new businesses. The words *business partnership* appeared 68 times in the combined interviews and documents analyzed. In addition, participants noted that seeking business partnership was a strategic relationship to achieve best practice and sustainable competitive advantage. BO4 stated, “So savings and also partnerships with another company gave us a fair shot and that’s really where it catapulted.” The business partnership and investor strategy of the participants in this study aligned with Zaridis and Mousiolis’s (2014) assertion that the primary function of business partnerships for

African American small business owners is to network within small powerful groups that can offer prospective internal funding resources.

Three participants identified external financing from business partnerships to fund the growth of the business at different stages of the business life cycle. BO2 and BO3 identified a business partnership after the initial launch of the business; BO3 stated the partnership was critical to keep the business operational within 6 to 12 months of business launch. Conversely, BO4's strategy to use a business partnership differed compared to other participants. BO4 identified a business partner interested in providing capital for a new business in exchange for equity in the business with the idea of jointly creating new products and services.

Only one participant (BO3) successfully acquired external financing from a government agency to supplement personal financing. The words *government agency* and *SBA* was noted three times during the interview from BO3. African American small business owners often experience challenges acquiring financial resources because leaders of banks and other financial institutions are reluctant to offer credit to unproven small businesses (Bates & Robb, 2016; Singh & Gibbs, 2013). BO3 mentioned that at the start-up stage of the business, banking institution lenders were unwilling to offer credit to the business, but things changed after the company had been in business for a year.

Lack of assets and collateral were the reasons for denial of external funds during BO3's initial business launch phase. Loan offers at banking institutions are not likely to offer credit to small business owners, as this segment usually lacks collateral to pledge for the loan and are a high-risk investment (Bradford, 2014). Unlike the other participants, BO3 initially sought government funding as a financing option. BO3 received a denial of credit during the start-up phase of the business and, like the other participants in the study, had to use internal financing resources. After a year of business operations, BO3 reapplied and received a business loan from the SBA to grow the small business. As noted by Khelil (2015), small business owners who are able to acquire adequate financial resources are less susceptible to business closure.

BO3 revealed alternative methods to pursue financing resources after receiving denial of the primary plan to obtain a bank loan. There were no financial contingency plans noted in the documents provided by BO4. Each of the interview participants' financial statements included a model of how the small business owner's ideas about the company and marketing strategy would grow if they received financing based on their 5-year projections. BO1 and BO3 experienced exponential growth, and their financing model reflected this strategy and met their financing needs within the first 18 months of operation.

According to the RBV theory, successful business owners use existing resources as needed to achieve higher organizational performance (Kozlenkova et al., 2014). In Themes 1 and 2, I described how financial resources contributed to initial business success and stability. All four participants were adamant that initial financing was the most critical resource needed to help their businesses achieve sustainability and profitability. BO2's, BO3's, and BO4's responses aligned with Omrane's (2015) and Davidsson's (2015) findings that small business owners experience financial restraints because they lack the assets, collateral, and trade history that would increase the probability that loan officers at banking institutions will offer credit at the initial stage of business launch. All participants explained that personal savings were the primary source of initial capital for new business opportunities. However, African American business owners traditionally have less personal savings compared to nonminority business owners (Bates & Robb, 2016).

Theme 3: Business Mentors and Networking to Secure Financial Sustainability

The third theme that emerged was business mentors and networking to secure financial sustainability. This theme developed from a thorough analysis of the participants' responses and company documents regarding relationship building and networking strategies. Business plans and an internal PowerPoint presentation and business plans outlined the business owner's strategy to expand products and services. In addition, business timelines displayed the time allocated to initiate and maintain the business. All four participants stated having business mentors and forming business relationships were vital strategies for securing finances and business success necessary to sustain their businesses. During the interview, each participant mentioned business mentors they identified during their start-up phase. These mentors embraced their relationship-building strategy and supported their collaborative working style. BO4 stated, "I think it's the collaboration strategy we received from our mentor that made a difference. I think the strategy was really helpful because we knew exactly what we were doing and how to use finances wisely."

The findings from this study validate that networking is vital to business success, which is in accord with Omrane's (2015) contention that identifying business relationships is critical for African American small business owners to ensure sustainability. When discussing the importance of networking, BO3 articulated, “Those advantages of building relationships helped us from a financial standpoint to be able to have access to capital. That allowed us to grow into other spaces particularly when you’re dealing with servicing one particular industry exclusively.”

All four participants indicated building new relationships helped to expand the small business to stretch beyond a local presence in the community. Similarly, dedicated business owners usually have the ability to survive in diverse settings and continually search for multiple financial sources to avoid business failure (Ayala & Manzano, 2014). The strategy to build relationships was part of the business owners’ company expansion plans and marketing strategy (see Table 1). Participants discussed two main topics related to Theme 3. The nodes that I identified under Theme 3 appear in Table 4.

Table 4

Nodes Related to Theme 3: Business Mentors and Networking to Secure Financial Sustainability

Theme 3 nodes	Sources	References
Business mentor and relationship	4	12
Social capital and networking	4	10

The four participants in this study mentioned that developing social capital through networking and building business relationships positively affected their ability to secure financing during the start-up or growth phase of the business. The importance of business mentors and relationships for interview participants in this study aligned with Jones et al.’s (2014) findings that small business owners must learn to navigate the objections of a developing new business and acquire financial capital; business owners can acquire such knowledge from business mentors. The words *business mentor* and *relationships* appeared 71 times in the combined interviews and business plans to describe strategies to access financial resources and become a successful business owner. BO2 reflected on the shortage of industry contacts prior to business launch and said, “I had no idea who could help me or would want to even help me as a new business owner.”

The finding that business mentors are critical to business success is similar to Pittaway et al.’s (2015) findings that business leaders’ relationships are the most influential aspect of identifying future growth areas once a business is established. Furthermore, all participants validated Gai and Minniti’s (2015) assertions that strategic business relationships improve the probability of recognizing collaborative ventures with other African American small business owners that require minimal financial resources to improve products and services for customers. BO2 and BO3 mentioned business mentors cultivated new relationships to identify their business opportunity and financial resources to help during the beginning stages of business operations. BO1 was the only participant to mention a parent as an entrepreneur who offered insight regarding how to manage the daily operations of a small business owner prior to the individual launching a new business.

African American business owners use cultural influences to build external and internal network connections (Omrane, 2015). The words *social capital* and *networking* appeared 48 times in the data analyzed. BO1, BO3, and BO4 explained that social capital served as an intangible benefit and that cultivating relationships with other business owners increases brand awareness and improves organizational status within the local business community.

BO1, BO2, and BO3 stated networking helped to expand their businesses, including connections with new clients reached via online social network platforms, such as LinkedIn, and to gain entry into other power-exclusive groups to identify potential investors. BO1 articulated, “I don’t really advertise. All my business is word-of-mouth, and I treat people the way that I want to be treated.” BO4 explained that networking and business relationships have varying degrees of success for each ethnicity. BO2 stated, “I started to be approached by various authors that led to increasing the amount of money coming into the organization, which was a plus.” BO1’s and BO3’s networking strategies were outlined in company documents and archival data. The participants’ networking strategy aligned with Casey’s (2014) assertion that developing social capital through networking and building business relationships positively affect African American business leaders’ ability to secure financing during the start-up or growth phase of a business.

Penrose used the RBV theory to provide an explanation how business leaders use internal tangible and intangible resources to improve financial profitability (Greene et al., 2015). All four participants expressed a need for resources, as noted in the RBV theory (financing resources, human resources, organizational resources, and physical resources). Financing was the most critical resource to launch their businesses. Furthermore, all four participants noted human resources are a close second to financial resources as a necessity to maintain a successful business. Access to human resources alone without financial resources will not lead to successful business ownership (Chicksand, 2015). While discussing the importance of human resources after securing financial resources, BO4 stated, “The ability to learn to navigate the barriers while initiating a new business from a business relationship is really helpful as a new small business owner.” As a result, BO4 was able to acquire such knowledge and develop products for a niche market with the guidance of a business mentor. BO1 noted that his strong relationship with a business mentor led to confidence, familiarity, and firsthand knowledge of the finances necessary to sustain a small business.

The findings identified in Theme 3 validated that developing social capital through networking and building business relationships were strategies to maintain a profitable business, which was in accord with Bates and Robb’s (2016) contention that developing relationships with business mentors is key to business success. African American business owners can leverage business mentors’ acumen to decrease the operational costs of the organization and increase the sustainability and profitability of a new business venture to improve the likelihood of success. Participants in this study noted that business mentors played significant roles in identifying financial options to support future growth plans.

Theme 4: Overcoming Nonfinancial Challenges

The fourth theme that emerged was overcoming nonfinancial challenges. According to Gai and Minniti (2015), small business owners’ success depends on their ability to access financial resources, but not all business owners experience the same success in the face of similar circumstances. Even though unique challenges other than attaining financing can affect business success, securing financial resources played the most significant role in helping each business owner become successful. All participants posited that African American business owners experience a unique set of challenges outside of acquiring financing that aligned with Bates and Robb's (2016) contention that barriers to success are higher for African American business owners. Participants discussed three main topics related to Theme 4. The nodes that I identified under Theme 4 appear in Table 5.

Table 5

Nodes Related to Theme 4: Overcoming Nonfinancial Challenges

Theme 4 nodes	Sources	References
Subpar products and services	4	16
Incapable or inexperienced business owner	4	13
Dedication and passion to the small business	3	7

All four participants mentioned a preconceived negative stereotype that African American-owned businesses provide subpar products and customer service is a challenge. BO1 stated, "A lot of Black businesses have stereotypes, not providing service and I get that concern from some clients." The words or phrases pertaining to *subpar products* and *service* appeared 44 times during in the combined interviews and documents analyzed when describing the challenges African American small business owners experience outside of attaining financing. BO1 stated both African American clients and clients who did not self-identify as African American or Black mentioned a negative bias toward African American-owned businesses and services. In addition, clients often mentioned that BO1's company was the only African American business they frequented in Los Angeles County and surrounding areas because of this unproven bias.

The negative stereotype of providing inadequate customer service is similar to Glaeser et al.'s (2015) finding that African American small business owners face many obstacles, especially regarding the sustainability and profitability of new business ventures. BO1, BO2, and BO4 stated racism is widespread and permeates all daily aspects of society in such a way as to be undetected and experienced by African American business owners. BO4 asserted all people have barriers and prejudices, but African American business owners must authenticate their ability through educational attainment or exceptional domain knowledge of the topic to help mitigate some negative stereotypes. BO1 and BO2 both noted the preconceived negative stereotype that African American-owned businesses provide subpar products and customer service.

BO3 referenced a sports analogy: "It's similar to having a negative score before the game even starts." BO3 noted even as an industry veteran with over 25 years of experience, a history of working with all the key stakeholders in the industry, and a successful book on the industry, potential clients still looks for additional methods to corroborate the qualifications of the company, which does not happen to other nonminority and minority business owners. In addition, BO2 stated, "In terms of stepping into a business that is not traditionally run by African Americans, the challenge is that much greater." African American business start-ups fail at higher rates compared to other ethnic groups (Bates & Robb, 2016).

All four participants noted the process to authenticate the business as a credible new business was a challenge as an African American business owner. The words *incapable* or *inexperienced* appeared 29 times in the combined interviews and documents analyzed. During the interview, BO2 and BO4 explained that their company documents did not highlight potential bias or challenges as a minority-owned small business. Their business plans, financial strategies, and company websites focus on creative methods to establish a reputable business and acquire new customers with the expectation to mitigate any preconceived stereotypes.

BO3 and BO4 mentioned several of the business mentors and relationships that led to their successful business (noted in the third emergent theme) were individuals who did not self-identify as African American or Black. Both BO3 and BO4 asserted the relationships established with the individuals outside of the African American business community helped them to gain access to financial capital, provided more resources in new industries to expand the business to new areas, and mitigated bias experienced as an African American business owner. BO2, BO3, and BO4 noted that as a company starts to grow into new areas within a particular industry, the business owner needs to start a new process to establish credibility as a reputable business, despite prior success. As the longest tenured African American business owner within the list of participants, with over 28 years in the industry, BO3 mentioned the company continues to fight for every dollar the same way the company did during its start-up phase. While discussing the challenges African American small business owners experience as business owners outside of attaining financing, BO3 made the following statement:

> So you get with these large companies and they say that they want to create opportunities for small business and also particularly for minority suppliers and you get in there and you learn that you are a part of a 10% diverse supplier spend,

> which is very disheartening because you're like, "Oh, so you guys are committed to giving 10% of your business to minority businesses. But if you've got six of us, you're divvying up 10% between all of us, so we are relegated to now 1 or 2%," so that's probably been the biggest challenge.

All four participants noted the passion, mental fortitude, and dedication as a business owner directly correlate to becoming successful. In addition, dedication to the business may not relate to accessing financial capital, but helps to overcome problematic circumstances and allows business owners to have an optimistic perspective on the future, despite harsh market conditions. The words *dedication to the business* appeared 45 times in the combined interviews and documents when describing the higher level of commitment to their business as African American business owners to become a successful business owner. Participants also used the words *passion* and *mental fortitude* 24 times.

Small business leaders with the mental fortitude to work hard to achieve their financial capital goals have a higher probability of achieving success (Robinson & Marino, 2015). BO1 and BO3 stated that, as an African American business owner, the mental fortitude and level of resiliency is higher when compared to other ethnicities given the barriers to launch the business. In addition, BO2 and BO4 described a high level of self-confidence, mental fortitude, and consistency as factors that contribute to business success. Each interview participant mentioned mental fortitude and a high level of self-confidence, which validated Apetrei et al.'s (2015) and Carter et al.'s (2015) assertion that African American small business leaders experience a higher internal locus of control and display confidence in their ability to uncover financial resources and personal power to control the outcome of their business venture compared to other minority groups.

The findings identified in Theme 4, that African American business owners endure numerous obstacles when attempting to sustain a business, was in accord with Bates and Robb's (2015) and Sonfield's (2014) findings that racial disparities in income, wealth, and education directly correlate to the sustainability of African American small businesses. Moreover, the racial disparities in African American small business ownership aligned with Koryak et al.'s (2015) findings that if the only topics precluding more African American business owners from reaching success were product offerings or location, the resolution to increasing successful African American small business ownership would be relatively straightforward.

Analysis of RBV Theory Related to the Findings

According to RBV theory, business leaders need to use existing resources in new ways to ensure firm survival (Kozlenkova et al., 2014). After the businesses were launched, intangible resources such as reputation and brand were the main source of sustainable competitive advantage noted by all participants, and business owners' strategies and responses that indicated financial resources were the most valuable resource to small business owners was a consistent theme in the study. Participants highlighted the importance of both financial and human resources for small business owners to succeed, which supported Theme 3. Neither of the remaining resources analyzed in the RBV theory (organizational or physical resources) were mentioned by participants as vital to obtain financial resources for business sustainability beyond 5 years.

By exploring the research topic using the RBV theory as the conceptual framework, I identified strategies African American small business owners use to obtain financial resources for small business sustainability beyond 5 years. Participant responses that financial resources are imperative to achieve business sustainability and profitability aligned with Greene et al.'s (2015) finding that acquiring financial resources decreases business closure and contributes to small business success. The emergent themes and the key element of the RBV acknowledged in the study provided insight into the professional application for African American small business owners to access financial resources for their company.

Application to Professional Practice

Lack of access to adequate financial resources is an important factor that leads to small business closure (Khelil, 2015). Access to financial resources for business stability and profitability is a challenge for many African American small businesses. Moreover, identifying successful strategies that have led African American small business owners to acquire financing is an ongoing topic for business studies, as more than 50% of new businesses fail within the first 5 years, primarily because of a lack of financial resources (SBA, 2014a). It was vital to explore the strategies for African American small business leaders to access financial resources to increase the small business survival rate in Los Angeles County, California. Los Angeles County is a microcosm of the diverse collection of business owners in the economy, as 55% of the firms in the county classify as a minority-owned small business (U.S. Census Bureau, 2015).

This qualitative multiple case study consisted of interviewing four African American business owners in Los Angeles County who had been able to sustain business operations beyond 5 years. In addition to interviews, I reviewed company documents and archival information. The goal of the study was to provide a systematic view of the financial strategies that small business owners have used to obtain financing that could help achieve small business sustainability beyond 5 years.

Participants asserted that financial resources are critical to business success during the start-up phase of the business, which was consistent with Lockett and Wild's (2014) findings. In addition, Khelil (2015) found that business owners gain a competitive advantage and ability to grow with the demands of a business when they can access viable internal and external financing resources. The findings from this study may apply to leaders' business practices by helping African American small business owners identify successful strategies to acquire financial resources to increase business survival. Identifying the strategies to improve access to financial resources is the key to being able to obtain other resources needed for businesses sustainability and profitability.

Based on the study findings, acquiring necessary financial resources can lead African American small business owners to achieve business success and a competitive advantage through improved firm performance, increased profitability, and higher growth potential for the business. The findings obtained from this study provide new researchable information that has the potential to help existing and aspiring African

American business owners (a) access financial resources, (b) initiate and operate sustainable businesses, and (c) mitigate the challenges African American small business owners experience when starting a new business venture.

The analysis of data revealed four main strategies lead to sustainable and operational success beyond 5 years: (a) financial resources improved business success and stability, (b) internal financing, (c) business mentors and networking to secure financial sustainability, and (d) overcoming nonfinancial challenges. Successful business owners who have access to adequate financial resources are likely to achieve business success and gain a competitive advantage through improved firm performance, increased profitability, and higher growth potential for the business. To achieve business sustainability and profitability, African American small business owners need strategies to acquire adequate financial resources, as identified in this study.

Implications of Social Change

An estimated 700,000 new businesses launch in the United States each year (SBA, 2015). However, more than 50% of new businesses fail within the first 5 years, and a substantial number of business leaders attribute business closure to lack of access to financial resources (Greene et al., 2015). When new business owners fail, then jobs disappear. The effects of local small business failures extend beyond the business owner and employees and affect the local, state, and national economies (Khelil, 2015).

The goal of the study was to identify successful strategies to access the financial resources needed for business sustainability and profitability. African American small business owners seeking to start their own business might be able to use the strategies for accessing financial resources and gain new insights into how to acquire financial resources, which could lead to increasing business survival through profitability and growth. Enhanced African American small business profitability and growth leads to new employment opportunities, improved community amenities, can provide more business mentor programs with youth, and may encourage wealth for the surrounding community of Los Angeles County and the United States. The knowledge gained from this study may be useful to the Greater Los Angeles Black Chamber of Commerce, SBA, and academic institutions that have instructors who teach information relating to entrepreneurship and business financing. The findings may guide African American small business owners searching for access to financial resources to review this information to enhance their chances of acquiring financial capital.

Recommendations for Action

Aspiring African American small business owners who review the information and findings in this study may assimilate the successful strategies identified into their business plans more easily to obtain the financial resources necessary to initiate and sustain their businesses. Access to financial resources may help prospective small business owners interested in starting a new business to achieve business sustainability, be profitable, and remain in business beyond 5 years (Zaridis & Mousiolis, 2014). Business leaders can use the findings in this study to implement effective financial strategies to improve business sustainability and increase profitability. By employing some of the financial strategies shared by participants, small business owners can assimilate the successful strategies identified in the study into their business plans, which can improve the chances of obtaining financial resources. The findings may be valuable for business owners facing difficulties obtaining financing during the start-up phase and who have experienced challenges other than attaining financing. African American business owners who want to obtain financial resources and sustain their small business beyond 5 years may apply the strategies highlighted in this study.

The findings may also prompt African American small business owners to explore financial strategies to address their unique situations leading to business success and to maintain a business beyond 5 years. To improve business sustainability and access to financial resources, prospective African American business owners should determine the strategies to use when external financial options are not accessible. Aspiring African American small business leaders should plan to use their personal savings and engage the support of business mentors, small business banking specialists, industry subject matter experts, community service agencies, and other stakeholders to help establish valuable relationships to sustain the business. Existing and aspiring African American small business owners and small business consultants should pay close attention to the outcomes of this study, examine the successful strategies identified, and assimilate the competencies into their methods of seeking options to obtain financial resources. Business sustainability and profitability may be attainable by selecting the suitable strategies that permit business owners to acquire the financial resources to obtain other resources for operating a sustainable and profitable small business (Greene et al., 2015).

Dissemination of the study results might include contacting various professional journals to publish the findings. I will offer the results for presentation to local and national audiences, including the SBA, the Greater Los Angeles Black Chamber of Commerce, the Los Angeles Chapter of the National Black MBA Association, the Los Angeles Urban League, and the Los Angeles Chapter of the National Sales Network organization. The objective is to provide new knowledge and insights to the business and academic communities to enhance the opportunity for African American small business owners to access financial resources.

Recommendations for Future Research

I conducted a qualitative multiple case study to explore strategies African American small business owners used to access financial resources to remain sustainable beyond 5 years. A limitation noted in this study was the use of the multiple case study design and biased opinions of the participants. The sample size of four participants means that the research findings from this study may not apply to a broader population of African American small business owners or other ethnic groups. The geographical area for this study was Los Angeles County, California, and the findings are likely not typical for other areas within the United States.

A recommendation for future research includes expanding the study to multiple MSAs to increase the transferability of findings. Small business owners located in MSAs are more likely to secure external financing compared to small business owners located in rural areas (Liu, 2012). By expanding the target areas, researchers may produce additional rich data and insights to identify successful strategies for obtaining financial resources. Conducting a quantitative study mitigates bias in data analysis (Flick, 2015). My second recommendation for future research is to conduct a quantitative study. The quantitative framework may provide a statistical view to measure the strength of relationships between variables in the strategies for African American small business financing resources (Suddaby et al., 2015).

Financial capital is an ongoing topic for not only African American small business owners but also the small business owner population in general. Small business financing continues to be a problem, as small business owners highlight challenges that identify the financial resources necessary to obtain other resources needed to achieve business sustainability and profitability (Khelil, 2015). Focusing on the themes identified in this study may lead to areas that need additional research to help the small business owner population. Further research in these areas could help staff and administrators for the SBA, Los Angeles-based business organizations, banking institutions that cater to small business owners, small business consultants, and academic institutions provide support to existing and aspiring small business owners.

Reflections

The doctoral study process involved an opportunity to analyze and contribute to the topic of financial resources accessible to African American small business owners. Strategies to attain financial resources for small business owners are the foundation of most businesses, and the lack of financial resources influences daily business operations and the ability to remain sustainable and profitable for long-term growth. This study involved an opportunity to conduct research on a topic that influences African American small business owners by having the business owners share their perspective and experiences on the phenomenon.

I have interacted with small business owners and small to medium-sized enterprises for over 13 years, and I have experience working with business owners during the infancy stage of their businesses. I realized early in the process, after reviewing scholarly journals and business literature, that gaining a comprehensive understanding of the resources available to African American small business owners to finance their small business is vital and was the reason for selecting the topic for the doctoral study. As a researcher, I tried to minimize inaccuracies while conducting interviews by following the interview protocol. I minimized any bias and predetermined notions I had prior to beginning the interviews. The four participants responded to the interview questions and enthusiastically shared their experiences and perspectives on the topic. While building rapport prior to the start of the interview, all the participants spoke about their interest in reviewing the completed study to leverage new strategies to acquire financing, as limited information was available on the topic of financing for African American small business owners in Los Angeles County, California.

My experience working with small business owners and small to medium-sized enterprises provided me insight into the financing challenges that business owners of all tenures and sizes endure, but I did not realize the degree of difficulty and its influence on the lives of African American small business owners, family members, and local community. Lastly, the doctoral program staff and faculty offered insights that expanded my critical thinking and improved the thoroughness of my research skills. I had the opportunity to create an interview protocol, administer interviews, and examine and present the outcomes, which helped to advance the topic of the financial resources accessible to African American small business owners. Though I had difficult experiences on numerous occasions, the doctoral study process was valuable in teaching how to improve time-management skills to organize daily tasks and ensure a healthy work–life balance.

Conclusion

The significant influence of small businesses on innovation and growth in the U.S. economy made the research on financial resources accessible to African American small business owners imperative to advance dialogue regarding the topic. The geographic location of Los Angeles, California was suitable for the study, as African American small business owners account for 7.1% of all businesses in Los Angeles County, which is one of the largest MSAs and had the second-highest number of African American firms in 2012 (U.S. Census Bureau, 2015, 2016). Any research that includes successful strategies that lessen business failure rates is beneficial and adds to the body of knowledge and domain expertise on the topic. The purpose of this qualitative multiple case study was to explore strategies that African American small business owners had used to obtain financial resources to sustain their business operations beyond 5 years.

The unique perspectives on how African American small business owners accessed financial resources may help aspiring African American small business owners to assimilate into their business plans the successful strategies identified to improve the opportunity for obtaining financial resources. The participants for the study were four African American small business owners in Los Angeles County, California, who had successfully sustained and operated their business beyond 5 years.

Each participant responded to seven interview questions relating to participants' experience applying for financial capital, successful strategies to acquire financial resources, the challenges, and the effect of finances on the company. I coded the data assembled during data collection and categorized the findings to develop the themes. Four themes emerged from the data: (a) financial resources improved business success and stability, (b) internal financing, (c) business mentors and networking to secure financial sustainability, and (d) overcoming nonfinancial challenges.

The finding in this study, which was that small business owners' ability to acquire financial resources is vital in every stage of their company development, aligned with Khelil's (2015) findings that financial resources affect the growth and probability of business survival. Furthermore, Chicksand (2015) determined that the attainment of initial financial resources helps business owners obtain future resources to create a competitive advantage and increase business survival. Very few African American business owners have been able to gain access to government loans, angel investors, and venture capital communities that have driven investment and innovation in predominantly White communities. Better funding is necessary for more African American businesses to survive and thrive. Social change that results from enhanced African American small business profitability and growth would likely lead to new employment opportunities, improved community amenities, and business mentor programs with youth, which can add to the wealth for the surrounding community of Los Angeles County and add to local government finances.

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Appendix A: Interview Protocol

<table>
<tr><th colspan="2">Interview Protocol</th></tr>
<tr><th>What you will do</th><th>What you will say—script</th></tr>
<tr><td>Introduce the interview and set the stage—often over a meal or coffee</td><td>Good Morning or afternoon,

Thank you for agreeing to help me with this Doctoral Study, I appreciate your time and transparency as we discuss your business, background, culture, personal skills and professional skills. This interview is completely confidential and voluntary, you may end participation in the study at any time and I will stop recording this interview. The interview should take 35 to 45 minutes. Did you receive the list of interview questions that I emailed? Let me tell you a little bit about this study: The purpose of this qualitative multiple case study is to explore what strategies African American small business owners need to obtain financial resources and achieve small business beyond 5 years in Los Angeles County, California.

Do you have any additional questions about the confidential procedures, purpose of the study or anything about the study? If not, let’s proceed with the first question.</td></tr>
<tr><td rowspan="7">• Watch for nonverbal queues
• Paraphrase as needed
• Ask follow-up probing questions to get more in-depth</td><td>1. What challenges, if any, did you face to obtain financing to start your own business?</td></tr>
<tr><td>2. What strategies did you use to obtain sufficient financial capital to start and maintain your small business?</td></tr>
<tr><td>3. To what do you attribute your profitability, longevity, and ability to remain in business beyond 5 years?</td></tr>
<tr><td>4. How did financial resources improve the competitive advantage for your organization?</td></tr>
<tr><td>5. What challenges, if any, have you faced as an African American small business owner?</td></tr>
<tr><td>6. What resources do you credit for helping your business to succeed?</td></tr>
<tr><td>7. What other information, if any, would you like to share regarding the financial strategies you used to achieve small business sustainability?</td></tr>
<tr><td>Wrap up interview thanking participant</td><td>Before we wrap things up and talk about next steps, are there any last comments you have regarding this Doctoral Study?</td></tr>
</table>

	Thank you for your participation. As I mentioned earlier, the purpose of this qualitative multiple case study is to explore what strategies African American small business owners need to obtain financial resources to achieve small business sustainability beyond five years in Los Angeles County, California. Your willingness to talk about your experience will provide an accurate assessment of a successful African American small business owner in Los Angeles County.
Schedule follow-up member checking interview	To make certain of accurate interpretation, a follow-up interview is administered for member checking to validate that your lived experiences were correctly captured during transcription of the recorded interviews. This process will give you a chance to correct errors, challenge any perceived wrong interpretations and view the summarized preliminary findings. The interview should last approximately 20 to 30 minutes. What date and time frame would you like to be scheduled?
Follow–up Member Checking Interview	
Introduce follow-up interview and set the stage	Thank you for this follow-up member checking meeting to evaluate for validity that the synthesized data represent the accurate responses. If I missed anything or you like to add anything, please feel free to add that information as we review.
Share a copy of the succinct synthesis for each individual question Bring in probing questions related to other information that you may have found—note the information must be related so that you are probing and adhering to the IRB approval. Walk through each question, read the interpretation and ask:	Question and succinct synthesis of the interpretation
	1. What challenges, if any, did you face to obtain financing to start your own business? Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed
	2. What strategies did you use to obtain sufficient financial capital to start and maintain your small business? Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed
	3. What do you attribute to your profitability, longevity, and ability to remain in business beyond 5 years?

Did I miss anything? Or, What would you like to add?	Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed
	4. How did financial resources improve the competitive advantage for your organization? Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed
	5. What challenges, if any, have you faced as an African American small business owner? Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed
	6. What resources do you credit for helping your business to succeed? Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed
	7. What other information, if any, would you like to share regarding the financial strategies you used to achieve small business sustainability? Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed

Appendix C: Invitation to Participate in the Study

<Date>

<Address Block>

Dear Sir/Madam,

As part of my doctoral study research at Walden University, I would like to invite you to participate in a research study I am conducting to explore the strategies African American small business owners use to obtain financial resources to achieve small business sustainability beyond 5 years? I contacted you to participate because you are a business owner in Los Angeles County, California. Participation in the research study is voluntary and confidential. Please read the attached consent form carefully and ask any questions that you may have before responding to the invitation for participation. To achieve the purpose of the research study, your participation is contingent on satisfying specific criteria in addition to being the owner of a small business. They include (a) participants must be 18 years of age; (b) African American small business owner located in Los Angeles County, California; and (c) acquired financial resources to start and maintain the business beyond five years. If you satisfy these criteria, and have agreed to participate in the study, please reply to this email with the completed consent form. I will contact you within 48 hours to schedule the personal interview. I anticipate that the total time required for each interview will last approximately 35 to 45 minutes. The interviews will be audio recorded and participants will have the opportunity to review the transcribed interview for truthfulness prior to inclusion in the study. I genuinely appreciate your interest to participate in the study and valuable time.

Sincerely,

Jermell Robinson