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Small and Medium-Size Enterprise Owner Strategies for Invoice Factoring Financing

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Abstract

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MBA, University of West Georgia, 2013

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Doctoral Study Submitted in Partial Fulfillment

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Abstract

Small and medium-sized enterprise (SME) business owners influence the growth and development of sub-Saharan Africa and the welfare of its citizens. However, SME owners often lack the strategies to access and obtain invoice factoring financing to fund their businesses. Guided by the pecking order theory and the credit rationing theory, the purpose of this multiple case study was to explore strategies that 3 SME owners in Kenya used to access and obtain invoice factoring financing to fund their businesses. Data were collected from in-depth semistructured Skype interviews and organizational documents. Data were analyzed using the Krippendorff content analysis methodology. Member checking was used to validate the interview responses and enhance the credibility of results. Three strategy themes emerged from data analysis: proper documentation, effective third-party relationships, and connections with government officials. The study may contribute to positive social change for SME owners in sub-Saharan Africa by providing actionable strategies they can use to access and obtain invoice factoring financing to fund and sustain their businesses. Citizens of Kenya may experience more job opportunities, improved quality of life, increased household incomes, and sustained economic growth.

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Dedication

This doctoral study is dedicated to the loving memory of my late dad, Stephen Ssemugenya who passed away 35 years ago. I wish he were alive today to share with me the celebration and the success of my doctoral graduation. To my mum, Christine Ssebuwufu; my step-mom, Fortunate Ssemugenya; my paternal uncle, Kosea Makanga; my step-dad, John Kaddu; and my cousin sister, Sarah Nakirayi; the foundation you provided for me enables me to surmount any challenge.

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All praise, honor, and glory to my Heavenly Dad, for the grace he has awarded to me to write this dissertation. All that I am and all that I ever hope to be, I owe it all to you, my Lord and Savior, Jesus Christ. Your grace toward me is bottomless. Richard, my loving husband, thank you for loving me wholeheartedly and standing by me as I pursued this program. Graham, Abigail, and Adriel, you are wonderful children, and a great source of pride to me. Dr. Denise Land, you have been an awesome chair and mentor and have encouraged me to the finish line. Special thanks to Dr. Timothy Malone, the second committee member; Dr. James Savard, the university research reviewer; and Dr. Susan Davis, the program director. You all guided me well and enabled me to finalize this study.

Special thanks to Drs. May and Hannington Ssengendo, professors at Makerere University Kampala, Uganda, for inspiring me to pursue a doctoral degree early on in life. Mrs. Georgina Kirunda, you provided me with invaluable advice and consistent encouragement throughout my career. My managers at Sandvik, Jeff Heinemann, Paul Painter, and Doug Barber, thank you for believing in me and giving me the opportunity to apply the knowledge and skills acquired during my doctoral studies to benefit the company. Finally, I owe a great deal to the participants in this study as well, and I hope they learned as much as I did in this experience. You munificently gave of your time and unreservedly shared your lived experiences and perspectives. I truly thank you all.

Table of Contents

List of Tables

Section 1: Foundation of the Study

Small and medium-size enterprises (SMEs), which dominate the sub-Saharan private sector, face challenges, including a lack of access to funding (Osei-Assibey & Adu, 2015). The availability of bank finance to sub-Saharan SME owners is crucial for company growth; however, SME owners are commonly more financially constrained and experience financial difficulties (Boso et al., 2017). There was a need to explore strategies to help SME owners access financing to fund their businesses.

Background of the Problem

SMEs in sub-Saharan Africa fail because of limited access to working capital funding (Boso et al., 2017; Haselip, Desgain, & Mackenzie, 2014). Some SME owners lack the necessary strategies to obtain financing to fund their businesses (Xiang, Worthington, & Higgs, 2015). In 2014, factoring financial institutions credited 300 billion Euros to 500,000 clients; however, sub-Saharan Africa accounted for only 1.2% of the world factoring business activity (Auboin, 2015).

SME owners are unable to access working capital financing through invoice factoring. Only five invoice factoring companies operate in Kenya (Xiang et al., 2015). The problem is that some SME owners lack the necessary strategies to obtain invoice factoring financing to fund their businesses. The study findings may have a positive social contribution by helping SME owners become successful, thereby generating more employment opportunities for the Kenyan population.

Problem Statement

SMEs in sub-Saharan Africa fail because of limited access to working capital funding (Quartey, Turkson, Abor, & Iddrisu, 2017). In 2014, factoring financial institutions credited 300 billion Euros to 500,000 clients; however, sub-Saharan Africa accounted for only 1.2% of the world factoring business activity (Auboin, 2015). The general business problem was that some SME owners are unable to access working capital financing through invoice factoring. The specific business problem was that some SME owners lack the necessary strategies to access and obtain invoice factoring financing to fund their businesses.

Purpose Statement

The purpose of this qualitative multiple case study was to explore strategies that SME owners use to access and obtain invoice factoring financing to fund their businesses. The target population was business owners of three organizations in Kenya who have employed successful strategies for obtaining invoice factoring financing. Nairobi is the principal commercial center and the capital city of Kenya; it is one of the fastest growing economies in Africa (World Bank, 2015). Findings from the current study may have a positive social contribution by providing information about factoring services in Kenya. Kenyan authorities may then educate the public about the benefits of invoice factoring and increased product usage. Kenya may experience a reduction in the high unemployment levels leading to the creation of more job opportunities and economic growth.

Nature of the Study

There are three primary research methods used by researchers to conduct studies: quantitative, qualitative, and mixed methods (Rubin & Babbie, 2016). I used the qualitative research method. Qualitative methodology served as a platform for exploring and understanding social phenomena (Snelson, 2016). The quantitative research method involves the collection and analysis of numerical data (Bryman, 2015). The quantitative method was not the best approach because my study addressed social phenomena. Mixed methods researchers use a combination of qualitative and quantitative methods (Palinkas et al., 2015). The mixed methods approach was not suitable for this study because it requires quantitative data. The case study research design enables the identification of trends in specific topics (Snelson, 2016). Therefore, the case study was the most appropriate for my study.

Qualitative research designs include ethnography, phenomenology, narrative, and case study (Lewis, 2015; Wu, Wyant, & Fraser, 2016). I used the case study design. Using a case study design, a researcher can interview a participant impartially while exploring the meaning of the case under observation (Yin, 2015). The other three research designs were not suitable for this study. Researchers use the phenomenological design to focus on understanding the lived experiences, perspectives, and thoughts of participants, for developing iterative and expressive views on a phenomenon (Pietkiewicz & Smith, 2014). Because invoice factoring is not a common financing option in Kenya, a phenomenological design was not suitable. Ethnographic researchers focus on understanding the culture of a group of people (Zilber, 2014). Ethnography was not appropriate for this study because I did not analyze the culture of the group. Narrative research involves capturing stories of individuals' lived experiences (Ison, Cusick, & Bye, 2014). In this study, there was no need to tell stories of individual experiences. The case study design was the most appropriate for this study.

Research Question

What strategies do SME owners use to access and obtain invoice factoring financing to fund their businesses?

Interview Questions

1. What strategies did you use to gain access to invoice factoring companies?
2. What strategies did you employ to obtain invoice factoring financing for your business?
3. What techniques did you employ to access invoice factoring funding?
4. What skill sets did you use to be successful in obtaining invoice factoring funding?
5. What principal factors contributed to you successfully obtaining invoice factoring funding?
6. What challenges have you encountered gaining approval from invoice factoring suppliers?
7. How did you overcome barriers when you first attempted to implement invoice factoring as a financing option for your business transactions?
8. What other additional information about invoice factoring would you like to add that I did not address?

Conceptual Framework

The conceptual framework for this case study was the pecking order theory and the credit rationing theory. The pecking order theory originated from the capital structure theory developed by Modigliani and Miller (1958). The pecking order theory relates to firms that need to follow a financing hierarchy (Majluf & Myers, 1984). A company experiencing an unfavorable choice will choose retained earnings over debt (Majluf & Myers, 1984). When faced with a need for external financing, a company will utilize debt over equity (Majluf & Myers, 1984). According to the pecking order theory, SME owners who deplete internal sources seek external funding.

Stiglitz and Weiss (1981) developed the credit rationing theory. In situations in which loan applicants had similar characteristics but some received credit, and others did not, credit rationing was applicable (Stiglitz & Weiss, 1981). Credit rationing would be the best option for SME business financing if some business owners were not able to access and obtain credit (Cenni, Monferrà, Salotti, Sangiorgi, & Torluccio, 2015). There is a distinct difference between credit shortages and credit rationing. Credit rationing applies to situations in which lending institutions limit or deny the supply of credit based on the applicant’s creditworthiness (Stiglitz & Weiss, 1981). Credit rationing is a product of faulty and skewed information in bank lending (Stiglitz & Weiss, 1981). SME owners who have external funding needs face the problem of asymmetrical information, making them susceptible to credit rationing (Wang, Robson, & Freel, 2015). Credit rationing and lack of strategies to gain funding approval from lending institutions may influence the ability of SME owners to access and obtain funding (Xiang et al., 2015).

Operational Definitions

Accounts receivable factoring: Accounts receivable factoring is a loan that includes a company's accounts receivables as security (Chang & Deng, 2014; Sindani, 2018). Financing receivables is a short-term funding program that enables small businesses to create working capital (Karadag, 2015). The percentage of assets approved to be eligible by the bank or financial institution affects the amount of the loan (Cerqueiro, Ongena, & Roszbach, 2014).

Factoring: Factoring is a business activity that involves the selling of invoices to a financial institution that lends the firm up to 90% of the value of the invoice (Silvestro & Lustrato, 2014). The financing company pays the difference of the invoice when it collects the payment from the end client (Karadag, 2015). The funding company deducts associated fees before disbursing the outstanding value of the invoice to the business (Chang & Deng, 2014).

Invoice factoring: Invoice factoring is an activity that involves the purchasing of the sales ledger of the financier and the advancing of funds against the approved debt, but does not take on the responsibility for the collection of the debt (Bernstein, 2015).

Assumptions, Limitations, and Delimitations

Assumptions

In business research, assumptions are opinions accepted without the existence of corroborating facts (Bryman, 2015). One of the assumptions of this study was that the participants would be available and willing to offer their time, and would comprehend English, which was the language used for the interviews. The second assumption was that participants (a) would respond to the interview questions accurately; (b) would provide correct and reliable information; and (c) would be forthright, truthful, and objective in their responses. The third assumption was that the participants would willingly provide their consent and agree to the recording and transcription of the interview. For my study, I used for Skype interviews.

Limitations

According to Hannigan (2014), scholars defined *hindrances* as limitations that determine the method to justify the results of the study. The selected method for my study included one limitation. The research time included limitations when contrasted with sponsored case study durations (see Burns, 2014).

The focus of this study was the demand-side of factoring through an investigation of the experiences of SME owners who have accessed factoring services. For practical purposes, I did not include the supply-side, which would have included the factoring companies. I also did not include the buyers or debtors, who are a significant party to the factoring offering. Conducting a supply-, demand-, and debtor-side factoring analysis may yield better study reliability but required extensive resources and a considerable amount of time. This study was only a demand-side analysis, forfeiting the benefits of triangulation through a three-way supply, demand, and debtor-side analysis. Future studies may fill this research gap.

A longitudinal study that spanned over an extended period and involved observing participants in their environment might have yielded better results. Given time and financial constraints, I opted for a cross-sectional study over a brief period using

Skype interviews. Cross-sectional studies include data collected from a population, at a specific point in time (Neuendorf, 2016). Conducting a cross-sectional study, instead of a longitudinal study, limits the reliability of the study due to the short field work time (Neuendorf, 2016).

Delimitations

According to Hancock and Algozzine (2015), scholars defined *delimitations* as the boundaries the researcher has set for the study. For this study, I included only SMEs whose owners have accessed factoring services. I excluded companies whose leaders were providing or promoting factoring services. I excluded clients of the factoring companies (sellers) and the debtors (buyers). I also disbarred non-English speaking participants. Participants' experiences revealed the strategies that SME owners use to obtain invoice factoring financing to fund their businesses successfully.

Significance of the Study

Most Kenyan SME owners have not yet utilized invoice factoring to fund their activities, resulting in limited funding for their businesses (Xiang et al., 2015). SME owners needed to understand the strategies that they could use to access and obtain invoice factoring services, to fund their businesses. My study findings may have a positive social contribution by providing information about factoring services in Kenya. Kenyan authorities may then educate the public about the benefits of invoice factoring and increase product usage. Kenya may experience a reduction in the unemployment levels leading to the creation of more job opportunities and economic growth. Policymakers, African companies, professional enterprise advisors, business scholars, central bankers, development agencies, tax authorities, promotion houses, regulatory bodies, investors, legislative bodies, and investment bankers may gain insight into the strategies that they can use to help business owners access and obtain invoice factoring.

In the sub-Saharan African context, factoring is an under researched subject. There is limited awareness of factoring in most African countries (Xiang et al., 2015). This study may contribute to effective business practice in the developing economies because some SME owners face challenges from lack of financing. The results of this study may enable some SME owners in developing economies to access and obtain invoice factoring financing to meet their financing needs.

The sub-Saharan part of Africa is the poorest and most underdeveloped area in the world (Fox, 2014). According to Fosu (2015), around 585 million people (72%) do not have access to good education, employment, health, and basic social services. SME business owners influence the growth and development of sub-Saharan Africa, and the welfare of its citizens (Xiang et al., 2015). However, Africa's SME business owners, in line with the pecking order and credit rationing theories, have limited internal funds and have moved down the pecking order to seek external funding. The results of this study may contribute to positive social change through the creation of more job opportunities, leading to economic growth and development in Kenya and the sub-Saharan region.

A Review of the Professional and Academic Literature

The following review of the literature includes an analysis of scholarly journal articles and case studies on the topics of SME financing and the several types of funding available to SMEs. Some of the literature focused on the SME owner's ability to access and obtain factoring financing. The literature review includes different studies, some of which contained conflicting results.

The review begins with scrutinization of the literature on the history, legal framework, challenges, opportunities, and prerequisites for the development of factoring services. To explain the two theories in this study, I begin review of the literature by exploring SME financing in sub-Saharan Africa. The literature review then transitions to the topic of the sub-Saharan financial sector. A comparison of scholarly viewpoints as they relate to the study topics did not indicate any weaknesses and gaps in the literature. The analysis transitions to bank lending and SME owners discussing the advantages of factoring financing over bank lending and factoring as an alternative trade instrument. The review concludes with an analysis of the global factoring market and the problems and prospects of factoring financing in sub-Saharan Africa.

Although factoring is an under-researched topic, I incorporated a range of recent peer-reviewed academic journals and professional sources. The literature sources were obtained from management and business research databases. The databases included ABI/INFORM Complete, Business Source, Complete/Premier, Emerald Management Journals, and ScienceDirect. I also used the Google Scholar search engine. Search words included *accounts receivable management*, *credit rationing*, *factoring*, *invoice finance*, *pecking order theory*, and *supply chain finance*. The primary criteria were peer-reviewed articles, and articles published within the last 5 years. 93% of the sources were peer-reviewed, and 90% were published within 5 years of the completion date of this study.

Table 1

Literature Review Reference Count

Titles	2014 - 2018	2013 and earlier	Total	Percentage
Peer-reviewed articles	83	9	92	93%
Seminal books	4	0	4	4%
Government sources	2	1	3	3%
Total	89	10	99	100%

The strategy for searching the literature was simplistic. I first entered keywords about SME owners into the Walden University Library database. Searching for a mixture of terms returned relevant results. An understanding of research methods and designs enabled me to identify questions that emerged from the review of the literature. To answer the research question in the study, I investigated the strategies that SME owners used to access and obtain invoice factoring financing.

The purpose of this qualitative multiple case study was to explore strategies that SME owners can use to access and obtain invoice factoring financing to fund their businesses. The target population was business owners who have used successful strategies for securing invoice factoring from three organizations in Kenya. According to the World Bank (2015), Kenya is one of the fastest growing economies in Africa, making it an appropriate target for this study.

Pecking Order and Credit Rationing Theory

The pecking order theory originated from the capital structure theory developed by Modigliani and Miller (1958). The pecking order theory relates to firms that need to follow a financing hierarchy (Majluf & Myers, 1984). An SME owner experiencing an unfavorable choice will choose retained earnings over debt and will use debt over equity if there is a need for external financing (Majluf & Myers, 1984). SME owners who deplete internal sources seek external funding. The ability to gain access to factoring can affect the business's eventual success or failure (Ryan, O'Toole, & McCann, 2014). The pecking order theory offers the best explanation of capital structure decisions in the real world (Serrasqueiro & Caetano, 2015). Majluf and Myers (1984) stated that firms faced with an adverse choice of financing needs follow a financing order or funding hierarchy. Majluf and Myers noted that firms have to deplete internal sources of finance such as retained earnings over debt. After depleting their internal sources, firms may choose debt over equity as a last resort (Majluf & Myers, 1984). Internal sources of finance rank is higher in the financing hierarchy than external funding (Majluf & Myers, 1984). Firm managers would rather invest using retained profit than outside capital (Elsas, Flannery, & Garfinkel, 2014). Abdullah and Naser (2015) supported the pecking order theory and highlighted the importance of profitability in financing.

For business owners, equity is a less preferred means of raising capital (Majluf & Myers, 1984). Because managers have more details about the uncertainties and potential of the company as compared to investors, managers tend to overestimate while investors tend to underestimate equity issuances (Majluf & Myers, 1984). Shen, Yan, and Zhang (2014) found a high use of debt financing and attributed it to the supply of personal assets of firm owners as a kind of collateral. Some SME owners think that debt is the only source of external capital available (Ryan et al., 2014). There is a positive association between debt finance and productivity growth (Osei-Assibey & Adu, 2015).

In line with the pecking order theory, some SME owners fund their investments using internal resources, equity, and informal finance (Ryan et al., 2014). Yazdanfar and Öhman (2015) noted that some SME owners fund their enterprises mainly using equity. Dong and Men (2014) observed that some smaller and younger firms, particularly in nonmanufacturing sectors, depend heavily on internal financing. Profitable Nigerian businesses have less proportion of debt (Arko, Abor, Adjasi, & Amidu, 2014). Serrasqueiro and Caetano (2015) concluded that the pecking order theory has greater applicability in explaining capital structure decisions of newer firms because problems related to information asymmetry reduce with the age of a company.

Another theory from which this study originates is the credit rationing theory. Stiglitz and Weiss (1981) offered the first theoretical support for credit rationing. Credit rationing theory applies in settings where some observationally identical loan seekers obtain credit, and others do not (Nguyen, Boateng, & Newton, 2015). Credit rationing applies to situations in which lending institutions limit or deny the supply of credit based on the applicant's creditworthiness (Stiglitz & Weiss, 1981).

Small business owners often face the highest standards of credit rationing even if they are willing to pay a higher interest rate (Ata, Korpi, Ugurlu, & Sahin, 2015). Financially strong companies try to take a more significant share of the institutional credit because of the inability of small business owners to present sufficient collateral (Ata et al., 2015). Smaller and younger enterprises persistently experience more significant financing obstacles (Dong & Men, 2014).

Credit rationing substantially determines the viability of SMEs (Comeig, Del Brio, & Fernandez-Blanco, 2014). Osei-Assibey and Adu (2015) maintained that due to the information problem, the dynamic Ghanaian commercial banking industry limits credit access to micro and small enterprises. In the United Kingdom (UK), Harrison and Baldock (2015) conjectured there were ongoing restrictions regarding the availability of credit to SMEs. In Turkey, the Basel II regulation on SMEs has created severe problems in obtaining credit (Bayraktar, 2015).

Sub-Saharan African SMEs Overview and Its Contribution

The SME sector has played an active role in reshaping developing economies in the sub-Saharan African countries including Kenya (Ndungo, Tobias, & Florence, 2016; Osei-Assibey & Adu, 2015). According to Osei-Assibey and Adu (2015), SME owners are a significance driver of local markets. SMEs occupy 85% of the businesses in sub-Saharan Africa, contributing about 75% of the GDP (Ndungo et al., 2016). SME owners are a source of employment, investment, innovation, and service delivery and are recognized globally as the engine of economic growth (Osei-Assibey & Adu, 2015). SME owners employ approximately 2.5 million people in sub-Saharan Africa, yet they commonly face financial constraints (Ndungo et al., 2016). A key aspect of the sub-Saharan SME sector development is access to funds, particularly for financial institutions. Terzi (2015) noted that the success stage for any SME owner is to have sufficient access to external sources of funding. Therefore, there is a need for business researchers to explore strategies to help SME owners access and obtain invoice factoring financing to fund their businesses.

SMEs operate in every corner of sub-Saharan Africa and have enormous potential for job creation and the generation of a widespread economic benefit (Boso et al., 2017; Ndungo et al., 2016). Firm-level data collected by Quartey et al. (2017) revealed that business owners perceived a shortage of access to financing as one of the main challenges to doing business. Lee, Sameen, and Cowling (2015) noted that in developing economies, financing was a major constraint for SMEs' growth compared to larger enterprises. The key to the challenges facing sub-Saharan African SMEs is access to financing (Boso et al., 2017; Osei-Assibey & Adu, 2015). Providers of invoice factoring services need to educate SME owners about how they can gain access to financing.

Trade credit is an important source of financing for new and existing SME growth and survival (Osei-Assibey & Adu, 2015; Quartey et al., 2017). However, Osei-Assibey and Adu (2015) noted that the SME credit access challenge represents one of the oldest economic problems in sub-Saharan Africa. Because SME owners are the growth engines of sub-Saharan economies, their limited access to trade credit has led to slow economic growth and development in this part of the world (Otchere, Senbet, & Simbanegavi, 2017).

Most of sub-Saharan Africa's financial systems are underdeveloped (Allen et al., 2014; Beck & Cull, 2014). Available data suggested that there has been limited use of formal financial services (Beck & Cull, 2014). However, some dramatic changes have occurred in the financial systems of many sub-Saharan African economies over the past 20 years (Quartey et al., 2017). There are considerable differences across the region, varying from well-developed financial structures in middle-income economies like South

Africa (Beck & Cull, 2014; Fatoki, 2014b). However, in the sub-Saharan region, weak banking systems provide only the most basic financial services in developing economies such as South Sudan and Central African Republic (Beck & Cull, 2014; Fatoki, 2014b). Unless development and political stability happen in those developing parts of sub-Saharan Africa, SME owners operating there will continue to experience financing challenges.

Developing economies are experiencing an increasingly competitive business environment. Because of the formation of the World Trade Organization in 1995, policies favoring foreign direct investment, and liberalization of the investment system (Rahman, 2016). Developments occurring in the global arena have led to the creation of an economic environment that favors competition (Allen et al., 2014; Rahman, 2016). Beck and Cull (2014) noted that efficient and effective provision of financing to SMEs could enable those with substantial growth potential to expand and compete. Historically, SME owners in developing economies often fail to fund their businesses (Rahman, 2016). Thus, financing is one of the major obstacles to the growth and development of SMEs, especially in the developing countries.

Beck and Cull (2014) noted that obstacles including those caused by SME owners, institutional imperfections, and commercial or equity banks had been the main challenges to SME funding in sub-Saharan Africa. Most firms around the world are SMEs, and over 95% of these are in developing countries (Beck & Cull, 2014). However, even though SMEs constitute a fundamental component of the private sector in low-income economies, they face greater obstacles to their operation and growth than large corporations (Allen et al., 2014; Beck & Cull, 2014; Lundström et al., 2014). Findings from Quartey et al.'s (2017) survey indicated that at the sub-regional level, factors like the firm's ownership, size, credit information, top manager's experience, and the company's export orientation were strong determinants of firms' accessibility to funding in West Africa. Policymakers in several sub-Saharan African countries have the task to make funds accessible to SMEs.

According to Ndungo et al. (2016), access to external financing among sub-Saharan African SMEs has become costlier and more troublesome. Sub-Saharan African SME owners' financing restrictions limit their funding access (Ndungo et al., 2016). Ndungo et al. emphasized that an essential factor for sub-Saharan African SMEs was access to finance to maintain their daily business operations and development targets. Because of the presence of limitations in accessing capital markets, many sub-Saharan African SMEs heavily rely on the banking sector for credit (Allen et al., 2014; Beck & Cull, 2014). However, the sub-Saharan African financial sector suffers liquidity and depth challenges (Ndungo et al., 2016; Osei-Assibey & Adu, 2015). These funding constraints significantly limit company growth and availability of valuable resources, and result in the slow development of a sector (Beck & Cull, 2014). A sluggish industry does not have a lot to offer to the economic growth of a country (Ndungo et al., 2016).

Gbandi and Amissah (2014) noted that even though the SMEs in Nigeria accounted for more than 90% of Nigerian businesses, their contribution to the nation's GDP was below 10%. Contribution to Nigeria's GDP is low because of limited access to funding and an unfriendly business environment (Aminu & Shariff, 2014). In a study to examine SME owner funding options, Aminu and Shariff (2014) analyzed the role played by debt financing in enabling successful operation of SMEs. Aminu and Shariff concluded that funding of SME owners in Nigeria was key to the growth and development of the nation's economy.

In Uganda, over 90% of businesses are SMEs and play a very significant role in stimulating the economic growth of the country (Beck & Cull, 2014; Ndungo et al., 2016). Policymakers in Uganda utilize unique associations to help promote SMEs (Ndungo et al., 2016). Ndungo et al. (2016) noted that SME owners contributed about 75% of the GDP and employment of 2.5 million people in Uganda. Through the generation of gainful employment and offering taxable incomes, SMEs have become an engine for social and economic development (Beck & Cull, 2014). Ndungo et al. maintained that even though business opportunities existed, lack of finance was the major constraint limiting business operations in the region.

SME owners contributed an estimated one-third to Tanzania's GDP (Allen et al., 2014; Ndungo et al., 2016). Marwa (2014) estimated that the small business sector employed about 3 million people, which is about 20% of the labor force in Tanzania. There are 2.7 million businesses in existence in Tanzania whereby over 98% are SMEs (Mrope & Mhechela, 2015). The SME sector performs a significant role in economic development of Tanzanian economy.

In South Africa, only 2% of new SME owners can access credit (Cant, Erdis, & Sephapo, 2014; Fatoki, 2014a). Fatoki (2014a) noted that access to finance was one of the major obstacles impeding the growth and development of SMEs in South Africa.

Research that Fatoki conducted revealed that access to funding by SME owners was still a huge challenge limiting the achievement of the potential of SMEs as engines of employment creation, poverty alleviation, and economic growth. Therefore, there is a necessity to test policy recommendations aimed at lessening challenges associated with access to funding.

Ndungo et al. (2016) identified SMEs to be the major economic growth drivers and contributors to GDP and employment. In Kenya, SMEs rule the private sector, numbering about 1.73 million and employing close to 80% of Kenya's total workforce and contributing close to 20% of the GDP (Ndungo et al., 2016). SME owners are instrumental in promoting economic growth (Marwa, 2014; Ndungo et al., 2016). Li and Rama (2015), observed that SME owners can play a significant role in keeping the economic dynamism of an economy, in creating jobs, and can increase opportunities, security, and empowerment of disadvantaged people.

Hales, Matsumura, Moser, and Payne (2016) maintained that it was clear that access to finance was of significant importance to the sustainable growth and success of SMEs. Through its role in facilitating the establishment of new businesses and supporting the innovation process, access to funding contributed to the growth and development of firms (Domeher, Abdulai, & Yeboah, 2016; Ryan et al., 2014). Domeher et al. (2016) conducted field level investigations amongst officials of Micro-Finance Institutions (MFIs) and Universal Banks (UBs) in Ghana using structured questionnaires. Domeher et al. administered a total of 200 surveys – 100 each to MFI and UBs. Domeher et al.'s study established that both categories of lenders regarded secure titles as an important and an influencing factor in their decision to issue a credit to business owners.

Most Burundian business owners admitted that access to credit was a severe constraint (Beck & Cull, 2014; Li & Rama, 2015). Ndungo et al. (2016) noted that most SMEs financed their initial operations primarily with their funds and capital. The reason for SME owners not borrowing money includes the inability to access external funding (Beck & Cull, 2014). SME owners in sub-Saharan Africa rely on their resources and those of family and friends because of suspicion toward formal credit (Beck & Cull, 2014). Ndungo et al. noted that Burundian SME owners often had a foot in the informal economy and often tried to reduce their exposure to scrutiny from the state. Therefore, despite the increasing demand for credit, there are constraints to accessing it.

Ndungo et al. (2016) analyzed whether there existed differences in the use of external funding between Malawi SME representing varied sizes and industries. Using data from the World Bank enterprise survey, Ndungo et al. discovered that availability of information, firm size, and steady growth greatly determined the use of external funding. The results also indicated that there were huge differences in the use of external financing between SMEs. Ndungo et al. concluded that SME owners utilized less external funding compared to large-sized companies. Beck and Cull (2014) suggested that there was a need for interventions that considered the firm's size. There is a need for unique financing schemes intervention that targets businesses of varied sizes (Beck & Cull, 2014). This intervention could help those companies with difficulties to easily access external funding (Beck & Cull, 2014; Li & Rama, 2015). Ndungo et al. (2016) maintained that there was a need for interventions that encouraged SME owners to have proper financial information.

Limitations to accessing long-term debt financing exist in many other countries outside of sub-Saharan Africa. Paulet, Parnaudeau, and Abdessemed (2014) pointed out that after the global financial crisis in 2008, European banks changed their lending behaviors towards SMEs. In China, despite substantial development, SME owners continue to experience financial constraints because of common obstacles to accessing bank loans (Marwa, 2014; Shuzhen, Liang, & Zheng, 2014; Zhu, Wittmann, & Peng, 2012). In the UK, SME owners in deprived areas find it harder to access finance (Lee & Drever, 2014). Seventy percent of SME owners in the UK have no access to external financing, and another 15% are underfinanced, adding up to a credit gap of about US$2 trillion (Terzi, 2015). Therefore, there is a need for policymakers to explore alternative sources of funding such as invoice factoring financing.

The availability of bank finance to SMEs is necessary to allow SME owners to start up and fund investment for growth (Harrison & Baldock, 2015; Osei-Assibey & Adu, 2015). There is a need to help SME owners overcome their financing challenges (Xiang et al., 2015). Overcoming funding challenges will enable SME owners to reach a minimum scale of efficiency and impact economic growth positively (Xiang et al., 2015). Serrasqueiro and Nunes (2012), maintained that Policymakers need to focus on the short- and long-term financing needs of SMEs. Large enterprises have been widely favored by most financial institutions since the financial crisis, leaving out the smaller firms (Serrasqueiro & Nunes, 2012). Morgan and Pontines (2014) provided some evidence that increasing the rate of lending to SME owners promoted financial stability. Increased

SME owner lending lowers nonperforming loans, and the possibility of default by commercial establishments (Morgan & Pontines, 2014). Therefore, financial institutions need to make funding more accessible to SMEs especially the younger ones.

Bank lending to SME owners. Banks play a significant role in the economic resource allocation of countries (Goh, 2017; Khan, Tahir, & Umer, 2015; Xiang et al., 2015). Banks influence the financial systems of some developing nations (Ndungo et al., 2016; Xiang et al., 2015). Banks in sub-Saharan Africa are poor in directing deposits to the most efficient uses. This constraint has led to a circumstance where banks decide to invest in government securities rather than a loan to SMEs (Otchere et al., 2017). Many SME owners in developing economies lack records of accomplishment, collateral to access financing, and as such, are turned away by banks (Casey & O'Toole, 2014; Ghasia, Wamukoya, & Otike, 2017). There is a need for bank managers to sensitize SME owners about proper financial management. Proper financial management will simplify the financing process for SME owners.

The financial crisis has brought to the fore concerns regarding SME owner's capacity to access traditional bank lending (Casey & O'Toole, 2014; Goh, 2017; Xiang et al., 2015). Foreign banks are not interested in serving SMEs (De la Torre, Pería, & Schmukler, 2010). Banks experience difficulties in managing SME risk and encounter high transaction costs servicing SMEs (De la Torre et al., 2010). Even smaller financial institutions are not better positioned and equipped to handle SME owner financing needs (Xiang et al., 2015). There is the absence of supportive regulatory policies and frameworks for lending to the SME sector (Xiang et al., 2015). There are no regulatory stipulations for the strategic orientation of banks towards SMEs, with most banks acting voluntarily, leading to credit rationing of SMEs (Paulet et al., 2014). Information asymmetry and lack of training have adversely affected the ability of SME owners to acquire financing (Xiang et al., 2015). Therefore, policymakers need to implement and harmonize policies, instruments, and strategies to deal with these constraints.

De la Torre et al. (2010) noted that regardless of the existence of perceived risks with lending to SME owners, all types of banks are serving SMEs. Multiple-service banks have a comparative advantage in providing a broad range of products and services, through the utilization of new technologies, business models, and risk management systems (De la Torre et al., 2010; Lee et al., 2015; Osei-Assibey & Adu, 2015). Xiang et al. (2015) maintained that banks employed different technologies and organizational structures to lend to SME owners. Some bank managers view the SME segment as a strategic business opportunity (Xiang et al., 2015). Thus, bank managers have a responsibility to devise ways to enable SME owners to access funding.

The major cause of the inability of SME owners to qualify for funding programs may be the costly expenses of financial transactions (Lee et al., 2015). In comparison to larger companies, SMEs with low creditworthiness encounter higher borrowing costs on a continuous basis in (Chen, Ding, & Wu, 2014; De la Torre et al., 2010). Xiang et al. (2015) found vast differences in the size, type, and pricing of bank loans to SME owners throughout developed and developing nations. Xiang et al. associated the variations in lending to the differing institutional and legal environment. Bank managers can identify borrowers with a high likelihood of achievement being able to borrow at low-interest rates if they provide real estate collateral (Hsu & Chen, 2015). Therefore, bank managers have a task to sensitize SME owners about the benefits of proper credit and financial management.

SME owners have played an important role in economic development, and job creation (Osei-Assibey & Adu, 2015; Terzi, 2015). However, around 200 million SME owners in developing economies lack access to lines of credit and loans (Terzi, 2015). Harel and Kaufmann (2016) noted that about 55-68% of formal SMEs lack adequate funding. Harel and Kaufmann added that shortage of growth capital, the inadequacy of suitable risk management products like insurance, the prevalence of inefficient or costly business-to-business settlement options, all restrain SME owners. Increasing share of lending to SME owners can aid in the attainment of financial stability, by limiting non-performing loans, and the possibility of default by commercial establishments (Terzi, 2015). Therefore, global leaders need to create policy measures geared toward increasing financial inclusion by SMEs, which will contribute to financial stability.

Goh (2017) noted that in this troubling economic climate, characterized by a reduction in bank lending and strict lending criteria, SME growth is likely to slow down. For decades, SME owners have relied upon bank loans, to increase their cash flow (Beck & Cull, 2014; Chen et al., 2014). SME owners are in a vulnerable position due to the increasing restrictions on bank lending (Goh, 2017). Business growth and stability heavily depend on healthy cash flow (Goh, 2017). As an alternative to bank lending, SME invoices (invoice factoring) have become the best way to create cash flow and hence act as valuable assets to business owners because they leave money in their hands

(Chen et al., 2014). SME owners are building their businesses upon their trade dealings with other companies (Goh, 2017). Goh added that SME owners are offering trade invoices to their clients along with credit conditions to pay the bill (Goh, 2017). The benefits offered by invoice factoring financing have the potential to control the problems that confront SMEs (Chen et al., 2014). Therefore, global economies need to formalize and promote invoice factoring services.

Sub-Saharan African financial sector. There is an existence of variations in the sub-Saharan African financial sector (Beck & Cull, 2014). Nations like South Africa and Mauritius have relatively developed banking systems and capital markets (Fatoki, 2014b; Beck & Cull, 2014; Cerutti & Hale, 2015). However, nations such as the Central Africa Republic or South Sudan have insubstantial business systems with limited financial services offerings (Beck & Cull, 2014; Cerutti & Hale, 2015; Fatoki, 2014b). Beck and Cull (2014) pointed out the four factors that make investment in Africa harder than other regions: (a) small size economies with scattered populations resulting in limited economies of scale, low demand for financial services, and commercially impractical population segments; (b) informal nature of business activities, which increase costs and risk; (c) volatility originating from informality and commodity exports, and political uncertainty; and (d) governance problems in private and government institutions.

Xiang et al. (2015) argued that the degree of financial development is the most significant factor affecting economic growth and development across nations. Financing constraints prevent sub-Saharan SMEs in developing nations from taking full advantage of available investment opportunities, causing them to diverge from the global growth rate (Carbó-Valverde, Rodríguez-Fernández, & Udell, 2016; Osei-Assibey & Adu, 2015). There is confinement of developing economies with an underdeveloped financial system to a vicious circle, where substandard financial development leads to low economic performance and vice-versa (Xiang et al., 2015). Carbó-Valverde et al. (2016) stressed that financial development was a crucial factor in fostering long-term economic growth. Carbó-Valverde et al. added that funding facilitated growth by enabling investment, and efficient allocation of resources.

Sub-Saharan Africa's financial sector is mostly informal (Cerutti & Hale, 2015; Ndungo et al., 2016). In Malawi for example, the sector plays a significant role in alleviating economic hardships among low-income groups by enabling these groups to save, invest, and obtain credit (Ndungo et al., 2016). Steel, Aryeetey, Hettige, and Nissanke (1997) conducted a study of the financial sector in Ghana, Malawi, and Nigeria. Steel et al. stressed that informal financial institutions (IFIs) in the three countries were an important vehicle for generating household savings and financing small businesses. Kibet, Achesa, and Omwono (2015) observed that informal credit sources in Kenya provided easier access to credit facilities for SME owners. It is the better policies designed by financial institutions that can alleviate funding problems that exist among sub-Saharan SMEs.

For centuries, cross-border banking has been outstanding across sub-Saharan Africa, with regional banks taking on a more prominent role only recently (Beck, 2015; Osei-Assibey & Adu, 2015). Sub-Saharan Africa has been the region with the highest portion of cross-border banks, to be overshadowed only in the 2000s by the former economies of Central and Eastern Europe (Cerutti & Hale, 2015). Over the past 20 years, the structure of cross-border banks in sub-Saharan Africa has undergone a recognizable change with banks across the region, while other emerging markets take on a larger role in its financial systems (Beck, 2015). Regional bank managers will enable sub-Saharan SME owners to gain more access to funding.

The developing state of the sub-Saharan African financial systems leads to credit rationing, with diminished chances for SME owners to access external finance (Kibet et al., 2015; Ndungo et al., 2016). It is essential to comprehend the cash requirements and cash management strategies of companies for meeting their short-term obligations (Beck, 2015; Osei-Assibey & Adu, 2015). Beck (2015) added that working capital management was the major cause of financing problems facing sub-Saharan African SME owners. Trade credit boosts the accumulation of accounts receivables that hold up needed cash. Therefore, it is crucial to understand how companies endeavor to increase sales by providing trade credit.

Working capital management challenge. Working capital is a form of short-term finance that enables enterprises to meet their short-term financing obligations (Ndungo et al., 2016). Working capital management performs a significant role in the improved profitability of firms (Ndungo et al., 2016). The success of a business requires efficient working capital management (Wasiuzzaman, 2015). High bargaining power of a few buyers and industry practice force SME owners to sell their products or services on credit (Ukaegbu, 2014). Some customers demand 30 to 90 days to pay following the delivery of goods and services (Ukaegbu, 2014). Businesses record credit sales on their accounting books as short-term assets referred to as accounts receivables until they collect the cash (Sabuncu, 2017; Ukaegbu, 2014). SME owners find it difficult to finance their production cycle given the amount of money held in accounts receivables (Ukaegbu, 2014). However, with alternative sources of funding available, SME owners can have easy access to working capital, to fund their businesses.

Ndungo et al. (2016) maintained that in sub-Saharan Africa, a relationship exists between the accounts collection period and profitability. Ukaegbu (2014) conducted a study of manufacturing firms in Egypt, Kenya, Nigeria, and South Africa over the period 2005 to 2009, and found a strong negative relationship between profitability and cash conversion cycles. Ukaegbu concluded that a decline in firm profitability was a result of an increase in the cash conversion cycle. Therefore, SME owners need to work toward attaining an optimal working capital level, to prevent adverse effects on their firms' performances.

Trade credit arises when a buyer postpones payment for purchased goods or services (Casey & O'Toole, 2014; Wang, Teng, & Lou, 2014). Wang et al. (2014) suggested that trade credit was a regular part of market transactions and constituted a major source of short-term financing. In the absence of bank loans, business credit acts as a substitute tool to meet the financial needs of SMEs (Casey & O'Toole, 2014). Martínez-Sola, García-Teruel, and Martínez-Solano (2014) noted that increasing customer demand had compelled firms to sell on credit, despite the risks associated with the practice. Like any source of finance, trade credit involves costs and risks (Baños-Caballero, García-Teruel, & Martínez-Solano, 2014). Boso et al. (2017) discovered that in Zimbabwe, an association existed between the use of commercial credit and investment in current assets. Boso et al. concluded that the absence of credit led businesses to resort to trade credit. Bernstein, 2015 argued that there was a positive correlation between increased sales and business credit. Constrained firms will use commercial loans to expand production, while unconstrained firms will primarily use them as a substitute for borrowing (Banerjee & Duflo, 2014). Therefore, policymakers need to educate SME owners about the benefits and risks associated with trade credit.

Wang et al. (2014) maintained that in the UK, most business managers made most business-to-business transactions based on trade credit. Wang et al. added that in the United States (U.S.), companies offered their products and services on business credit. Large, nonfinancial firms in the U.S. generate a significant source of their funding from accounts payable, with small businesses relying even more on it (Baños-Caballero et al., 2014; Wang et al., 2014). Baños-Caballero et al. (2014) noted that internationally, business owners mostly used trade credit instead of short-term bank loans. However, the average level of business credit in use varies from country to country (Baños-Caballero et al., 2014). Wang et al. interviewed 30 managers and discovered that some industries changed credit terms from customer to customer. The level of within-variation changed from industry to industry, as represented by actual payment delays (Campello & Gao, 2017). Wang et al. (2014) made a comparison of accounting data of industrialized nations, with results showing that the median accounts receivables of European countries, except for Italy, ranged from 13% to 40% of sales, and were stable over time.

Additionally, Wang et al. discovered that trade credit differed from industry to industry and that credit terms showed a high difference between industries. Findings in U.S. data suggested that average accounts receivables grew in the distance to the end-consumer (Wang et al., 2014). Campello and Gao (2017) noted that while account receivables surpassed accounts payables in most sectors, the retail sector was an exception due to its accessibility to end-consumers. Therefore, there is a need for proper trade credit management in sectors that were closer to the end-consumer.

Trade credit exposes companies to liquidity and bankruptcy problems requiring proper management (Kariuki, 2017; Martínez-Sola et al., 2014). Kariuki (2017) warned of credit fraud in the supply chain if firms suffering credit constraints resort to postponing payments to suppliers. SME owners need to maintain healthy relationships with suppliers to prevent exploitation by powerful buyers and ensure access to goods and cost-free finance (Boso et al., 2017). Consequently, in their working capital management decisions, firm managers should consider partners within their supply chains.

Cowton and San-Jose (2016) pointed out that there was a need for business researchers to make an extended analysis of trade credit to provide relevant literature about trade credit ethics. In their study, Cowton and San-Jose explored the issues associated with the slow payment of debt. Salamon, Milfelner, and Belak (2015) noted that SME owners had abused trade credit. Salamon et al. added that many SME owners had abused the set terms of trade because of failure to pay for goods and services to suppliers in the agreed period. Salamon et al. advised providers to extend excessive credit to prevent hurting the cash flow. Therefore, to prevent losing creditworthiness, SME owners should honor the trade credit terms, Financial supply chain management (FSCM) requires the interaction of financial managers and supply chain managers within the company (Hugos, 2018; Kariuki, 2017; Silvestro & Lustrato, 2014). Kariuki (2017) added that there was a need for collaboration beyond the borders of a firm with service providers like banks, suppliers, and customers. FSCM extends the scope to the entire supply chain of the company (Silvestro & Lustrato, 2014). Silvestro and Lustrato (2014) added that FSCM's policies are opposed to traditional financial flow management, which typically follows the rationale of optimizing the cash flow of a single firm. Silvestro and Lustrato noted that Improved Supply Chain Integration (SCI) required knowledge of the movement of physical and financial resources across supply networks. Therefore, bank managers can support buyers and suppliers to develop a more understanding of the supply chain.

Different challenges confront supply chain financing (SCF); (Faden, 2014; Silvestro & Lustrato, 2014). Faden (2014) discovered that lack of shared vision among the supply chain (SC) partners was the most critical challenge confronting SCF. The other challenge was the random cash flows resulting from delays in financial transactions due to inadequate automation in the payment processes (Faden, 2014). Faden added that there were insufficient knowledge and training on SCF tools.

Silvestro and Lustrato (2014) advised that organizations should introduce collaborative approaches across the SC to lessen the total purchase to payment cycle time and, in the process, boost the overall financial stability of the SC. Company owners reduce the payment cycle time and achieve overall financial stability through collaborative approaches across the supply chain (Faden, 2014). Silvestro and Lustrato advised that access to value chain financing products can have an impact on profitability and production. Policymakers have the responsibility to sensitize SME owners about the potential for SCF to transform their working capital management, enabling early payments.

There is substantial investment in accounts receivable by most firms, creating a need for choosing effective credit management policies (Aktas, Croci, & Petmezas, 2015; Martínez-Sola et al., 2014; Sindani, 2018). Aktas et al. (2015) maintained that such policies could create important implications for the value of the SMEs. Suppliers from the operational, financial, and commercial perspective, use trade credit because of the benefits arising from its use (Martínez-Sola et al., 2014). Trade credit acts as a signal for product quality (Santos & Silva, 2014). The existence of trade credit attracts SME borrowing because of increased mitigation in customer financial frictions, reductions in transaction costs, and stimulation of sales in slack demand periods (Santos & Silva, 2014). Santos and Silva pointed out that granting trade credit enhanced a firm's sales creating a need for aggressive accounts receivables management. Without offering business credit, SME owners may suffer working capital challenges (Aktas et al., 2015). SME owners can address trade credit risk by putting in place credit policies, staffing the credit management function with experienced people, and categorizing customer risk (Paul & Boden, 2011). Paul and Boden (2011) emphasized the importance of executing improved control credit and payment methods, utilizing credit management practices, and reducing credit insurance. Boden and Yassia (2014) stressed the importance of three organizational attributes skills/awareness, communication, and structural position of the activity in the firm. Therefore, policymakers should regard trade credit management as a relational activity, and not merely a small technical function.

Trade credit can help SME owners to access in-kind funds through contractual relationships with larger and old businesses with better access to finance (Cavenaghi, 2014; Chataway, Banda, Cochrane, & Manville, 2016). Suppliers with market power and good standing can access formal credit from banks then offer trade credit to buyers with limited access to bank or own funds (Hermes, Kihanga, Lensink, & Lutz, 2015). Suppliers can evaluate trade credit risk themselves, since there are few financial intermediaries, making business credit a significant source of finance in any economy (Cowton & San-Jose, 2016). Cowton and San-Jose (2016) maintained that when suppliers offer credit to buyers, they lessen transactional costs making business dealings cheaper and easier. Industries in countries with poorly developed financial institutions have a dependence on trade credit (Gama, Paula, & Van Auken, 2015). To lessen cash flow challenges, SME owners need to practice sound fiscal management principles, to utilize trade credit as a tool.

Despite the significance of these recommendations, implementing detailed credit management procedures requires effort and administration systems and directs SME owners away from their core function of running their businesses (Ndungo et al., 2016). SME owners need to find alternatives to financing working capital, because of trade counterparties extending payment terms (Cavenaghi, 2014; Chataway et al., 2016). SME owners need to shift concern towards low cost and efficient methods that do not damage flexibility and performance (Cavenaghi, 2014). The focus of this study was to explore the merits and demerits of transferring the management of the SME owner's accounts receivables risk to a third party and a factoring company, in exchange for immediate cash. The concept of exchanging accounts receivables for cash is known as invoice factoring.

The contribution of SME owners to the global economy is significant due to their creation of jobs and their contribution to growth and innovation (Cowling, Liu, Ledger, & Zhang, 2015). For SME owners to succeed, they must have access to a steady cash flow enabled through easy access to finance (Koch, 2015; Ndungo et al., 2016). However, after the 2008 financial crisis, banks have been skeptical about lending to SME owners (Cowling et al., 2015). Koch (2015) noted that lending institution representatives have put in place strict conditions on their credit policies (Cowling et al., 2015). Chen et al. (2014) pointed out late payments from debtors have led to the restricted growth of SMEs. In the past few years, although bank lending to SME owners has improved, the strict contracts that banks impose on SME owners hinder growth within the business (Chen et al., 2014; Goh, 2017). However, there is an adequate alternative to bank lending in the form of invoice factoring financing (Goh, 2017; Koch, 2015).

The availability of funds is a major factor in the growth, development, and sustainability of SMEs (Ryan et al., 2014). However, SME owners have few internal funds and limited direct access to financial institutions (Lawless, O'Connell, & O'Toole, 2015; Osei-Assibey & Adu, 2015). Alternative forms of funding are increasing, yet SME owners' perception of bank financing options remains in its early stage (Quartey et al., 2017). Substitutes to bank credit consist of an informal loan with higher interest rates such as invoice factoring, microfinance, and crowdfunding, to exploit possibilities for which more traditional financing is not readily available (Otchere, et al., 2017). Trade credit and informal sources of financing are a desired alternative source of credit for SME owners globally (Lawless et al., 2015). Otchere et al. (2017) confirmed that SME owners only preferred sources of funding that did not require giving up control of the SME.

Invoice Factoring: An Alternate Finance Source

Invoice factoring services may help to solve the problem of working capital shortage among sub-Saharan African SME owners. Invoice factoring is a helpful modern financing tool utilized by firms on a short-term basis (Eva & Eva, 2015). Invoice factoring increases the breakdown of liabilities while securing a firm's assets (Eva & Eva, 2015). Business owners use invoice factoring services when they need financial resources before the maturity of their receivables (Eva & Eva, 2015; Vasilescu, 2010). The greatest beneficiaries of invoice factoring funding are SME owners whose firms do not qualify for a bank loan, especially those with a higher risk level profile or start-ups (Chataway et al., 2016). Utilizing invoice factoring services can help SME owners who offer trade credit to prevent the turnover challenge connected to holding receivables and the hassles of balancing the sales ledger (Vasilescu, 2010). Factoring is a financial transaction or service, not a loan where a firm sells its accounts receivables as invoices to a factor at a discount (Vasilescu, 2010). SME owners can gain immediate access to cash by selling their receivables (Makanyeza & Dzvuke, 2015). Factoring as a financial instrument enables small entities to improve their liquidity (Kozarević & Hodžić, 2016). Therefore, sub-Saharan SME owners can utilize invoice financing services to fund their businesses.

Invoice factoring involves a range of other financial services, which include credit protection, accounts receivable bookkeeping, collection services, and funding (Makanyeza & Dzvuke, 2015). The factoring operation involves three steps: (a) a supplier with receivables that have materialized in the form of invoices, (b) the sale or transfer of the receivables to a factoring company, and (c) the factoring company providing a range of services for a fee (Vasilescu, 2010). The fee associated with factoring includes the provision of finance for the invoices, managing the receivables, recovering the debts, and hedging against actualization of accounts receivables (Goh, 2017; Vasilescu, 2010). Consequently, fees associated with invoice factoring might play a substantial role in preventing some SMEs from utilizing invoice factoring services.

Invoice factoring is an alternative funding model that enables SME owners to acquire finance without additional borrowing (Çela & Bani, 2015). In invoice factoring, business owners place the value on the receivables (the financial asset) and the creditworthiness of the buyer/debtor (Goh, 2017; Vasilescu, 2010). Approval for loans depends entirely on the strength of the verified financial statements, and the availability of acceptable collateral to obtain the loan (Vasilescu, 2010). Acceptable collateral typically takes the form of immovable property, personal guarantees, or other commitments (Vasilescu, 2010). Another difference is, unlike loans, factoring includes three parties: a seller, a factor, and a buyer; a loan includes only two sides: the borrower and the lender (Çela & Bani, 2015). Therefore, SME owners have the responsibility to maintain their creditworthiness, to secure funding.

Invoice factoring has existed since the beginning of civilization (Jayakumar, 2012). The Mesopotamians utilized invoice factoring in their business dealings, 4,000 years back (Goh, 2017; Jayakumar, 2012). Selling promissory notes on a subsidiary market at a discount was a kind of invoice factoring used by the ancient Romans (Jayakumar, 2012). Invoice factoring gained real popularity in trade between the American colonists and their European buyers (Ivanovic, Baresa, & Bogdan, 2011). Before the 1930s, the most common industries for invoice factoring were the garment and textile industries (Ivanovic et al., 2011). Interest rates were on the rise, and there was increasing bank regulation. During the 1960s, 1970s, and 1980s, Invoice factoring became more popular, since it did not require the credit checks (Ivanovic et al., 2011). Invoice factoring developed as a service as business owners found their options contracting with creditors for funding (Jayakumar, 2012). Every year, thousands of businesses sell their accounts receivable to factors, amounting to an industry with billions of dollars; making invoice factoring a viable alternative to traditional financing (Jayakumar, 2012; Sindani, 2018). Therefore, SME owners with regular customers and an invoicing system can take advantage of invoice factoring financing.

Singh and Kaur (2014) maintained that invoice factoring provided working capital financing with no additional liabilities on the firm's balance sheet. Singh and Kaur added that businesses could address their practical capital challenges by leveraging their receivables to get immediate cash through factoring. Therefore, firms can also benefit from a range of other value-adding services associated with factoring. Utilizing invoice factoring services can protect SME owners who offer trade credit from the working capital challenge connected to holding receivables (Goh, 2017; Singh & Kaur, 2014). Factoring makes it possible for companies to finance without additional borrowing.

Invoice factoring is a global alternative source of funding (Ivanovic et al., 2011). Firms can address their working capital challenges by leveraging their receivables to get immediate cash through factoring (Wasiuzzaman, 2015). Zhou and Dongxu Chen (2015) noted that invoice factoring was a global product of choice well positioned on a stable path to playing a vital role in the open supply chain finance space. However, Zhou and Dongxu Chen advised that invoice factoring services are costlier than the traditional borrowing and should be a last resort financing tool. Wasiuzzaman (2015) emphasized that invoice factoring financing offered a range of other value-adding services, and if used wisely, could benefit SME owners.

Trade credit has enabled German SMEs to attain high stocks of account receivables within their balance sheets (Eva & Eva, 2015; Goh, 2017). The increasing importance of working capital funding is leading to increasing demand for factoring services (Koch, 2015). Although banks dominate the German factoring industry, there are many nonbank financial institutions offering factoring services (Eva & Eva, 2015). The German factoring market is a growing market with growth potential in a continuing market consolidation (Eva & Eva, 2015).

Invoice factoring suppliers globally are transforming the invoice factoring process, to complete automation, digitization, and optimization of daily operations (Stroeva, Sukhorukova, Tsvyrko, & Ivashchenko, 2015). Stroeva et al. (2015) noted that the purpose of adoption of new technologies in the provision of factoring services was to reduce administrative costs and time associated with the collection of the accounts receivables, and document flow. E-factoring aids in the transformation of traditional factoring into omnichannel factoring (Gomber, Koch, & Siering, 2017). Therefore, with improved technologies, accessibility problems associated with invoice factoring services will become history.

The threat of SME failure because of limited access to working capital funding still exists. SME owners in sub-Saharan Africa are unable to access working capital funding through invoice factoring. There is a need for SME owners to acquire strategies to obtain invoice factoring financing to fund their businesses. The conceptual framework for this case study was the pecking order theory and the credit rationing theory. In agreement with the pecking order theory, SME owners who deplete internal sources seek external funding.

Additionally, credit rationing influences the ability of SME owners to access funding. This study could lead to the creation of more jobs for the Kenyan population. Qualitative analysis of this study provided a new in-depth, holistic outlook to strategies that SME owners use to access invoice factoring financing to fund their businesses. The case study research design was the most appropriate for my study because it enables the identification of trends in specific topics (Yin, 2015).

Transition

In Section 1, I provided a contextual base for my study. The central research aim of my study was to explore the strategies that SME owners use to access invoice factoring services to fund their businesses. I identify the pecking order and credit rationing theory as the conceptual framework for my study,

In the literature review, I present a chronological history of SME owners securing invoice factoring financing. The review of literature centralizes previous research and analysis of invoice factoring as an alternative source of funding for SME owners. In the literature review, SME owners experience challenges accessing factoring, which was an alternative source of funding for SMEs. The review of literature also includes theories that affect SME owners' strategies to access invoice factoring financing services. My study reach was limited in breadth and design, to explore strategies that SME owners in sub-Saharan Africa use to access invoice factoring funding services. I also examined the population and sample of participants.

The specifics of the analysis of the qualitative case study described in Section 1 unfold in Section 2. In Section 2, I specify my role as the research instrument, provide the details of the participants, ethical considerations, development of my study's research method, research design, data analysis, and reliability and validity. In Section 3 of the study, I included detailed results of the data collection and analysis procedures. Additionally, I provided my presentations of the findings with an explanation of the finding's application to professional practice and implications for social change.

Section 2: The Project

In this section, I describe the techniques and methods used in this qualitative multiple case study. A qualitative case study was the most appropriate design to answer the research question. This section includes the purpose statement, role of the researcher, participant recruitment strategy, research method and design, population and sampling technique, ethical research plan, data collection technique, and data analysis process. The section concludes with a discussion of the reliability and validity of the research instrument.

Purpose Statement

The purpose of this qualitative multiple case study was to explore strategies that SME owners use to access and obtain invoice factoring financing to fund their businesses. The target population was business owners of three organizations in Kenya who have used successful strategies for securing invoice factoring funding. Nairobi is the principal commercial center and the capital city of Kenya; it is one of the fastest growing economies in Africa (World Bank, 2015). My study findings may have a positive social contribution by providing information about factoring services in Kenya. Kenyan authorities may then educate the public about the benefits of invoice factoring and increased product usage. Kenya may experience a reduction in high unemployment levels through to the creation of more job opportunities and economic growth.

Role of the Researcher

Researchers should choose a research topic based on the existence of a business problem (Eriksson & Kovalainen, 2015; Lewis, 2015). I chose the topic after realizing the existence of a business problem that was lacking resolution. I followed Shepperd's (2015) advice and sought answers to scholarly questions to discover areas for further research. The duties of a researcher involve conducting interviews, collecting data, and issuing all of the required ethical assurances as stated in the proposal (Yin, 2015). I carried out data collection, data analysis, and data validation, and wrote a scholarly report that highlighted the research problem.

Having a background in SME development in sub-Saharan Africa and awareness of the financing challenges of SME owners, I was aware of the potential that factoring could have in meeting the funding needs of African SME owners. Bryman (2015) noted that the researcher needs to have enough existing background knowledge to finalize the planned research. To build a knowledge base, I attended a 2-month seller selection and control certificate course offered by Factors Chain International (FCI) and International Factoring Group (IFG). I have a background in finance and have obtained a Master of Business Administration in finance from the University of West Georgia. Through years of experience as a small business owner, I have discovered that although invoice factoring services are available to provide funds to entrepreneurs, some SME owners are unable to access them. Some SME owners lack the strategies to obtain and implement invoice factoring to fund their businesses. I followed Bryman's advice and chose the African continent, having been an SME business owner in Africa. The only participants I had a prior relationship with were the members of the IFG, because of my membership in the organization.

According to the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research (1979), conducting ethical research is one of the roles of a researcher. As a researcher, I ensured the protection of the research subjects. In the Belmont Report, The National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research discussed the ethical principles that researchers need to follow during human-related studies. The National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research explained the differences between the practice of ethical principles and research. The investigator should obey the principle of respect for persons, which is the most important of all the principles (Lewis, 2015). I followed Robinson’s (2014) advice and obtained informed consent from the participants in advance of the scheduled interviews. I informed the participants that the study was voluntary, and let them know about the option to leave the study at any phase of the process. I assured the participants that the information they provided would remain confidential.

I informed participants of the measures I used to protect their identities, and I did not share their experiences outside of the doctoral study. If participants had any questions about the research process, I provided the Walden University institutional review board (IRB) representative’s contact information. The IRB approved all ethical aspects of my study before I conducted participant recruitment and data collection. Kirkpatrick, Cuny, Guzdial, Holland-Minkley, and Shaffer (2015) mentioned that researchers could improve case study quality by continuously connecting the data and the theoretical issues. I was aware of the existence of personal bias that may have influenced the research process. I did not identify any traces of a personal bias during the research process. Given that I did not have prior experience with invoice factoring, I did not identify any traces of personal bias during the research process.

An interview protocol includes the questions that a researcher needs to cover during an interview (Castillo-Montoya, 2016). Writing the interview protocol enables the interviewer to prepare for the interview (Hancock & Algozzine, 2015; Lewis, 2015). Jacob and Furgerson (2012) maintained that the researcher needs to develop an interview protocol that is both conversational and suitable for eliciting information connected to the study's research questions. I developed an interview protocol with open-ended questions that would elicit responses that would allow me to answer the research question. I designed a script of what would happen before the interview, a script of what I would say after the meeting, and prompts to remind me about the information that I was interested in collecting. The interview protocol is in Appendix B.

Participants

In a qualitative case study, researchers should attempt to adopt the participants' perspectives of the world by understanding their words and actions (Lewis, 2015). During the research process, the selection of eligible participants for a case study is significant (Palinkas et al., 2015; Yin, 2015). Participants I chose for this study were Kenyan SME owners who had successfully accessed and obtained invoice factoring to fund their businesses.

I planned to gain access to participants by using the contact information of members of the FCI. Waari and Mwangi (2015) listed the names of the factoring companies in Kenya. Only five companies provide invoice factoring financing in Kenya (FCI, 2017). As part of the recruitment process, I recruited participants using the FCI website and LinkedIn page. The publishers of the FCI magazine provide public contact information of their member companies that provide and promote factoring services globally. I used these publications as the major source for determining the target population and businesses for this study. Robinson (2014) advised researchers to develop good communication with targeted participants. I communicated with SME owners who had obtained invoice factoring services in Kenya through LinkedIn. I then sent out other introductory letters to the targeted SME owners, following approval by the Walden University IRB. Most of the participants responded promptly to the initial invitation. I made follow-up phone calls for those who did not reply promptly.

Robinson (2014) encouraged researchers to build a working relationship with the participants. Robinson noted that researchers need to maintain correspondence with participants who agree to the interviews. Yin (2015) advised researchers to give respondents enough time to read the consent form and ask for clarification, if necessary. Open communication creates confidence and trust in the researcher, leading to respondents comfortably sharing their experiences (Robinson, 2014; Yin, 2015). To build good rapport, researchers should adopt a warm, friendly tone to make participants feel at ease when sharing their experiences (Yin, 2015). I sent participants an e-mail explaining the purpose of my study, and another e-mail including a consent form to sign, if they agreed to the interview.

The purpose of the study should be the primary factor when choosing participants for a qualitative study (Lewis, 2015; Robinson, 2014). Selection criteria of participants must align with the research purpose (Marshall & Rossman, 2014). Participants must have expertise in the subject area to provide appropriate information (Robinson, 2014). The three SME owners whom I interviewed had successfully accessed invoice factoring as a financing instrument.

Research Method and Design

Research Method

The population that I targeted were SME owners who had successfully obtained and implemented invoice factoring. My study addressed strategies SME owners use to access and obtain invoice factoring to fund their businesses. I used the qualitative research method. Qualitative methodology serves as a platform for exploring and understanding social phenomena (Snelson, 2016; Yin, 2015). A qualitative method was more appropriate than a quantitative method because the study required me to analyze the participants' interview responses to answer the research question. Qualitative researchers study participants in their natural setting (Marshall & Rossman, 2014; Palinkas et al., 2015). Therefore, the qualitative approach was appropriate for this study.

Quantitative researchers test theories using structured data collection methods and focusing on relationships among variables (Groeneveld, Tummers, Bronkhorst, Ashikali, & Van Thiel, 2015). According to Sekaran and Bougie (2016), quantitative researchers use statistical analysis to investigate the relationships that exist among the research variables. The quantitative researcher is then able to answer the research questions based on the statistical analysis results (Bryman, 2015). I did not use the quantitative method because my study required exploring and understanding phenomena.

Mixed-methods researchers use a combination of qualitative and quantitative approaches (Palinkas et al., 2015). The mixed method approach involves using qualitative methods to discuss, explain, and justify results of the quantitative analysis (Harrigan, Ramsey, & Ibbotson, 2012; Robinson, 2014). My study did not involve testing a hypothesis or statistical analysis of data. Also, the mixed methods approach requires considerable time and resources (Bryman, 2015). Therefore, the mixed-methods approach was not appropriate for my study. The purpose of my study was to conduct in-depth interviews to collect data from SME owners in Kenya regarding the strategies they used to access invoice factoring financing to fund their businesses. I used open-ended questions to allow participants to explain the strategies in their own words.

Research Design

The case study design was appropriate for my doctoral study because it allowed me to observe the participant in an unbiased way while exploring the meaning of the case under study. According to Yin (2015), the case study involves the use of multiple data sources. I used the case study design to explore strategies SME owners use to access and implement invoice factoring to fund their businesses. The case study design makes exploring the human experience possible (Yin, 2015). The case study design also helps the researcher gain perspective on the issue under study (Yin, 2015). I used the case study design to explore the different strategies SME owners used to access financing through invoice factoring.

Pietkiewicz and Smith (2014) argued that researchers use the phenomenological design to understand the lived experiences, perspectives, and thoughts of participants regarding a phenomenon. A phenomenological design was not suitable because invoice factoring is not a common financing option in sub-Saharan Africa. According to Zilber (2014), ethnography involves investigation of the culture of a group, which was not suitable for my study. Capturing stories of individuals' lived experiences is the focus of the narrative approach (Ison et al., 2014; Robinson, 2014), which did not align with the purpose of my study. The case study design was the most appropriate for this study.

I collected data from SME owners who had accessed and implemented invoice factoring. Nelson (2016) mentioned that the focus of qualitative research should not be maximizing numbers but attaining data saturation. Fusch and Ness (2015) defined data saturation as the stage when there is no additional information that the researcher can observe in the data. Researchers achieve data saturation at a stage when the interview questions do not offer any further information (Elo et al., 2014; Yin, 2015). If additional information arises, the researcher should conduct more interviews to attain data saturation (Fusch & Ness, 2015). In the current study, data collected from the three sources were sufficient to achieve saturation. No additional information arose during the third interview of my study. Therefore, I did not conduct interviews with more participants.

Population and Sampling

To recruit participants for this study, I executed the purposive convenience sampling approach within purposefully selected populations. Purposive convenience sampling is useful in obtaining general ideas about the situation of interest (Patton, 1990). Patton (1990) added that purposive convenience sampling saves time, resources, and effort. According to Elo et al. (2014), purposive sampling activities focus on specific attributes of the population of interest, allowing the researcher to answer the research questions. Purposeful sampling has become the most commonly used form of nonprobabilistic sampling (Etikan, Musa, & Alkassim, 2016). Robinson (2014) maintained that there were no criteria for regulating nonprobabilistic sample sizes, and therefore advised researchers to use the saturation point as a determinant for the appropriate sample size.

The sample of this qualitative study included three SME owners. The nature and scope of the research determine the sample size needed to reach saturation (Elo et al., 2014; Robinson, 2014). Robinson (2014) recommended the use of small samples in qualitative case studies because data collection and analysis require a long time. Because I gathered data through detailed accounts, a sample of three participants was sufficient. Determinants of sample size include saturation, the nature of data collection, diminishing returns in data collection, and analysis in qualitative studies (Saunders et al., 2017). The interview questions did not offer additional information as the interviews progressed. Therefore, I did not interview more participants.

Researchers should select participants based on their availability and willingness to participate in the study (Marshall & Rossman, 2014; Yin, 2015). Bryman (2015) noted that the participants selected for any study should have first-hand experience with the phenomenon. Therefore, I chose SME owners of three organizations in Kenya, who have successful strategies for obtaining invoice factoring financing. According to Robinson (2014), there are optimal times of the day to interview participants. The interviews happened during the regular office work hours (Monday through Friday from 8 am to 5 pm East African Standard time). I conducted these interviews via Skype.

Ethical Research

Bryman (2015) urged researchers to apply ethical practices in research. In social science research, ethics refers to data collection and data analysis procedures (Bryman, 2015; Eriksson & Kovalainen, 2015). Providing a consent form to all participants is one of Walden University’s requirements to scholar-practitioners. The consent form details the researcher background, confidentiality, information on the research study procedures, compensation, interview questions, risks associated with the study, and the voluntary nature of the study (Robinson, 2014). Participants obtained a formal consent form, to guarantee participation in the study.

The consent form offers participants with the option to withdraw from the study, at any point during the research process (Corbin & Strauss, 2014; Robinson, 2014). Researchers should select participants based on their availability and willingness to take part in my study (Marshall & Rossman, 2014). Robinson (2014) advised researchers to avoid exposing participants to risky situations when answering interview questions. In an evaluation of the ethical protection of the participants, there was no risk involved in answering the interview questions. Morse (2015) mentioned that researchers should explain to the participants who they were free to skip any uncomfortable questions and may withdraw from the process, at any moment, if they thought they were unable or did not desire to participate. Participants should be free to stop participating without any adverse social or economic consequences (Robinson, 2014). Saldaña (2015) also advised researchers to inform the participants to send notification of any need to quit the study. All recruited volunteers were willing to complete my study.

Hannes and Parylo (2014) advised researchers to offer instructions to respondents concerning nonreceipt of monetary compensation for participating in the study. I informed the participants that they would not receive any incentive for participating in the study. However, I supplied the participants with an electronic summary of the research findings, as a follow-up thank you.

Researchers should make the participants aware that predictable risks will not exist with their participation in the study (Fiske & Hauser, 2014). I used *P-1, P-2,* & *P-3,* to refer to each participant. Padgett (2016) maintained that after wrapping up the study, the researcher should keep all study materials locked up safely, for 5 years, in a personal filing cabinet. To ensure confidentiality, I will save the research data for 5 years with a password- encrypted folder on my computer and erased the files from every storage devices, such as flash drives and hard drives. Therefore, no one other than I will gain access to the stored hard copies of the data. I will then permanently delete the electronic files, shred the hard copies of the data, and smash the flash drive by hitting it with a hammer to pulverize it. I plan to save all received consent messages and forms, electronically, with the file name conveying the participant unique identification code. I will not use the data collected from the research participants for any other purpose, other than the intended study. Researchers should let the participants know that they may request to sign a nondisclosure agreement, to ensure a higher level of confidentiality assurance (Yin, 2015). No participant raised any queries. Therefore, there was no need to provide them with Walden University representative's contact. Walden University's approval number for this study is 03-09-18-0560290, and it expires March 8th, 2019.

Data Collection Instruments

I was the primary data collection instrument for this study. I collected data from the semistructured interviews, and organization documentation that participants provide. Brinkmann (2014) noted that interviewers need to interview participants who had experienced the phenomenon, first hand. For this proposed study, I used in-depth semistructured interviews, to explore the experiences of SME owners who have accessed and implemented invoice factoring services in the targeted sub-Saharan African countries. Cridland, Jones, Caputi, and Magee (2015) explained that it was the researcher who created the semistructured interview guide and that it included open-ended questions to ease data collection. The use of the semistructured interview guide helped to ensure that participants discussed the aspects relevant to the subject under investigation during the interviews (Brinkmann, 2014; Cridland et al., 2015). Therefore, to ensure that participants answer questions comfortably, with as much detail as possible, I used the semistructured interview method.

Jacob and Furgerson (2012) advised researchers to create an interview protocol to make data collection easier. Using an interview protocol (see Appendix B) could be helpful in confirming that participants have discussed the significant details of the subject under investigation (Hancock & Algozzine, 2015; Robinson, 2014). Therefore, I created an interview protocol, to make the data collection process easier. The interview protocol enabled me to collect data and information that were necessary for answering the research question (see Appendix B). During the interview, I used the interview protocol to highlight the known and unknown issues in my research topic. Yin (2015) advised researchers to take notes and audio record the interviews during the data collection process.

The data collection instrument's reliability and validity are useful in validating interview responses (Bryman, 2015; Yin, 2015). Sharing study findings serves as a method of employing member checks (Shepperd, 2015). To check for accuracy of the researcher's understanding of the participant's discussion, qualitative researchers should show participants the interpretations of the analyzed data (Birt, Scott, Cavers, Campbell, & Walter, 2016; Mustajoki & Mustajoki, 2017). Therefore, I made telephone calls and briefly shared research findings with participants, to ensure that the results were accurate and resonated with their experiences.

Data Collection Technique

For this qualitative multiple case study, I used in-depth semistructured Skype interviews, and organizational documents as data sources, to capture interviewee's personal views. Bryman (2015) declared that semistructured interviews involved the use of an interview guide, to collect similar types of data from all participants, hence creating a sense of order. Bryman added that during semistructured interviews the researcher was free to change the order and wording of the questions and to ask additional questions, for clarification. Merriam and Tisdell (2015) noted that semistructured interviews had the advantage of allowing the interviewer to work flexibly with the guide and allowed room for the interviewee's clearer descriptions and narratives. Adams (2015) pointed out that the major disadvantage of semistructured interviews was that new researchers using this technique found it hard to identify where to probe for responses, hence leaving out necessary data. Therefore, to avoid this problem, I practiced for the interviews in advance. I used a semistructured interview technique to gain an understanding of SME owners' strategies for accessing invoice factoring financing services.

The second data source that I used was the organizational documents. Organizational documents perform a crucial role in any data collection in conducting case study research (Yin, 2015). One of the advantages of organizational documents is that they present background, context information, and insights that can be valuable supplements to an existing knowledge base (Yin, 2015). Yin added that organizational documents had an advantage of being broad, hence covering a long-time span, many settings, and many events. However, organizational records are not always accurate and may contain some bias (Yin, 2015). Therefore, I used the data collected from organizational documents to support data from the semistructured interviews.

To validate the interview responses, researchers carry out member checking to explore the credibility of results (Eriksson & Kovalainen, 2015; Robinson, 2014). Sharing study findings serves as a method of employing member checks (Shepperd, 2015). During member checking, qualitative researchers show participants, the interpretations of the analyzed data to check the accuracy of the researcher's understanding of the participant's discussion (Birt et al., 2016; Elo et al., 2014). To conduct member checking, I paraphrased each interview response to each question, and share the document with the individual interviewee via email, and request that they look over the results, to verify whether I captured their intended meaning. I scheduled meetings with each respondent, and make telephone calls, to ensure that the results are accurate, credible, and resonate with their experiences.

Data Organization Technique

McGonagle, Brown, and Schoeni (2015) advised researchers to keep a research log to store the interview schedules, coding system, and any other valuable information. I developed and utilized a data collection tool that encompasses a participant identification coding system, the interview date and time, the study title, the interview questions, and space against each question to write my notes. Saldaña (2015) maintained that researchers need to assign a unique code to each respondent to safeguard the respondents' identities and aid in achieving privacy. I allocated the following codes to the participants: *P-1, P-2,* and *P-3.* As advised by Robinson (2014), I wrote notes next to each interview response as the interview progresses. My Samsung phone and the built-in recording tool of my computer were the main recording devices during the interviews. Each participant identification log contained a password, to safeguard participant identities. At the end of the interview, I instantly saved the interview recordings from both the devices onto my personal computer and a secure external device. I then opened manual files to save the paper documents and used the same filing codification. Recurrently listening to the interviews' audio recordings, and transcribing the interviews, helped me capture any intonations, nuances, emphases, pauses, and repetitions that arose from the interviews. I then saved the transcripts on my laptop and an external source and then printed a hard copy for my records.

I will follow the advice by Hancock and Algozzine (2015) and securely keep the raw and processed data in both paper and electronic format. During the 5-year period, researchers should keep the hard copy under lock and key, and the electronic versions with a password (Yin, 2015). After the 5-years, researchers may shred and dispose of all the hard copy data, and permanently delete the electronic copy (Hancock & Algozzine, 2015). Therefore, I will permanently delete all data after 5-years.

Data Analysis

For this qualitative case design, I used the methodological triangulation. Methodological triangulation involves the use of multiple sources of data on the same subject and is useful for identifying points of convergence within the data (Hancock & Algozzine, 2015). Method triangulation can result in identifying points of divergence, which provide opportunities to uncover deeper meaning in the data (Yin, 2015). Method triangulation helps to strengthen the construct validity of a case study (Yin, 2015). Therefore, since method triangulation involves the use of multiple data sources, it was the most appropriate data analysis method for my multiple case study.

Themes emerge from analyzing the interview transcripts (Braun, Clarke, & Terry, 2014; Hancock & Algozzine, 2015). The analysis processes address the research question. The data consisted of the responses arising from interviews and organizational documents. Etikan et al. (2016) advised that the interview questions should support the framework for the study. To perform data analysis, for this study I used NVivo v. 11.0. NVivo is a qualitative and thematic analysis software program that researchers utilize to store, code, retrieve, compare, and link the interview data (Saldaña, 2015). After evaluating all the qualitative research analysis tools such as NUDIST, MAXDA QSR, Nvivo, and Atlas.Ti, I found that Nvivo and Atlas.Ti were the only tools that provided quality annotation of memos and images. I prefer these features since they provide an edge to analyzing transcriptions. However, comparing Nvivo to Atlas.Ti, NVivo was the only tool that permitted searches of previous questions, making it the most suitable data analysis tool for this study. Krippendorff (2013) outlined the phases of content analysis:

1. Researcher completes the following tasks:
   (a) Define the boundaries of the study and the setting in which to conduct the research.
   (b) Specify what is hidden, but directly noticeable in the survey.
   (c) Delimit the study findings to the settings where the interpretations are applicable.
   (d) Itemize the data analysis methodology.
2. Identify the elements for data analysis.
3. Design sampling strategies to lessen bias in the data collected.
4. Code the data by organizing groups of analysis of chosen logical designs based on the principal of the reliability of relevance.

5. Decide how the coded data connect to the phenomena under investigation, limiting inferences to aspects of the topic not directly noticeable.
6. Validate assumptions derived from the data collected from the interviewees based on their responses to the online survey.

Researchers should analyze the interview transcripts to identify emergent themes (Saldaña, 2015; Yin, 2015). Researchers should derive basic units of meaning, from the data collected from the participants (Yin, 2015). Yin advised researchers to ensure that findings addressed the overall research question. In detail, I connected each theme that emerged, to the overall research question, to the literature, and to the conceptual framework.

Reliability and Validity

To uphold the quality of research, qualitative researchers focus on four areas of the research findings. The four areas include credibility, transferability, dependability, and confirmability (Morse, 2015; Yin, 2015). Merriam and Tisdell (2015) noted that qualitative research was extremely susceptible to personal bias; therefore, researchers need to validate data quality and reliability. Yin (2015) maintained that researchers could maintain the quality of case study research by consciously bracketing their views and putting the focus of the study on understanding the perspectives of the participant.

Reliability

Eriksson and Kovalainen (2015) noted that researchers need to record thoughts about decisions made throughout research to enhance dependability and transparency of the process. The views and ideas I documented during data collection helped me to develop the final themes and subthemes. Eriksson and Kovalainen discussed that researchers need to carry out member checking by analyzing and interpreting the responses arising from the interview process with the participants, to establish that the discussion portion of the study rightly reflected the participants' views. During member checking, interviewers share their interpretation of the findings with the participants to check for authenticity of the work (Eriksson & Kovalainen, 2015; Harvey, 2015). I followed Harvey's advice and made necessary changes or offered additional clarifications to the participants, in case they pointed out mistakes. Therefore, member checking ensured reliability and validity of the collected data.

Validity

Eriksson and Kovalainen (2015) discussed that the criteria for judging the validity of qualitative research involved credibility, transferability, confirmability of the instrumentation and findings of the study, and data saturation. Credibility involves the process of exploring the research subject through the participants' viewpoints (Eriksson & Kovalainen, 2015; Trochim, Donnelly, & Arora, 2014). I followed Bowen's (2008) advice and provided a detailed description of the phenomena and narrated how and why events had happened in a specified participant's context, attitudes, and experiences.

Transferability refers to whether a researcher can communicate the findings from the study to the audience, to apply them to other situations and settings (Trochim et al., 2014; Yin, 2015). Eriksson and Kovalainen (2015) emphasized that researchers of a qualitative study need to state the boundaries of the study to the readers. Researchers can address transferability by describing the context of the study, and characteristics of the participants (Yin, 2015). To enhance transferability, I described the data collection techniques I used in my study and the characteristics and location of the participants.

Researchers should use confirmability to explore the assumption that researcher bias influences the outcome of the study (Kallio, Pietilä, Johnson, & Kangasniemi, 2016; Yin, 2015). There is a need to identify the extent to which researchers can support the research results (Trochim et al., 2014). In this study, I confronted the issue of confirmability using method triangulation. Wilson (2014) maintained that method triangulation involved the use of various sources of data such as interviews, observations, questionnaires, and documents on a specified subject and was crucial for establishing the convergence points, which offer numerous opportunities to uncover hidden meaning within the data. In my study, I used the data to include three SME owners' views on the strategies they use to access of invoice factoring to fund their businesses.

Bowen (2008) maintained that qualitative researchers ought not to focus on maximizing participant numbers but achieving data saturation. Data saturation occurs when interviews indicate that more than 70% of research findings are aligned with the literature, resonate with key respondents, and are confirmable by member checking (Bowen, 2008). Member checking enables the researcher to validate the interview responses, by sharing the synthesis of the interview with the participants (Bowen, 2008; Eriksson & Kovalainen, 2015). To ensure data saturation, I interviewed additional SME owners in the targeted companies who have successfully utilized invoice factoring financing, to fund their businesses. I also carried out member checking by sharing the synthesis of the interviews with each interviewee via email, and then calling them over the phone, to find out whether the synthesis represents their answers to the interview questions.

Transition and Summary

The purpose of this multiple qualitative case study was to explore strategies that SME owners can use to access invoice factoring financing to fund their businesses. In Section 2 of the proposal, I describe the process for participant sampling, the protocol to ensure ethical research, and summary of the plans for data collection, organization, and analysis. I used purposive sampling to collect data from three Kenyan SME owners who had accessed and implemented invoice factoring. As the primary data collection instrument, I used in-depth semistructured Skype interviews and organizational documents as data sources. For data analysis, I used method triangulation. The section concludes with an analysis of the methods to ensure the study finding's reliability and validity.

Section 3 includes a description of the findings from the data collection and analysis procedures. I dedicated Section 3 to the participants' responses and the emerging themes that are helpful in answering the research question. The results of my study could address gaps in the literature and enhance business practice, by declaring invoice factoring as an alternative source of finance for sub-Saharan SMEs.

Section 3: Application to Professional Practice and Implications for Change

The purpose of this qualitative multiple case study was to explore strategies that SME owners use to access and obtain invoice factoring financing to fund their businesses. Data collection consisted of organizational documents and semistructured interviews with three SME owners who used invoice factoring financing to fund their businesses. In this section, I discuss the results of the analysis based on organizational documents and emerging themes. Findings from analyzed data gathered from organizational documents and semistructured interviews revealed the strategies that SME owners in sub-Saharan Africa use to access and obtain invoice factoring financing to fund their businesses. Proper documentation, effective good third-party relationships, and connections with government officials were the common themes arising from the organizational documents and qualitative interviews with the three SME owners. Proper record keeping by an SME owner emerged as the major strategy that helped SME owners obtain funding.

Presentation of the Findings

Analysis of the data collected from the organizational documents and semistructured interviews was conducted to answer the research question: What strategies do SME owners use to access and obtain invoice factoring financing to fund their businesses? Analysis of organizational documents and interview data collected from the three participants indicated data saturation. My findings confirmed Ndungo et al.'s (2016) findings that the ability to maintain proper financial records was a major determinant of an SME owner's ability to access and obtain invoice factoring services.

My study findings aligned with the pecking order theory because data revealed that invoice factoring financing was a viable financing instrument for SME owners who needed external financing but had been rejected by traditional funding institutions. Analysis of the data collected from organizational documents and semistructured interviews aligned with the conceptual framework because an SME owner's ability to maintain proper financial records determines his or her level of eligibility and ability to access invoice funding with ease. The emergent themes were (a) proper documentation, (b) third-party relationships, and (c) connections with government officials.

The first theme consisted of proper documentation required to obtain invoice factoring financing. The second theme involved perceptions of the intermediate business partnerships (invoice factoring companies) that existed between the SME owners and their customers. The third theme revolved around the need for SME owners to have government connections. I identified the three themes using NVivo, a qualitative data analysis tool. The three themes supported the study's pecking order theory and the credit rationing theory.

Theme 1: Proper Documentation

The first theme that emerged was proper record keeping, which is a major determinant for eligibility to access and obtain invoice factoring funding (Block, Colombo, Cumming, & Vismara, 2018; Eva & Eva, 2015; Sabuncu, 2017). This first theme reflected the SME owner's requirement to maintain proper financial records to obtain invoice factoring financing. The subthemes related to the strategies for SME owner eligibility for invoice financing are presented in Table 2.

Table 2

Findings for Theme 1, Proper Documentation

Occurrences	References	% Frequency of occurrence
Invoices as collateral	11	73%
Proper record keeping	4	27%

Use of invoices as collateral. As an alternative to bank lending, SME invoices have become the best way to create cash flow and act as valuable assets to business owners because they leave money in their hands (Chen et al., 2014). P-2 explained,

> Bank representatives do not understand how to handle a business plan to fund projects without tangible assets. They do not offer credit to SME owners who do not present proof of collateral when applying for business funding. After rejection to obtain funding, SME owners decide to request for funding from invoice factoring companies. Invoice factoring companies only require invoices as collateral, to qualify SME owners for funding.

Review of the organizational documents for P-2 indicated that the business did not own any physical assets. Therefore, the bank representatives did not recognize the company's invoices as collateral and referred the SME owner to a third-party factoring company.

All three participants were referred to invoice factoring companies for funding after being rejected by bank representatives because of lack of collateral. Most SME owners in sub-Saharan Africa are not aware of the existence of invoice factoring (P-1, P-2, & P-3). Ndungo et al. (2016) maintained that there was a need for interventions that encouraged SME owners to have proper financial information. Bank managers need to educate SME owners regarding the need to keep proper financial records (P-2 & P-3). Without proper financial records, obtaining invoice factoring is hard; therefore, SME owners need to acquire basic accounting skills to prepare them for the invoice factoring financing process (P-1 & P-2). A study by Keasey, Pindado, and Rodrigues (2014) showed that invoice factoring was more accessible than bank financing. Theme 1 confirmed Hugos's (2018) findings because insights revealed that to receive funding, SME owners had to present invoices as collateral. The findings from both organizational documents and qualitative interviews with the three SME owners indicated that after submitting invoices to the invoice factoring officials, SME owners could access invoice factoring funding with ease. SME owners who urgently need cash to fund their businesses choose to use invoice factoring funding because gaining approval without traditional bank collateral makes it a viable option (P-1, P-2, & P-3).

Proper record keeping. The inability of the SME owner to raise working capital is a common problem that leads to the need for invoice financing (Block et al., 2018; Chen et al., 2014). To reduce cash flow challenges, SME owners need to practice proper record keeping, to access and obtain invoice factoring (Gama et al., 2015; Ghasia et al., 2017). P-1 indicated, "Keeping extensive, detailed records of all elements relating to the business made it easy for me to obtain invoice factoring funding."

Examination of organizational documents for all three participants revealed that the SME owners had put careful thought into making sure that company records were detailed and well kept. Proper record keeping practices by SME owners accounts for most funding approvals (P-1 & P-2). P-3 explained,

> It is important to undergo training to learn how to keep a company's financial records well. Keeping proper records is the best decision that SME owners could ever make for their business because invoice factoring officials request for the records as a first step during the application process to obtain invoice factoring funding.

An analysis of the company records revealed that the SME owner had put careful thought into documenting the company's financial records. Oyewo and Oluseye (2014), researched the factors that influenced SME access to bank credit in Nigeria, and found that most SME owners in Nigeria had nonexistent or improper accounting records. Oyewo and Oluseye added that bank officials who had turned away these SME owners after they had applied for bank credit referred them to invoice factoring officials but advised them to keep proper accounting records to obtain funding. Proper record keeping has a direct effect on SME owner's ability to obtain funding. Theme 1 also confirmed Oyewo and Oluseye's findings because insights showed that proper bookkeeping skills were a necessary strategy in obtaining invoice factoring financing.

Theme 1 supported the pecking order theory and the credit rationing theory. SME owners may need to place a higher priority on proper record keeping. With this action, the number of sub-Saharan SME owners obtaining invoice funding to finance their businesses may continue to grow (Oyewo & Oluseye, 2014). The ability to gain access to alternative sources of funding like invoice factoring may lead to continued SME growth and sustainability in sub-Saharan Africa.

Theme 2: Effective Good Third-Party Relationships

Invoice factoring companies do not extend credit to their clients. One of the major determinants of an SME owner's ability to obtain invoice factoring is the credit of his or her customers (P-1, P- 2, & P-3). Before an invoice factoring company agrees to fund their client's receivables, the invoice factoring company officials must ensure their client's customers can pay the invoices (Goh, 2017). Invoice factoring company officials analyze the credit history of the SME owner to qualify them for invoice factoring funding (P-1 & P- 3). Most invoice factoring companies insist on direct relationships with their clients' customers (Goh, 2017). Many SME owners have no problem with invoice factoring companies having a relationship with their customers (Hugos, 2018). Effective relationships with customers with good credit makes it easy for SME owners to gain access to invoice factoring financing. The subthemes related to effective good third-party relationships are presented in Table 3.

Table 3

Findings for Theme 2, Third-Party Relationships

Categories	References	% Frequency of occurrence
Relationship with credible customers	7	78%
Good credit requirement	2	22%

Relationship with credible customers. The funding source usually is transparent about its requirement for an SME to have a good business relationship with credible customers (P1 & P- 2). Invoice factoring companies require clients to submit their customers' contact information as part of the contractual terms and onboarding process (Campello & Gao, 2017; Martin & Hofmann, 2017). This second theme emerged in the organizational documents and all three participants referenced it in their interviews. An integral view of the working parts of the funding relationship between the SME owners, their customers, and the invoice factoring company indicated the third-party relationship theme.

All three SME owners chose to use invoice factoring financing as a funding option despite the requirement of interceding in the SME owner business relationship with their customers (P-1, P-2, & P- 3). SME owners are required to open multiple accounts: for customers to pay into and for the invoice factoring company to transfer funds into the SME owner's account after the customers have paid the amount due (P-2 & P-3). P-3 elucidated, Invoice factoring financing is the only remedy for gaining access to funds to finance a business. Invoice factoring companies require SME owners to open an account where the invoice factoring company officials exclusively have all rights, including signing powers. Most SME owners accept the requirement without hesitation because they are left with no other option after being denied credit by representatives in several traditional banks.

Good credit requirement. Theme 2 supported the credit rationing theory. Credit rationing applies to situations in which lending institutions limit or deny the supply of credit based on the applicant's creditworthiness (Stiglitz & Weiss, 1981). Credit rationing influences the ability of SME owners to access and obtain funding (Xiang et al., 2015). Invoice factoring companies require SME owners' customers to have good credit (P-1 & P- 3). Relationships with customers who have good credit qualifies the SME owner to obtain the services of an invoice factoring company (P-1, P-2, & P-3). Review of organizational documents for all three participants indicated that the SME owners had qualified for invoice factoring financing based on their customers' good credit.

Theme 3: Connections With Government Officials

The third theme to emerge from the data collection was the connections that the participants had with government officials. Accessing and obtaining invoice factoring financing requires a connection to government leaders (Krammer, 2017; Pinto, Ferreira, Falaster, Fleury, & Fleury, 2017). Pinto et al. (2017) maintained that politically connected SME owners had preferential access to invoice financing.

Participants discussed their journey from gaining access to invoice factoring companies to obtaining the funding they needed to finance their businesses. P-1 reflected,

> It is effective connections to government officials that enables SME owners to access and obtain invoice factoring funds to fund their businesses. Connections to invoice factoring company officials makes the funding process seamless. In Kenya, the right connections to people in government is key to accessing and obtaining invoice factoring funds.

The subthemes related to connections with government officials are presented in Table 4.

Table 4

Findings for Theme 3, Connections With Government Officials

Categories	References	% Frequency of occurrence
Politics	6	75%
Support from government officials	2	25%

Politics. In sub-Saharan Africa, government officials control access to funding (P-1, P-2, & P-3). When it comes to money, it is difficult to avoid politics (P-1 & P-2). Governments and the different related governmental institutions are critical players in enabling SMEs to gain access to funding (Abdulsaleh & Worthington, 2013; Krammer, 2017; Sabuncu, 2017). Sub-Saharan African government officials play a crucial role in influencing operations of invoice factoring companies (Krammer, 2017; Sabuncu, 2017). All three participants maintained that SME owners with connections in government found it easier to gain access to invoice factoring funding. P-1 & P-2 advised government officials to desist from politics when dealing with planning and implementation of strategies to help SME owners gain access to funding. P-1 & P-3 criticized some government officials for engaging in politics when it comes to qualifying SME owners for invoice factoring. P-1 & P-3 advised government authorities and financial institutions to set up rules and regulations to protect SME owners from being denied access to invoice factoring services due to political affiliations.

Support from government officials. If sub-Saharan Africa is to experience growth, government officials in this part of the world ought to play a crucial role in promoting invoice factoring activities (Beck, 2015; Krammer, 2017). P-1 & P-2 noted that the Kenyan government had started helping SME owners to gain access to invoice factoring financing. P-1 explained,

> The Kenyan government is moving in the right direction toward supporting SME owners to gain access to invoice factoring financing. The Kenyan government has started offering invoice factoring services through the central bank. However, in Kenya, concerned parties refer to invoice factoring as *invoice discounting, accounts receivable financing, factoring,* and *supply chain financing.* Government officials need to set up a structured legal environment to protect SME owners and invoice factoring companies.

Applications to Professional Practice

The purpose of this qualitative multiple case study was to explore strategies that

SME owners use to access and obtain invoice factoring financing to fund their businesses. Small and medium-sized enterprises (SMEs), which dominate the sub-Saharan private sector, face challenges, and a lack of access to funding is one hindrance (Osei-Assibey & Adu, 2015). The availability of bank finance to sub-Saharan SME owners is crucial for company growth; yet, SME owners are commonly more financially constrained and experience financial difficulties (Boso et al., 2017). Therefore, there is a need to explore strategies to help SME owners to access financing to fund their businesses.

I found support for the pecking order and credit rationing theory. I found that even with invoice factoring, SME owners, who are key economic agents, have limited internal and external financing sources and are credit rationed. Given the strategic importance of SME owners to any economy, especially developing economies, these findings are important to the professional practice of business. The findings enlist action from government officials to design strategies that can help owners to access funding through invoice factoring.

My findings are of significance to professional business practice as they provide SME owners with feasible strategies that they can utilize to access and obtain invoice factoring financing to fund their businesses. Key strategies to access and obtain funding include: proper records, effective good relationships with customers who have good credit, and connections to government officials. Ghasia et al., 2017) also noted SME owners who have proper records could use them as collateral when applying for invoice factoring funding. Additional support for my findings comes from the study by Hugos

(2018) who noted that SME owners who have customers with good credit could use it as an asset when applying for funding. SME owners can use their affiliations with government officials for the benefit of their businesses (Abdulsaleh & Worthington, 2013). All three participants noted that connections to government officials was key to gaining access to invoice funds fast. My study findings suggest that there are huge prospects for invoice factoring as a financing instrument for SME owners in sub-Saharan Africa. I made recommendations for creating awareness about the potential benefits of invoice factoring in addressing sub-Saharan SME owner needs.

Implications for Social Change

There is an emerging business problem related to SME owners' inability to obtain finance to fund their businesses. According to Boso et al. (2017), SME owners create jobs, but they do not have adequate access to capital. Invoice factoring is an alternative funding model that enables SME owners to acquire finance without additional borrowing (Çela & Bani, 2015). Therefore, understanding strategies needed to access and obtain invoice factoring funding is important to SME owners.

Keeping proper business records may enable SME owners to obtain invoice factoring funds easily. Business records are important in providing recorded information to invoice factoring company officials during the verification of an application for funding (Çela & Bani, 2015). Ghasia et al. (2017) noted that there was a direct link between record keeping and access to funding. Ghasia et al. advised SME owners to manage business records because this was an important strategy for obtaining invoice factoring funding. When SME owners start to implement proper record keeping, they can identify the strengths and weaknesses in their businesses, leading to smooth business operations.

The findings from this study may lead to the creation of more job opportunities, hence leading to a reduction in the high unemployment levels in Kenya. Quartey et al. (2017) maintained that meaningful employment of a country's citizens led to increased household incomes, improved overall quality of life and a community's socio economic status, hence leading to economic growth. Therefore, increasing access to invoice factoring funding not only benefits the SME owners' livelihood but the community and the region as well.

Recommendations for Action

The purpose of this qualitative multiple case study was to explore strategies that SME owners use to access and obtain invoice factoring financing to fund their businesses. The three major themes from this study led to some recommendations for action. SME owners, the IFG, FCI, and financial institutions are in the best positions to apply the recommendations that follow for the success of SME owners in sub-Saharan Africa. Included in the recommendations for action are the suggested strategies required to access and obtain invoice factoring funding. Among the strategies is proper record keeping.

A first recommendation is for the SME owners to keep proper financial records. Advisement to SME owners in sub-Saharan Africa is to educate themselves on proper record keeping. Invoice factoring company officials analyze SME company records when making decisions about funding allocation. Proper record keeping is a major determinant for eligibility to accessing and obtaining invoice factoring funding (Block et al., 2018; Eva & Eva, 2015; Sabuncu, 2017). Keeping extensive, detailed records of all elements relating to the business eases accessibility to invoice funds and is key to accessing invoice factoring funding. The record keeping education of SME owners should be the responsibility of invoice factoring company officials. Sub-Saharan government financial officials in various companies should pay attention to the results so they can understand and intelligently sensitize SME owners about proper record keeping. Proper record keeping will ease the financing process for SME owners.

Effective good third-party business relationships is important. Campello and Gao (2017) advised SME owners to forge long-term relationships with customers who have good credit. Sharing helpful resources and best practices with their customers is a good way to build trust and strong support networks. In turn, the customers can stick with the SME owners and help them to sustain their businesses. However, Quartey et al. (2017) pointed out that it was rare to find good credit customers in sub-Saharan Africa. Quartey et al. advised SME owners to work with their clients, to help them build good credit which will make it easier for their invoices to gain approval from invoice factoring company officials.

The final recommendation is for SME owners to connect with government officials. Governments in all emerging economies, including sub-Saharan Africa, are important institutional and economic actors because they control considerable resources such as finance and information (Maksimov, Wang, & Luo, 2017). Sub-Saharan business owners with government connections benefit from fewer bureaucratic delays and gain favorable access to sometimes unpublished and accurate information (Yim, Lu, & Choi, 2017). Maksimov et al. (2017) advised SME owners to take advantage of government officials, to lower regulatory burdens and to gain preferential treatment when applying for funding. Important information could enable SME owners to gain access to invoice factoring companies to seize funding opportunities.

Officials from invoice factoring companies, financial institutions, and factoring associations should engage in active measures to educate SME owners about the strategies that they can use to access and obtain invoice factoring funds. Invoice factoring company officials should pay attention to the results of this study because they can benefit from understanding SME owners approach toward accessing and obtaining invoice factoring services. Invoice factoring company officials need to offer more education and insights into the eligibility requirements that they need when qualifying an SME for invoice factoring funding. Education concerning invoice factoring funding requirements will help SME owners and future SME owners to access and obtain invoice funding with ease. Financial officials, sub-Saharan government officials, business schools, can organize talk shows, workshops and seminars, and training programs to educate SME owners about the strategies that they can use to access and obtain invoice factoring funding. SME owners should pay attention to the qualifications necessary to access and obtain invoice factoring to finance their businesses.

I intend to disseminate the recommendations through conferences, seminars, journal publications, and online business forums. Bank officials need to establish in-house factoring units and joint ventures with independent invoice factoring companies to utilize the huge business opportunity that factoring can offer to the sub-Saharan African markets. Bank officials should start providing invoice factoring and educating SME owners about strategies that they can utilize to access and obtain invoice financing.

Recommendations for Further Study

The purpose of this qualitative multiple case study was to explore strategies that SME owners use to access and obtain invoice factoring financing to fund their businesses. I recommend further studies into specific industries in sub-Saharan Africa where invoice factoring services could be applicable as a trade instrument. Researchers who use qualitative, quantitative, or mixed methods could further fill information, knowledge, and research gaps. There is a need to examine the factors that have slowed the use of invoice factoring as a trade instrument. Other researchers could study the identification of specific benefits of invoice factoring financing over traditional forms of financing, invoice factoring regulation and legislation, invoice factoring marketing strategies, pricing models, risk control, and management in invoice factoring financing.

Reflections

My experience as an SME owner in sub-Saharan Africa provided me with the knowledge and confidence to finalize the planned research. Through years of experience as a small business owner, I discovered that although invoice factoring services were available to provide funds to entrepreneurs, some SME owners were unable to access them. The experience also made me familiar with the financing challenges of sub-

Saharan African SMEs. The credit rationing theory and pecking order theory that supports this study accurately describe the funding predicament sub-Saharan African SMEs face. Invoice factoring is a well-established form of SME financing in developed and emerging economies and could supply funds to SME owners in sub-Saharan Africa in a short time and with minimal requirements (Goh, 2017; Groeneveld et al., 2015). To build a knowledge base, about this interesting fact, I attended a 2-month seller selection and control certificate course, offered by FCI and IFG. I anxiously awaited approval of my proposal so I could start interviewing SME owners in sub-Saharan Africa who had accessed and obtained invoice factoring funding.

I conclude this study with a strong belief that SME owners in sub-Saharan Africa who have been denied credit through traditional forms of funding can access and obtain invoice factoring funds with ease. I hope the recommendations of this study will be acted on by the identified parties. I also hope there will be an increase in the utilization of invoice factoring services among various industries in sub-Saharan Africa. I believe that the condition of the sub-Saharan African economy will improve because of SME owners who have accessed and obtained invoice factoring funding changing positively. When I completed the analysis of the data, I gained a different perspective on the study as well as a clear way forward for future research. This study did not show any bias during the data collection process. The doctoral study results did not reveal any biased ideas or values toward the participants or the study topic.

Conclusion

The purpose of this qualitative multiple case study was to explore strategies that

SME owners use to access and obtain invoice factoring financing to fund their businesses. In my study, I used data from organizational documents and semistructured interviews with three SME owners' views on the strategies they use to access of invoice factoring to fund their businesses. The study data were determined to reach saturation when the data became exhaustive and repetitive yielding no additional information. Three themes emerged from the analysis of the coded data that I could link back to the literature, as well as the pecking order theory and capital rationing theory. The findings from the study suggest that SME owner eligibility for funding depended on the maintenance of proper financial records, customers with good credit, and connections with government officials had a significant effect an SME owners' ability to access invoice factoring funding to finance their businesses. This doctoral study provides a foundation for future research and exploration of specific industries in sub-Saharan Africa where invoice factoring services could be applicable as a trade instrument. This study may help SME owners to acquire the necessary strategies to obtain financing to fund their businesses.

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Appendix A: Interview Protocol

Interview Protocol

What you will do	What you will say—script
Introduce the interview and set the stage	Script: I am conducting an academic study about invoice factoring and SMEs in Sub-Saharan Africa. I think your input could be helpful. Would you like to participate in my study?
• Watch for non-verbal queues • Paraphrase as needed • Ask follow-up probing questions to get more in-depth	1. Interview question: What strategies did you use to gain access to invoice factoring companies? 2. Interview question: What strategies did you employ to obtain invoice factoring financing for your business? 3. Interview question: What techniques did you employ to access invoice factoring funding? 4. Interview question: What skill-sets did you use to be successful in obtaining invoice factoring funding? 5. Interview question: What principal factors contributed to you successfully obtaining invoice factoring funding? 6. Interview question: What challenges have you encountered gaining approval from invoice factoring suppliers? 7. Interview question: What other additional information about invoice factoring would you like to add that I did not ask? 8. Interview question: How did you overcome barriers when you first attempted to implement invoice factoring as a financing option for your business transactions?
Wrap up interview	Script: Thank you for your time today.
Schedule follow-up member checking	Script: You should hear back from me soon to schedule a follow-up discussion.

Introduce follow-up interview and set the stage	Script: I would like to have some more time with you to share some feedback with you.
Share a copy of the findings with the interviewee 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.	Script: I am going to go over some questions with you. 1. Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed 2. Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed 3. Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed 4. Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed 5. Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed
Walk through each question, read the interpretation and ask: Did I miss anything? Or, What would you like to add?	6. Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed 7. Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed 8. Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed

Appendix B: NIH Certificate

Certificate of Completion

The National Institutes of Health (NIH) Office of Extramural Research certifies that **Winniefred Nabawanda** successfully completed the NIH Web-based training course "Protecting Human Research Participants".

Date of completion: 10/19/2017.

Certification Number: 2537746.