

2019

Strategies to Obtain Loans for Black-Owned Small Businesses

Trenessa Baker
Walden University

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Walden University

College of Management and Technology

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Trenessa Baker

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Walden University
2019

Abstract

Strategies to Obtain Loans for Black-Owned Small Businesses

by

Trenessa Baker

MBA, American InterContinental University, 2012

BS, Full Sail University, 2011

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

October 2019

Abstract

Less than 30% of Black business owners successfully obtain small business loans to sustain their businesses longer than 5 years when compared to evidence that shows that more than 65% of White small business owners obtain small business loans to sustain their businesses longer than 5 years. The purpose of this multiple case study was to explore the experiences of 3 Black owners of small businesses who successfully obtained small business loans and maintained operations longer than 5 years in the Research Triangle Park area of North Carolina. The conceptual framework for this study was systems theory and contingency theory. The data collection process consisted of conducting face-to-face semistructured interviews with open-ended questions and a review of documents associated with the small business owners' attempts to remain in business longer than 5 years. Data were analyzed using the modified van Kaam method, transcribing the interview recordings, and coding the data to identify relevant themes. Two primary themes emerged regarding successful strategies for obtaining small business loans: create an effective business plan, and research and prepare for the process of procuring a loan. The implications of this study for positive social change include the potential to provide Black owners of small businesses with strategies for obtaining small business loans and achieving sustainability of operations. Business success for Black owners of small businesses might contribute to the economic prosperity of the local communities.

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Dedication

At 26, I faced the biggest mountain in my life: Academically, Personally and Professionally. I had no choice but define my mountain, climb to the top of it and defend it. Now I put that perseverance to work in all that I do. I no longer have to climb any mountains... But I do have to move them. 2014! Will forever be one of the most notable parts of my life from first time mom to starting my doctoral journey now looking back I am so glad that I had the courage and faith Koriana although you will not remember the compromises and sacrifices made along the way one day you will understand.

With the right partner, you can achieve anything. With all my love and affection, I give thanks to my life partner, Nicholas, from day one who understood my sacrifice for our family. Your support has been never-ending as you traveled with me and continuously supported me throughout my academic career. You have given me the courage to be all that I can be!

Mama you are my greatest instructor; you are a teacher of love and valor for all that I have ever been and to become. I thank the highest power for healing as you continue to rebuild yourself keep stepping! For my brother Travis (Grandparents) Thomas and Myrtle Baker remembering, the good times see you "later" where you are waiting for us in the beauty of God that is yet to be.

In the memory of Ermias "Nipsey Hussle" Asghedom (1985- 2019) more than music: Businessman philanthropist dedicated to the initiatives of Black wealth, re-investing in and supporting black businesses and communities. The marathon continues. . .

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Education is a powerful tool that can help develop the world break down barriers and lift every voice. Ms. Sciole you are truly the design of God and a beacon of light; by fulfilling your own mission, we too are able to fulfill our missions.

I honor my mother and father to my sisters Gabby, Vera, and Angel thanks for all the life talks and helping me recognize my best qualities, while still trying to discover yours all my sister-friends: Clarissa, Jasmine, Jasmine Lynn, Latorius, and special cousin Zanita. To all the women I have not called by name who throughout my life have made great contributions to the joy in my life woven through your embroideries and steadfast love I acknowledge you all in unity.

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Section 1: Foundation of the Study

The focus of this doctoral study was to document the experiences of Black small business owners who had successful strategies for obtaining capital (see Shelton & Minniti, 2018). Research indicated Black small business owners lack successful strategies to obtain small business loans (SB loans; Bates, Bradford, & Seamans, 2018). A gap exists in the literature surrounding reasons Black small businesses have reduced access to capital, credit, and SB loans. The theoretical foundation for the study was systems theory and contingency theory (Miner, 2015; von Bertalanffy, 1968). First, I present the background of this study. Then, I address the need for the study, the purpose of the study, an overview of the research design, research questions, interview questions, a review of the conceptual framework, a definition of terms, assumptions, limitations, and delimitations, the significance of the study, and a review of the professional and academic literature.

Background of the Problem

The origins of Black small business ownership in the United States date back to African American slavery in the 1660s, at a time when African Americans took advantage of opportunities to initiate businesses and engage in the world of commercial enterprise. In the pre-Civil War South, as well as during the Civil War, Black small businesses were rare, and many struggled to survive in an unfriendly environment where White business ownership was highly preferred to the majority of landowners. According to Reuben and Queen (2015), Free Frank, a slave born in 1777, lived in time in which he had the opportunity to earn money. Free Frank engaged in a number of agreements with

his owner, including the stipulation that when was loaned out to other individuals any money earned would become Frank's personal property (Reuben & Queen, 2015).

Through these agreements, Frank was able to save enough money to buy himself and his family out of slavery (Reuben & Queen, 2015). This development marked a legal starting off point for all enslaved African Americans in asserting their rights, freedom, and ability to take part in commercial enterprise.

In the postcolonial age, both freed Blacks and slaves actively engaged in an assortment of entrepreneurial and commercial activities with Black and White customers (Walker, 2016). According to Walker (2016), Black businesses shifted substantially during the post-Civil War period by moving from slavery into small enterprises that primarily catered to Black customers. Prolonged racial segregation has entrenched this trend, which continues in 2018, an era well beyond slavery. To compensate for well-established lines of segregation, Black-owned organizations mainly operate in geographical locations high in minority populations (Walker, 2016).

Segregated business practices have resulted in a lack of stability for Black-owned businesses, the cornerstone of Black communities across the United States, a process that continued throughout much of the 20th century (Feldman, 2017). According to Bates, Bradford, and Seamans (2018), access to financial resources is one of the most significant small business issues within the United States. Limited, reduced, or non-existent access to sufficient capital can be crippling for entrepreneurs, especially Black small business owners' access to capital (Bates et al., 2018). After controlling for factors such as personal wealth, credit history, and credit score, African Americans had the highest

denial rates for credit in comparison to White business owners (Bates et al., 2018). Bates et al. also reported that African Americans were more likely to pay higher interest rates on loans in comparison to White small business owners.

Cooper, Blount, and Ogilvie (2015) revealed that both external and internal factors play a significant role in the minority experience of trying to secure capital for business endeavors. Some of the external factors include historical and statistical discrimination, cultural resistance, and stereotyping (Bates et al., 2018; Bone et al., 2019). Within the time frame of this doctoral study, a number of small, Black owned businesses lacked the capital and strategies to survive longer than 5 years (Henderson, Herring, Horton, & Thomas, 2015). In this study, I explored strategies that Black small business owners can use to obtain SB loans and survive beyond 5 years.

Problem Statement

Many Black-owned small businesses lack capital and strategies to survive longer than 5 years (Shelton & Minniti, 2018). Less than 30% of Black business owners successfully obtain SB loans and sustain their businesses beyond 5 years, compared to more than 65% of White small business owners (Bates et al., 2018). Nonminority business owners obtain 35% more SB loans, compared to minority owned and operated business, despite the similarities found in their respective small businesses (Shelton & Minniti, 2018). The general business problem is that there is a disproportionate failure rate of Black small business owners seeking SB loans, which results in a lack of business sustainability. The specific business problem is that some Black small business owners lack successful strategies to obtain SB loans.

Purpose Statement

The purpose of this qualitative multiple case study was to explore successful strategies Black small business owners use to obtain SB loans. Three participants who successfully obtained SB loans and sustained their businesses for at least 5 years participated in the study. The results of the proposed study in the Research Triangle Park (RTP) area of North Carolina can provide Black small business owners new strategies for achieving business success. The implication for social change is the overall contribution to the economic prosperity of the local communities' economies.

Nature of the Study

A qualitative research method was applicable to this study because researchers use this method to explore phenomenon in depth (De Massis & Kotlar, 2014). Bates and Robb (2015) stressed that qualitative studies use a method that allows for flexible data gathering, and align with a study's research questions, to grant a holistic understanding of the subject phenomenon. Alternately, quantitative methods of research confirm or negate a hypothesis using statistics (De Massis & Kotlar, 2014). The objective of a quantitative approach is to examine the relationships or differences among variables to test a hypothesis with statistical assumptions (Stake, 2013). When researchers use a quantitative design, they are unable to offer the same type of rich information needed to address certain research problems (Ritchie, Lewis, Nicholls, & Ormston, 2013). Using a mixed-method approach requires combining qualitative and quantitative techniques in a single study (Stake, 2013). Specific to the purpose of this study, limitations on time and resources make a mixed research method less suitable for this study. Furthermore, use of

the quantitative method only did not align with the purpose of this study and was not appropriate to explore the successful strategies Black small business owners use to obtain SB loans.

A multiple case study design was most appropriate for use in this study to learn about the successful experiences of individual Black small business owners. Using a multiple case study design is more appropriate than using phenomenology or ethnography in many cases (Stake, 2013). Phenomenology is useful for exploring the meanings of participants' lived experiences (Spradley, 2016). Ethnographers explore the beliefs, customs, behaviors, or social traditions of a group (Ritchie et al., 2013). Because the purpose of the study did not include the need to understand the meanings of participants' lived experiences, nor the behaviors and customs of a specific group, phenomenology and ethnography were inappropriate designs to use in this study. Researchers use multiple case studies to engage in a deeper analysis of a phenomenon from a wider standpoint than other more narrowly focused study designs. The use of a multiple case study design is appropriate for studying complex topics and enables researchers to collect different types of data to build a complete understanding of a phenomenon (Yin, 2018). Exploring various questions and gathering data was consistent with observing which strategies Black small business owners use to obtain SB loans.

Research Question

The primary research question was: What successful strategies do Black small business owners use to obtain SB loans?

Interview Questions

1. What was your experience obtaining a small business loan (SB loan)?
2. What obstacles have you had to overcome to obtain an SB loan?
3. How have you addressed the obstacles to obtaining an SB loan?
4. What successful strategies did you use to obtain an SB loan?
5. What recommendations would you give Black small business owners pursuing an SB loan in the RTP area of North Carolina?
6. What additional information can you add that is relevant to this study?

Conceptual Framework

Systems theory and contingency theory were the conceptual frameworks for my study. Systems theory provided an analytical framework for viewing an organization as a system in which all parts contributed to the functioning of the whole set within a larger social context (Jenson, Leith, Doyle, West, & Miles, 2016). Researchers use systems theory to explain the interdependence of the personnel and the organizational to function as one (Jenson et al., 2016). Contingency theory allows for the exploration of different situations, within a business environment, that can create differing needs and responses to increase the viability of each unique business (Miner, 2015). Used together, systems theory and contingency theory approach the idea of business success or failure as a contingent on the larger system within which businesses operate as well as within the context of unique business circumstances.

The term systems theory first came into use through the work of biologist von Bertalanffy in the 1930s (von Bertalanffy, 1968). Jenson et al. (2016) noted that systems

theory is useful for exploring the effects of an environment on an organization or system. Although originally a biological concept, researchers use systems theory to interpret and understand multiple types of systems. Business leaders experience influence by, and respond to, numerous external influences since businesses are systems (Akpolat, Soliman, & Schweitzer, 2013). The concept of systems theory for potential use in understanding the results of my study can provide a framework for understanding the successful strategies that Black small business owners used to obtain SB loans and sustain their businesses.

Contingency theory is also an influential organizational theory, suggesting that businesses either succeed or fail given the strategic choices made by business owners and managers (Minor, 2015). Contingency theory, which originated in organizational theory, has been utilized in information systems (IS) research for the past 25 years. This theory is based on two central findings. First, there is not one best way to organize or manage a firm. Second, each specific method a firm could choose to organize or manage is not equally effective (Galbraith, 1973). Contingency theory references situational and behavioral theories, in which theorists have postulated that no single method is best to organize, manage, and implement processes (Wadongo & Abdel-Kader, 2014). Because obtaining SB loans for Black small business owners can be a complex and difficult process, contingency theory provides a useful as a lens for assessing how to obtain an SB loan. Each business plan and experience of the borrower is unique. The flexibility of the contingency theory approach can be useful for analyzing all aspects of business (Minor, 2015).

Operational Definitions

The following terms are related to this study:

Capital: Capital is wealth in the form of assets, money, people, or any other form of wealth held by an individual or organization. Typically, this terminology relays information pertaining to starting or sustaining a business (Dilger, 2015).

Community Reinvestment Act (CRA): The CRA was founded in 1977 to assist minorities living in residential areas who typically experienced exclusion (Bates & Robb, 2015).

Contingency theory: Contingency theory is based on the research of Lawrence and Lorsch and is used to explain how organizational structures contrast in reference to the choices made by leaders of an organizations (Moon, 2016).

SB loans: SB loans are long-term loans guaranteed by the government allowing SB lenders to offer loans with low-interest rates to small business owners who might not meet the requirements for a typical bank loan (Bates et al., 2018).

Systems theory: Systems theory is the study of how the organization of occurrences takes place to better understand the structure of a phenomenon. This theory allows researchers to find commonalities within occurrences (Jenson et al., 2016).

Assumptions, Limitations, and Delimitations

Assumptions

Assumptions are features in a study that are not within a researcher's control (Marshall & Rossman, 2015). In this study, an assumption existed that all the participants would be truthful, honest, and willing to share their experiences openly. Because it is the

researcher's responsibility to properly understand what participants, are sharing, I exercised as much active listening as possible. The anticipated themes revealed from the interviews aided me in appropriately answering the research question. Last, I endeavored to interpret the data effectively and explored and shared the data in a manner that readers can understand.

Limitations

Limitations are weaknesses related to decisions a researcher makes when conducting a study that make limitations more difficult to control (Marshall & Rossman, 2015). Consequently, participants may not have completely understood the purpose of the study or fully comprehended the interview questions. These possibilities may have impeded their capacity to share their thoughts about the topic with clarity. The objective was to appropriately interpret what the participants were intending to convey and I believe this occurred with little evidence that the participants were unfamiliar with the topic. One final limitation was the timeframe used to conduct the study. Studies with longer periods, and longitudinal studies, often accrue more data for interpretation (Babbie, 2015). Nevertheless, every effort was made to make the study as comprehensive as possible given the time allotted.

Delimitations

Delimitations are those aspects within a study which researchers can control (Marshall & Rossman, 2015). The sample population for this study included three Black small business owners in the RTP area of North Carolina, who obtained SB loans and successfully sustained their businesses beyond 5 years. The data was gathered from

interviews with Black small business owners, and should provide ample information to be able to generalize to other Black small business owners seeking SB loans.

Significance of the Study

The significance of the study was to identify strategies Black small businesses can use to obtain SB loans and sustain their businesses beyond 5 years. The study fills a gap in the literature and supports the development of knowledge associated with Black small business success. Understanding strategies for Black small business owners could contribute to sustainable business solutions and positive social outcomes through identifying challenges and providing solutions.

The findings from this study are potentially significant to aid Black small business owners to obtain SB loans and sustain their businesses beyond 5 years. Insights identified from participants' experiences with effective strategies for obtaining SB loans could increase success for new or struggling Black small business owners. Knowing how other Black small business owners have addressed the challenge of accessing credit can identify potential avenues for building and sustaining Black small businesses. This study's conclusions and recommendations may serve to benefit Black small business owners in obtaining SB loans for providing the financial resources necessary to achieve business success.

Contribution to Business Practices

The findings from this study may provide Black small business owners the ability to build a successful small business. The findings from this proposed study also have the potential to contribute to business practices by influencing how Black business owners

obtain SB loans (Bates & Robb, 2015). Exposure to this study could change how using effective strategies to increase the success rates for SB loans' approvals for existing or aspiring Black small business owners.

Implications for Social Change

The ability for Black small business owners to obtain SB loans and use strategies that create small business success has positive socioeconomic implications (Newberger, 2018). Exploring Black small business owners' successful strategies to obtain SB loans, and succeed beyond the 5-year mark, could increase the number of stable and successful small businesses (Jensen et al., 2016). Growing and sustaining small businesses in the urban communities of the RTP area of North Carolina could increase the personal incomes of Black business owners, serve to mitigate unemployment, reduce crime, and benefit families.

A Review of the Professional and Academic Literature

To explore the strategies Black small business owners use to obtain SB loans, a review of the literature was needed. Literature reviews create context and help readers understand the nature of the phenomenon under study (O'Reilly & Parker, 2013). Investigating strategies to promote successful business approaches in prior research anchored this study and allowed for discussion on the types of strategies useful for addressing Black small business owners pursuing SB loans for business success.

Organization of the Literature Review

Portions of the literature review serve as an introduction to theories used to explain small business success and concepts, such as access to capital and leadership,

contribute to this study. Given the focus of exploring what successful strategies Black small business owners used to obtain SB loans, an overview of the existing and current business theories helped me extend my understanding of the topic. First, I include information on the development of two business theories: systems theory and contingency theory. Then I provide an exploration of the history of Black small business ownership, including how Black small business owners have previously accessed capital, credit, and SB loans. Last, I explored recent literature on strategies for obtaining SB loans to ensure business success for Black small business owners. The following areas related to the study's problem statement inform this review: (a) theory and small business, (b) history of Black small business ownership, (c) access to capital, credit, and SB loans, (d) factors that have influenced small business success, and (e) strategies for obtaining SB loans.

Search Strategy

A review of journal articles, dissertations, and other material from the Walden University Library provided resources for the literature review. Business, entrepreneurial, management, and human resource database categories contributed the appropriate materials. Specific databases included Academic Search Elite, EBSCOhost, Google Scholar, ProQuest, and SAGE Publications. The search criteria included the subsequent words and terms: *access to capital*, *access to credit*, *Black-owned businesses*, *business theories*, *contingency theory*, *leadership strategies*, *obtaining loans*, *SB loans*, *small businesses*, and *strategies for obtaining SB loans*. The references content of the study is

below in Table 1 and consists of 87 references. Out of the 87, 78 were published within the last 5 years at 90% and 81 (93%) were peer reviewed.

Table 1

References Content

Reference Type	<5 Years	>5 Years
Peer-Reviewed	74	7
Not Peer-Reviewed	4	2
Total	78	9

Theory and Small Businesses

Systems theory and contingency theory were the frameworks used in this study through which Black small business owners may learn new strategies to obtain SB loans and sustain their businesses. The term systems theory was first introduced through the work of biologist von Bertalanffy (1968) who emphasized the effects of an environment on organizations or systems (Jensen et al., 2015). Systems theory is a theoretical perspective that analyzes a phenomenon rather than just the sum of its elements. The theory looks closely at the interactions and relationships between each part of the system and posits that the functioning of a single autonomous element changes when the element interacts with other elements. Where business management is concerned, Chikere and Nwoka (2015) proposed that systems theory or systems can be defined as independent, different, and interrelated elements working together to reach a (commonly shared) objective. Businesses are typically comprised of various departments within which

individuals and groups operate. While each department carries out its part of the work independently, the interaction and fruition of the combined efforts and actions of each department is what turns the organizations vision into reality. Chikere and Nwoka added that systems theory can also be used to identify and understand the nature of internal subsystems which are typically numerous and part of the organizational management system. The authors posited that the degree to which these subsystems are aligned with one another dictates the organizational outcomes. Subsystems become progressively more complex as businesses expand, demanding an increased need for coordination between subsystems to take inputs and transform them into outputs (Chikere & Nwoka, 2015).

One specific type of system theory, often applied to the operations of businesses, is open systems theory. Open system theory considers the relationships between businesses and the environments within which they operate. Part of the focus of open system theory also considers businesses' capacity to adapt to changing environmental conditions (Polese, Mele, & Gummesson, 2014). Von Schlippe and Frank (2013) proposed a second type of systems theory, noting that more modern system theories such as social system theory are valuable because they are useful for specifically describing how businesses function. According to the authors, social system theory shifts the way in which we view people within a system. For example, as opposed to viewing individuals as the elements within the system, social systems theory posited that the system 'is' not made up of elements (people), but rather consists of processes, communications,

relationships, connections between communications, and the basic structural expectations that contribute to generating viable patterns (Von Schlippe & Frank, 2013).

Alter (2013) provided data on yet another type of systems theory through which a business functions. Alter suggested that through using work systems theory (WST), typically unseen connections between managerial and technical perspectives on business process management become apparent. Another defining characteristic of WST is its description of the business process within the structure of the organization. According to the theory, the business process is but one of a number of work system elements which are found within the organization. Other elements of the system include participants, technology, products and services, customers, environment, and strategies, all of which are part of a life cycle that evolves as planned and unforeseen changes take place.

Contingency theory is an organizational theory, which proposes that there is no single or most effective manner in which to organize an organization, lead a business, or make daily decisions (Wadongo & Abdel-Kader, 2014). Wadongo and Abdel-Kader proposed that rather, the ideal course of action is contingent upon internal and external realities. The authors suggested many contingency factors that business owners must address and attempt to manage effectively. Elements include organizational effectiveness and structure, leadership, size, funding, competition, access to resources, and environmental dynamism. According to Miner (2015), contingency theory involves the notion that a business' success or failure is in large part the result of varying strategic choices made by owners and managers and contingency theory aids to understand all aspects of business. Shin and Park (2013) wrote of the importance of using a contingency

theoretical approach to examine and identify factors that influence the relationship between CEO orientation and business performance.

Shin and Park (2013) claimed that business owners and managers can encapsulate the nature of organization behavior with contingency theory and suggested use of the theory to understand contingent elements that affect the function and design of an organization. Jaskiewicz, Combs, and Rau (2015) also stated that contingency theories contribute to conceptualizing the degree of fit between two or more contingent elements that drive organizational outcomes. Contingency theory speaks to the effects an organization's size has on the practices of operations management, total quality management, and lean and business process re-engineering (Taylor & Taylor, 2013).

Systems and contingency theory, and according to Walizer (2014), the effective use of organizational change theory, is useful in empowering the startup and successful maintenance of Black-owned small businesses. To gain a clear understanding of the use of organizational changes potential application, Walizer proposed that an appropriate definition of organizational change theory relates to the capacity to impact and shift daily functions to achieve a business's goals relating to services and products. Walizer's interpretation of the theory also permits reflection on the influence of leadership, as the need exists to challenge resistance to change and manage internal conflicts to ensure that organizational shifts are sustaining. Taking the use of organization change theory a step further regarding its applications for Black small business owners, Walizer (2014) found that when using the theory, leaders could make innovative decisions to increase their competitiveness in the business market. The author found a correlation between Black

entrepreneurs' perceptions of organizational change and the capacity to garner capital funding. By using systems, contingency, and organizational change theory, Black small business owners may gain fresh perspectives on how to manage their financial systems and further develop their capacity to obtain SB loans.

History of Black Small Business Ownership

A literature review of Black small business ownership history provided a rich account of both trials and successes. I present this review in three parts. First, I discuss an examination of the portrayal of Black small business ownership history, which includes an historic account that spans from the days of African American slavery until the present. Then I offer data that depicts possible futures for Black small business entrepreneurs.

Enunwa (2012) suggested that historic accounts of Black small business ownership reveal misrepresentations of Black entrepreneurship. Enunwa posited that both misleading premises and unproven theoretical constructs have led to a faulty vision of African American entrepreneurship in the United States. More specifically, Enunwa claimed that theories depict African American businesspersons as failures, lacking a tradition of entrepreneurship. Enunwa posited that historic accounts fail to recognize the contributions Blacks have made and give too little importance to their contributions and successes transpired despite significant obstacles. Bean (2015) provided an invaluable amount of pertinent data to this literature review and provided a final example of historic distortions of Black small business ownership. Bean asserted that historic accounts often

emphasize the economic contributions of important White figures, such as Andrew Carnegie and Henry Ford, rather than the contributions of Black entrepreneurs.

The history of Black small business ownership holds its origins in the days of African American slavery in the United States. As an account of such origins, Bean (2015) depicted the life of “Free Frank.” Born as a slave in 1777, and while still under the grips of slavery in 1810, Frank began to institute changes which favored his position. Through gaining a managerial position at one of his owner’s farms, Frank pressed for and received permission to pay an annual sum to his owner in exchange for the opportunity to provide work services to additional White plantation owners. The agreement included the stipulation that monies earned through the provision of these services would become the personal “property” of Frank. This development marked a turning point for Frank and for all African Americans who were enslaved. By entering into the world of wage earning, Frank began selling a number of services and products, and eventually earned enough to buy both his and his wife’s freedom. Finally, Frank and his wife eventually, and with caution, moved to a Free State to continue as entrepreneurs. Frank’s activities (and earnings) then related mostly to freeing children and grandchildren through purchase agreements.

Sonfield (2016) adds further instrumental data regarding the shaping of the current reality of black business ownership. The author posited that the history of Black entrepreneurship dates back to the 1660s when African Americans consistently capitalized on opportunities to initiate businesses and partake in the world of commercial enterprise. Sonfield pointed to a historic pattern of Black’s creation of national wealth

and subsequent loss of such wealth, adding to their inability to escalate to heightened economic planes. This is supported by Fairlie's (2018) findings that racial and ethnic imbalance results in fewer MBEs and increased economic equality. Data from the work of Enunwa (2012) mirrored Sonfield's findings. The author reported that the 21st century African Americans' reluctance to participate in business ownership is the result of an extended history of marginality, exclusion, and discrimination. Enunwa added that other, equally destructive factors such as negative social conditions have also prevented Blacks from being able to successfully develop business culture and entrepreneurship within their own communities. Black capitalism opponent figures, attempted to depict Blacks as lacking necessary roles models, traditions, and most of all, business intelligence (Enunwa, 2012). Assumptions such as these highlight the degree to which African Americans experienced denial of the opportunity to create and build upon a cultural and social identity as willing participants in the business world (Enunwa, 2012).

Sonfield (2016) augmented understandings concerning Black small business history by writing of African American's active entrepreneurship dating back to the Colonial era, when Blacks first became business owners and managers. At this time, Black-owned small businesses were almost non-existent as most Black individuals were enslaved during this time (Gold, 2016). In the pre-Civil War south, as well as during the Civil War, Black small businesses were few and many struggled to survive in a non-welcoming environment where White business ownership was given precedence.

In the post-Civil War era, and as recounted by Walker, both freed Blacks and slaves actively participated in an array of entrepreneurial and commercial undertakings

with Black and White customers alike. According to Walker (2016), Black business shifted during the post-civil war period, moving into a subeconomy that mostly catered to only Black customers. This shift came about as the result of increased racial segregation. This reality continues to exist, and to compensate, Black-owned organizations primarily operate in minority geographical locations, where they rely on both Black and other minority customers. Sonfield (2016) used United States census data from 2012, to conclude that at the time of the census approximately only 2.6 million Black-owned businesses were operating in the United States, producing total estimated revenues of \$188 billion, much less than what non-Black small business are producing.

Regarding the future of Black small business, accounts of both positive and negative outlooks exist. The Association for Enterprise Opportunity (2016) posited that the spirit of entrepreneurship within the Black community continues to be robust and claims that Blacks' vision, desire, and commitment to economic independence parallels those of other minority and non-minority business owners. While the Association fully acknowledged barriers, which will potentially limit future growth of Black small businesses, it recognized an abundance of untapped potential, which African Americans' possess.

Concerning negative outlooks, Feldman (2017) wrote that Black-owned businesses, once the cornerstone of Black communities across the United States, are in a state of collapse that began more than thirty years ago. At the time of the publication of the article, and with the possibility of a Donald Trump's presidency, Feldman expressed a renewed state of urgency regarding issues connected to Black small business ownership.

Last, Gold and Oliver (2016) pointed to potentially negative influences that stem from a Republican-controlled congress. Consistent with Feldman, Gold and Oliver highlighted the possibility of worsening conditions under a Trump presidency, especially given the Republican Party's current control over congress and long-standing tradition of resisting labors taken to pursue race-based policies designed to support historically underprivileged communities. The current political climate in the United States will likely lead to the continued use of biased policy that has historically affected Black small businesses entrepreneurship (Mangum, 2019).

Access to Capital, Credit, and SB Loans

A literature review of data pertinent to access to capital for small businesses and more specifically, for minority and Black small business owners further enhanced our understanding of the need for effective loan-obtaining strategies. When addressing all small businesses' access to capital, Bates et al. (2018) stated that access to resources is a current and major policy issue in the United States. Bates et al. also added that a multitude of data exist, showing how limited access to sufficient capital can be crippling for entrepreneurs. The author found that a business' capacity to receive loans directly correlates with entrepreneurial startup activities. Through the use of data from the National Longitudinal Survey, Bates et al. also discovered that a new businessperson's startup assets had a significant effect on the capacity to start new businesses. Cole and Sokolyk (2018) confirmed Bates et al.'s findings and explained how small businesses' growth strongly correlates with successful attempts to access credit. According to Dilger (2016) from the Congressional Research Service, young, small firms that typically have

minimal credit history, often have significant difficulty in obtaining loans. Lenders, concerned with the risks germane with smaller businesses, often deny loans to entrepreneurs. Last, and posited by Dilger (2015) and Bone et al (2019), the economic crisis the United States faced in the early 21st century has presented small businesses with a stationary lending market, hampering the means to both survive and grow. Dilger added that despite disagreement among members of the United States Congress regarding factors that can potentially create jobs, improvements in credit markets are in evidence and the standards that regulate lending have moderated. The 111th, 112th, 113th, and 114th Congresses all enacted laws which augmented small business' access to capital.

When narrowing the focus to minorities' experiences in trying to secure capital for business ventures, Cooper et al. (2015) found that both external and internal factors play a significant role. External factors included historic and statistical discrimination, stereotyping, cultural resistance, and pattern bias. Internal or individual elements involved the absence of disengagement, growth focused exit strategies, not meeting minority-owned business requirements for certification, and negative views about institutional funding sources. Through data obtained from the Survey of Small Business Finances (SSBF), Bates et al. (2018) explained that minority business enterprises (MBEs) more likely experienced the denial of bank loans and paid higher interest rates on loans than White-owned companies did as seen in table 2 adapted from Bone, Christensen, and Williams (2014).

Table 2

Racial Differences in Loan Applicant Treatment by Bankers

	White Business Owners	Minority Business Owners
Information requested		
Income tax returns	50.0	82.8
Financial statements	52.4	86.2
Assistance offered		
Offered a business card	81.8	42.9
Help completing loan application	59.1	18.8

These SSBF findings provided further validation after implementing controls for differences in factors such as creditworthiness. In another report by Bates and Robb (2016), multiple studies found higher rates of loan rejections and a lack of small business financing within minority inner-city communities, as compared to White-owned firms with equal creditworthy status. The authors also found that in cases where MBEs were able to garner loans, they were consistently less than those received by White small business owners. Finally, Cooper et al. (2015) found in a survey about access to capital among MBEs that a major constraint associated with expansion, limited growth, and creation of wealth of minority-owned small businesses is their extremely restricted access to external capital. The restriction excludes minority-owned small businesses from traditionally public markets and from year-round businesses, which have a public purpose, and serve the unique needs of the community of which they are a part

(Bates & Robb, 2016; Bates et al., 2018). This reality forces these small business to depend much more heavily on banks than White-owned, medium and large-sized entrepreneurs.

Rosenberg (2015) and Mazzucato and Penna (2016) enhanced understandings concerning access to needed capital. According to Rosenberg, results of a survey released by Wells Fargo & Co., and as compared to non-minority small business owners, show that minority entrepreneurs struggled to obtain bank loans. Findings by Mazzucato and Penna mirrored those of Rosenberg, and highlighted the failure of the Community Development Financial Institutions Fund (a division of the United States' Treasury Department), to ensure equal access to \$3.5 billion made available through a New Markets Tax Credit. The dispersal of the tax credit to 76 lending institutions across the nation created an incentive for economic development in distraught communities. Despite the widespread distribution of the credit, Mazzucato and Penna discovered that none of the credit funds went to minority banks in the very "institutions with the longest track records of deploying capital in the most underserved communities in our country" (p. 1). Last, Mazzucato and Penna highlighted a 2009 tax credit disparity report issued by the General Accounting Office regarding that reported a further deterioration of conditions.

As with Rosenberg and Mazzucato, and Penna (2016), research conducted by Smith and Tolbert (2018) also evidenced unequal practices regarding minorities' access to capital. Bohdan, Tipton, Kefer, and Djatej (2014) reviewed a series of Federal Reserve Survey(s) of Small Business Finances and found numerous instances of lending discrimination against both women-owned and black-owned businesses. When compared

to their White counterparts, minority entrepreneurs applied less often for bank loans, and were less likely to receive them (Bone et al., 2019).

Finally, and in a last pertinent article, which substantiates the findings of the previously cited authors, Bates and Robb (2015) studied and reported on the history, and ongoing effects of the Community Reinvestment Act (CRA). Founded in 1977, the objective of the CRA was to assist minorities living in residential areas to receive lending opportunities from which they typically experienced exclusion. Despite the promise of the Act's agenda, the CRA faced significant opposition from bank regulatory agencies who opted to stand up and maintain regulations that more or less maintained the status quo. Following decades of use of these inefficient and unhelpful regulations, community activism and subsequent media attention finally led to some discriminatory lending practice improvements. Last, and despite such advances in the regulation of the CRA, Bates and Robb found that loan access deficits for minorities persisted. This reality led to a description of minority business owners as 'discouraged borrowers,' entrepreneurs who often did not apply for needed bank loans because of negative attitudes about being approved (Braggion, Dwarkasing, & Ongena, 2017).

Specifically concerning Black small business owners' access to capital gains, Bates et al. (2018) found that after controlling for numerous factors such as personal wealth, credit history, and credit score, and compared to all other minorities, African Americans had the highest denial rates for credit as compared to White business owners. Bates et al. also reported that African Americans' were more likely to pay higher interest rates on loans received, as compared to their White counterparts.

The work of Cole and Sokolyk (2016) substantiated the works of Bates et al. (2018) and others previously cited and significantly contributed to this literature review. The authors found significant differences in loan denial rates between firms owned by White males and those owned by minorities. Data taken from two distinct periods evidenced this phenomenon. In 1998, 41.6% of minorities were denied loans as opposed to 11.5% of White male business owners and in 2003, 37% of minorities were denied loans as opposed to 8.8% of White males. More specifically, Cole and Sokolyk (2016) found that of all the differing minorities researched, Black firms had the highest denial rates. For instance, whereas denial rates ranged from 16 % for White females to 22 percent for Hispanics, 66% of Blacks were “ineligible” to receive loans. Referring back to the period between 1998 and 2003, loan denial rates decreased for all minorities except Blacks who endured a 12.8 percent increase in loan refusals. Finally, the data stemming from Cole and Sokolyk (2016) was robust after controlled for factors such as variances in underwriting standards, nonlinear underwriting standards, and biases within the (loan) selection process.

As further evidence of the historic existence of significant barriers faced by Black small business entrepreneurs in their efforts to gain access to capital, two additional and separate works produced by Bates and Robb in 2015 concretized this notion. As compared to White-owned firms, the authors found increased denials of capital among Minority Business Enterprises (MBE) and scarcity of financing for small businesses within minority communities. Bates and Robb found that limited credit availability for minorities was the result of bank discrimination and that entrepreneur race correlated

with access to loans by the wealthy. Bates and Robb (2016) found that despite MBEs' dependence on bank loan capital as their primary source of financing, minorities paid higher interest rates (and loan-related costs), were rejected for loans more often, and obtained smaller amounts of capital than White businesspersons.

Other data produced by Rosenberg (2015) and Fairlie (2018) further augmented understandings of the challenges faced by Black-owned business owners. As a part of the previously cited Wells Fargo & Co. survey, and in focusing on data specific to Black small business owners, Rosenberg found that across all minorities, Blacks received the smallest numbers of needed bank loans. The author also reported that among a wide range of differing minorities, Blacks most commonly reported concerns about not sufficient capital and had the highest loan rejection rates.

Fairlie (2018) revealed that Black business owners were not able to capitalize on the federal small business lending rebound that took place following the financial crisis in 2007. The authors evidenced that in 2011, four years into the United States' economic comeback, Black entrepreneurs faced lending cutbacks, increased financial distress, and ever enlarged lending restrictions. For example, of the \$23.09 billion in total SBA loans made in fiscal year 2011, only 1.7% or \$382.5 million went to Black-owned businesses. Heightened loan application scrutiny, decreased access to smaller SBA loans, and compromised credit scores, stemming from diminished home values and the effects of the financial crisis were among the reasons provided by bankers and government officials to explain the disparity (Bone et al., 2019; Robb & Robinson, 2017).

Specifically concerning SBA loans, Fairlie (2018) highlighted a shift in the size of loans going to Black-owned business. Small loans which have historically been available to Black entrepreneurs have been in consistent decline, and lending institutions have explained the change as an effort to reduce the administrative load on their organizations; the banks claimed that the administrative tasks for both small and large loans was the same (Bone et al., 2019). This shift was particularly taxing for Black entrepreneurs given their history smaller amounts. Last, Fairlie (2018) reported a significant decline in the number of loans made by traditionally “Black-friendly” banks. Examples included the Bank of America Corporation, which went from providing \$40.2 million in loans to Black small business owners in 2007, to making only \$40.7 billion in loans to all borrowers in fiscal year 2013.

Finally, and concerning relationships between theory and access to capital, discrimination against Black small business owners has a negative effect on entrepreneurs who desire to startup and maintain a business. The daily decision-making processes germane to system, contingency and organizational change theories experiences limitations when funds are consistently insufficient. From a systems theory mindset, which posits that the functioning of the business, or system, is heavily dependent on interactions between different elements, insufficient capital is a detriment to the healthy operation of an organization (Ceric, 2015). In considering the adverse effects insufficient capital can have on a business within the paradigm of contingency theory, two opposing viewpoints are apparent.

While temporary financial deficiencies correlate with owner and manager growth in terms using contingency theory more effectively, long-term operation without sufficient capital links to business failure (Wadongo & Abdel-Kader, 2014). Last, and regarding the relationship between organizational change theory and access to capital by Black entrepreneurs, the works of Ramadani, Bexheti, Dana, and Ratten (2019) provided useful data. The authors found correlations between Black entrepreneurs' perceptions of organizational change and their capacity to remain competitive within their respective markets. Changed understandings (and applications) of the theory were shown to have varying positive and negative effects on the business owners' ability to build recourse capital.

Factors that Have Influenced Small Business Success

Previous sections of this literature review have briefly touched on factors that influenced Black small business success. The large majority of these elements pointed to discriminatory practices against African American entrepreneurs (Freeland & Keister, 2016). Prior to expanding on understandings of conditions that affect minority and black small business owners, an overview of factors affecting all small businesses in the United States warrants exploration.

DeYoung, Gron, Torna, and Winton (2015) examined the global financial crisis that wreaked havoc in the lives countless numbers of people, including small business owners, and illustrated the devastating affects the crisis had on both the United States small banking sector and entrepreneurs. According to the authors, approximately 6% thrift institutions and commercial banks collapsed between the years of 2007 and 2012.

Of the 478 institutions valued at one billion dollars or less at the time of the crisis, 411 of them collapsed. The predictable aftermath of this sweeping fiasco was a scene of failed businesses, interruptions, and reductions to capital loans, and in some cases, the complete loss of business owners' credit lines. To further exacerbate the already tumultuous environment, De Young et al. reported that small healthy banks, unaffected by the crisis, made decisions to limit the number of loans provided. The combined effect of these two phenomena on entrepreneurs' access to capital was crippling (Kerzner & Kerzner, 2017).

When considering factors that affect minorities' capacity to access necessary capital for business ventures, the work of Bewaji, Yang, and Han (2014) made a significant contribution to this literature review. The authors examined specific demographic elements that play a role in minority entrepreneurs' access to public financial institutions. Bewaji et al. found that certain demographic factors act as moderators that influence the relationship between typically marginalized businesspersons and access to needed financial resources. Such factors included immigrant status, education, age, prior industry experience, and prior business experience, and have also been noted by Javadian, Opie, and Parise (2018).

Regarding immigrant status Bewaji et al. (2014) found that non-citizens experience increased difficulty in entering the entrepreneurial realm because of barriers that diminish their capacity to secure funding sources. Specific elements that contribute to this reality include regulations or provisions used by banks that mandate that loans only service nationals. In other cases where entrepreneurs originate from countries with a history of weak institutional structures, difficulties exist in trying to adjust to both the

legal stipulations and established structures found in the United States (Bewaji, et al., 2014). Difficulty effectively assimilating into new industrial cultural correlates with significant challenges needed to comply with loan officer requirements.

In consideration of the relationship between varying levels of education and an entrepreneurs chances of obtaining a bank loan, Bewaji, et al. (2014) found that loan officer's perceptions are driven by the businessperson's educational history. Banks typically associate higher levels of education with a person's ability to manage successfully capital and to their level of intelligence (Javadian et al., 2018). According to Bewaji, et al., higher levels of education link both higher performance levels and entrepreneurial success. Education levels are instrumental, regardless of the businesspersons' county of origin. Bewaji et al. posited that loan officers often conceptualize the applicant's education level as an element, which offsets differences in the way the entrepreneur sounds or looks. The author added that higher educational levels also increase bank officers' perceptions of minorities as people who will be capable of successfully managing assets borrowed. Concerning age, Bewaji et al. (2014), found that banks are often hesitant to provide loans to businesspersons who appear to lack a certain maturity, an element often associated with age. Lending institutions often associate youth with risk. Intrinsically, banks tend to avoid the funding younger person's business ventures back on their apparent lack of needed experience (Javadian et al., 2018).

Loan officers consider yet another factor when deciding whether to provide capital to entrepreneurs. Bewaji et al. (2014) found that banks often apply an abundance of scrutiny concerning a minority's ability to perform successfully within their industrial

field. According to Bates et al. (2018), through possessing familiarity and expertise with both operational processes and particular markets germane to the industrial area in which the entrepreneurs plan to startup, minorities increase their probabilities of receiving capital funding (Bates et al., 2018). Previous experience within a particular industry augments the development of social networks and access to needed information, which can lead to co-signing and recommendations, both invaluable for securing necessary funding (Cole & Sokolyk, 2018).

A final demographic factor, which strongly correlated with minorities' successes in garnering bank loans, is prior entrepreneurial experience. According to Bewaji et al. (2014), previous experience correlates with the businessperson's understanding of setting up a business and to the ability to facilitate functionality in challenging circumstances. Bewaji et al. added that prior experience in establishing a new venture, as well as experience in knowing where to and where not to seek out funding, are instrumental in assisting minority entrepreneurs in overcoming typical hurdles faced.

An examination of pertinent data provided by Bewaji et al., (2014) shows that consistent with the large number of previously cited researchers, the authors acknowledged that despite the individual's mastery of the previously mentioned demographic factors, minority entrepreneurs more likely to experience the denial of bank loans as compared with their non-minority counterparts. The effects businesspersons' demographics have on their ability to carry out a successful business venture and other factors play a significant role in the entrepreneur's capacity to startup and maintain a small business. According to Barholomew (2015) and States News Service (2015,

2017b), changes made by the National Labor Relations Board (NLRB) negatively affected large numbers minority-owned franchises. In modifying the definition of joint employer for franchises, the NLRB severely hampered minority small business owners' capacity to create new jobs and grow their franchises. While the Department of Labor took a first step toward rescinding the change, franchise owners are still obliged to operate under the revised definition (States News Service, 2017a).

A second factor discovered by Walizer (2017) involved business owners' previously introduced conceptualization, and use of, organizational change theory. In a study that involved face-to-face interviews with 25 minority small business owners, Walizer found that the large majority of the participants lacked a comprehensive definition of organizational change. This phenomenon correlates with small business enterprise (SBE) leaders' inability to "leverage staff effectively and integrate "an appropriate process of organizational change" (p. 124). This inability to integrate organizational change appropriately results in staffing issues and concerns.

Aside from factors that stem from external institutional changes (i.e., the NLRB's change to the definition of joint employer) or those created through a lack of needed education, wealth gaps, and discrimination also have adverse effects on minority entrepreneurs. Concerning wealth gaps, and as reported by the United States Senate (2013), historic gaps in wealth relate to minorities' difficulties in starting, maintaining, and expanding their small businesses. The Senate highlighted that both wealth gaps and lending inequalities hamper minorities' entrepreneurial efforts. In 2010, 38.8% of Hispanics and African Americans chose not to apply for SB loans as compared to 15.2%

of their White counterparts. In part, the Senate framed this significant disparity as the result of negative minority attitudes associated with historically higher bank loan rejection rates. The agency also illustrated that this phenomenon had an adverse effect on minority entrepreneurs' capacity to expand existing firms, and to startup new businesses. Through a study conducted by Brigham Young University (BYU), States News Service (2014a) also found indications of minority discriminatory practices. The agency found that minority business owners were rejected for bank loans more often than White entrepreneurs, despite identical credentials on paper. The report also contained important data regarding the negative psychological affects loan denials had on minorities. Rejections often led to "self-questioning, diminished self-worth and self-esteem," and negative impacts on individuals' "sense of autonomy and control" (p. 1).

States News Service (2013) revealed two additional factors related to MBEs' capacity to startup and maintains small businesses. The organization found that both the development of skills and implementation of training played a paramount roll in economic performance. The agency also evidenced that increased enrollment in a wide range of educational fields (i. e., engineering, science, technology, and math) was linked to increased minority business owner success.

Further narrowing the focus to both negative and positive factors that may specifically influence Black small business owners, an expanded review of previously cited authors, as well as a review of new research follows. In recalling the works of Bates et al. (2018), Ceric (2015), Chikere and Nwoka (2015), Cole and Sokolyk (2016, 2018) and Wadongo and Abdel-Kader (2014), difficulties germane to theory application in the

face of insufficient funds were found. Such struggles were also evident through an examination of historic reports from Enunwa (2012), Walker (2017), and Sonfield (2016). Bates et al. (2018), in addition to the works of these authors, demonstrated that levels of capital for minorities did not wane or disappear in businesses' post-startup years.

In specific regard to Black small business owners, Farhat, Matusik, Robb, and Robinson (2017) found that such undercapitalization led to lower levels of sales, profits, and employment and in many cases, to the complete failure of the business. A second factor, also mentioned in the capital gain access section of this literature review, was the impact higher loan interest rates have on the sustained survivability and success of Black-owned businesses. According to Bates and Robb (2016) and Cole and Sokolyk (2016), Blacks have paid some of the highest interest rates, which in many cases, significantly contributed to the eventual demise of the business.

Additional negative factors become apparent through studies by Reuben and Queen (2015) and Clingman (2016). Reuben and Queen (2015) reported a history of unequal access to capital and other barriers that unfailingly obstructed African Americans' entry into the small business industry. The authors pointed to a long-standing and ever expanding wealth gap between Blacks and non-minority entrepreneurs, which was threatening the survival of an abundance of African American-owned organizations. Clingman (2016) exposed an extended history of significant Black resistance by White society regarding efforts to engage in entrepreneurship initiatives. Clingman found that Blacks' unequal stance in business markets stemmed from historic laws of the land,

which at the time, created what the author coined as an *Economic Detour*. Clingman pointed to the historic effects virtual boycotts of African American-owned businesses had on entrepreneurs. In many instances, such effects led to Blacks' abandonment of proprietary goals in exchange for work within White-owned organizations.

Phenomenon such as these have led to a gradual decline in successful Black business ownership in the United States, leaving many owners to fend on their own with significantly smaller numbers of employees. Clingman reported that of the 2.6 million African American-owned businesses, 95.5% of the businesses were being sustained by the owner alone, which he attributed to a lack of support from both non-minority and minority consumers. Last, the author found that while discrimination played a notable role in hampering entrepreneurial efforts, insufficient managerial experience, reluctances to reinvest earnings, lack of commitment, and failing to resist the need for instant gratification (following receipt of the first wave of substantial earnings), also contributed to Blacks' inability to keep their businesses alive.

When it comes to elements that have contributed to Black business owner success, Reuben and Queen (2015) spoke to African American's long-standing history of beating the odds. While statistics show that Black-owned businesses are more likely to fail overtime, the authors found that African Americans were more apt to initiate a business when compared with non-minorities. Clingman (2016) supported this notion of entrepreneurship, claiming that *glowing accounts of African-American ingenuity* have existed and persisted over the course of almost 400 years, despite quasi-insurmountable barriers (p. 1). The author posed that such accounts are the result of Blacks' tenacity,

willingness to support one another, disposition to making sacrifices, and their pledge to a business spirit that has existed from the beginnings of the age of entrepreneurialism. Zeuli and Qian (2015) mirrored the findings of both Reuben and Queen and Clingman, writing that among non-minority entrepreneurs and business owners, Blacks remain strikingly astute and committed. The author also found that African Americans have high levels of motivation and optimism, which they capitalize on to become autonomous, successful business owners.

Finally, and when addressing factors other than business attributes which African American possess, Bates (2015) reported a history of governmental efforts to proactively collaborate with minority owned businesses and demonstrated how these factors contributed to organizational success. The author also pointed to the positive affect increased access to both corporate procurement markets and the multi-billion dollar government has had on Black business ownership. Bates found that governmental initiatives which: ease bond requirements, screen out front firms, ensure that MBE vendor invoices are paid punctually, downsize and unbundle contracts, and create preferential procurement programs, all contribute to Black small business success.

Strategies for Obtaining SB Loans

Data is scarce regarding the various strategies that entrepreneurs and small business owners use to finance their organizations and increase the possibility of success. This being the case, a smattering of situations in which small businesses took advantage of loan opportunities do exist. Data pointing to African Americans' use of theories (some

of which were studied in the first section of this review and which are subsequently examined), and individual factors to secure SB loans was evidenced.

The research reports regarding businesses, who have received bank loans, make it difficult to glean whether fund acquisition was simply a matter of the business being in the right place at the right time, or the result of the intentional use of strategy (theory). Despite this uncertainty, and at the very least, the following examples demonstrated business owners' capacity to take advantage of the opportunity at hand. Edgcomb and Thetford (2013) wrote of the Utah Microenterprise Loan Fund. When the state of Utah joined the Small Business Administration's list of micro lenders, opportunities for a plethora of small businesses opened up. From hair salons to restaurants, and from food markets to recreational parks, notable numbers of small business owners took advantage of Utah's micro loans.

Edgcomb and Thetford (2013) stated that the creativity of the state's small business community played a part in the success of the program, and while the long-term results of using micro loans are were not available at the time of the study, projections appeared to be promising. Similar to Utah's success story, small business owners in the state of Connecticut also benefitted from loan opportunities made available. In taking advantage of Connecticut's Small Business Express Program, business owners like Maria Miranda were able to boost their business revenue, and increase the number of employees on their payroll (States News Service, 2014b).

Specific success stories stemming from Oregon entrepreneurs' use of the loans included the following: a brewing company, which planned to expand their bottling line

and create 17 new positions, a greenhouse, which added a building to their already existing structures and created two new positions. These consisted of a lumber company, which built a new pellet facility using 11 newly hired employees and a truck body shop. The body shop was able to stay in business thanks to the state loan and created (and retained) 11 new positions. There was also a beef company, which planned on and created four new jobs.

Regarding the strategies small minority business owners have traditionally used to help ensure positive outcomes, middleman minority theory and protected market thesis were found to be heavily used (Byrd, 2017). Byrd posited that approaches such as middleman minority theory and protected market thesis theory came into existence as the result of immigrants and minorities' truncations from access to "mainstream, above-ground economy (ies)" (p. 2). This being the case, the author found that in using such theories, minorities and immigrants were motivated to take on entrepreneurial endeavors that had not suited the preferences of conventional business communities. White (2018) added that with minorities' heightened sensitivity and understanding of the markets they intend to serve, to include awareness of client use behaviors and preferences, the probability of startup success exists.

Further examination of middleman minority theory and protected market thesis involved a review of the work of Juma and Sequeira (2017). Both studies explored variables stated to be central to entrepreneurial success and reports differences between black male and black female entrepreneurs. Variables studied include task-specific efficacy, firm performance, and opportunity recognition. Using a sample of 85 males and

58 females, results indicated that although black male and female entrepreneurs are somewhat similar in terms of business environment and demographics (e.g., education levels, years of business industry experience, likelihood of having a business mentor, etc.), black females trailed black male entrepreneurs in firm performance, task-specific efficacy and opportunity recognition (Juma & Sequeira, 2017). Overall, findings suggest an expressed need to enact specific-policies to increase success rates among this group of understudied entrepreneurs, black females (Juma & Sequeira, 2017).

White (2018) described middleman minority theory as an approach used by historically restricted groups who are deprived access to economic, social, and political structures. Users of the theory find ways to forward business ventures under marginal conditions. White added that status gaps formed through such deprivations create solidarity among minority communities and contribute to a significant sense of pride between business owners. Similar to middleman minority theory, protected market thesis refers to strategies which allow entrepreneurs to enter into business ventures to serve the needs of diverse individuals within their communities (Juma & Sequeira, 2017).

A third approach was the use of signal theory (Bewaji et al., 2014). According to Bewaji, et al., understanding, and applying signal theory can benefit minority entrepreneurs in their quest for SB loans. Signal theory describes the way in which banks attempt to assess entrepreneurs' potential. As loan officers lack potentially critical information about the characteristics of the individual requesting a loan, they often rely on signals to help them rationalize their decisions to support the businessperson's endeavors. Bewaji et al. posited that through the implementation of signal theory, new

entrepreneurs are more likely to offset the burden of newness. The previously mentioned demographic factors, which often play a vital role in minorities' capacity to secure bank loans, banks often use signals correlated with such factors to make loan determinations. Signaling is common in situations where the demographics of CEOs, founders, and other high-level managers are experiencing valuation to determine a business' legitimacy (Bewaji, et al.).

Juma and Sequeira (2017) expanded on factors that lend themselves to business venture success by writing about individual factors found in Black women entrepreneurs. The authors posed that individual factors fall into four distinct categories: human capital, social capital, psychological capital, and financial capital, according to Juma and Sequeira, human capital refers to one's life experience, experiences pertaining to specific domains, education, and beliefs connected to the capacity to reach higher levels of performance. Social capital involves the relationships entrepreneurs have with others, and this type of resource has a central role in the performance of businesses (Juma & Sequeira). According to Dana, Virtanen, and Barner-Rasumssen (2019) social capital may be beneficial for MBEs in both regional and international contexts and equal to that enjoyed by the majority.

Psychological capital centers on entrepreneurs' developing, harnessing, and measuring psychological capacities to enhance the performance of both the individual, and the business. Juma and Sequeira (2017) addressed financial capital, perhaps as a reflection of both the shortage of data concerning specific strategies used and the overwhelming amount of information highlighting minority discrimination in the field of

business. The authors found that African American women business owners often opt out of pursuing revenue sources which are external to them and instead, pursue other financial solutions. Juma and Sequeira posited that this behavior is the result of business owners' beliefs, which assume that traditional financial avenues are not available to them.

Finally, a brief examination of factors that may contribute to business failure and consideration of a *non-theory* approach to entrepreneurship took place. In attempting to address strategies that fail to incorporate certain necessary entrepreneurial behaviors, PR Newswire (2014) reported that minority business owners often have difficulty in getting through the underwriting phase. For the majority of the larger banks, this phase involves close examination of personal credit, debt-to-income ratio, and value of collateral holdings. Advantage stated that unlike with larger banks, smaller institutions lean more heavily on loan officers' perceptions of business owner potential and efficiency.

While this information is potentially an advertising attempt, it highlights that minority entrepreneurs may have more success in relying on smaller, non-traditional lenders. In conclusion, and concerning a non-traditional approach to business, Juma, and Sequeira (2017) posited that intentionally avoiding the use of strategy can be universally superior, given that business outcomes are heavily dependent on entrepreneurial and economic environmental contexts.

Transition

Section 1 was an introduction to gaps in understanding surrounding Black small businesses, and portions of this literature review served as an introduction to the theories explaining small business success, access to capital, credit, and SB loans, and explored

business strategies. An overview of the existing and current business theories extended understanding of the topic, and two theories used in business, and systems theory and contingency theory, were explored in the context of this study. This section introduced the history of Black small business ownership as well as accessing capital, credit, and SB loans for Black small businesses. The following areas related to the study's problem statement contributed to this review: (a) theory and small business, (b) history of Black small business ownership, (c) access to capital, credit, and SB loans, (d) factors that have influenced small business success, and (e) strategies for obtaining SB loans. Black small business owners can use this exploration, and the strategies discussed in the review, to increase the probability of business success.

To explore successful strategies Black small business owners use to obtain SB loans a minimum of three participants, who have successfully obtained SB loans and sustained their businesses for at least 5 years, participated in the proposed study. The results of the proposed study can provide Black small business owners new strategies for achieving business success. In Section 2, there is an explanation of the qualitative method used in this study. Section 2 includes presenting the population, sampling, data collection, data analysis, and the reliability and validity of the study method. The information presented in Section 3 comprises the study findings, which applied to professional practice, implications for social change, and recommendations for future studies.

Section 2: The Project

As noted in Section 1 of this study, small, Black owned businesses may lack access to capital and the strategies to survive longer than 5 years (Newberger, 2018). Less than 30% of Black small business owners were able to successfully obtain SB loans compared to their White counterparts (Bates et al., 2018). Research also indicates that nonminority small business owners receive 35% more SB loans (Newberger, 2018). In this study, I explored strategies that Black small business owners can use to obtain SB loans and survive beyond 5 years. The following section provides the details of the study, a discussion of the research methods, design, and the role of the researcher, as well as participant information, population and sampling, data collection instruments and techniques, data organization, data analysis, and reliability and validity of the study.

Purpose Statement

The purpose of this qualitative multiple case study was to explore successful strategies Black small business owners use to obtain SB loans. Three participants, who have successfully obtained SB loans and sustained their businesses for at least 5 years, participated in the proposed study. The results of the proposed study can provide Black small business owners new strategies for achieving business success. The implication for social change is the overall contribution to the economic prosperity of the local communities' economies.

Role of the Researcher

Researchers assume a variety of roles in qualitative studies (Yin, 2018). A researcher can conduct qualitative studies in several ways. In this qualitative multiple

case study, I collected information to understand the different strategies Black small business owners used to obtain SB loans. I gained informed consent and conducted the interviews with open-ended questions, using an interview protocol (see Appendix A) to help the participants know that what they shared was confidential, and by informing them that they could choose not to participate in the study at any time. I made every effort to be objective in reviewing the information presented by the participants, and I attempted to minimize researcher bias when analyzing the data.

As a resident of the area, an entrepreneur, advocate for small businesses, and occasional user of local businesses, I used member checking to ensure that the results are impartial and that the study is valid, as recommended by Stake (2013), and I remained in the role of a researcher at all times until the dissertation was complete. In recording and analyzing the transcript data, I used triangulation to verify the accuracy of my results (Denzin & Giardina, 2016). Researchers must also adhere to the required procedures and must uphold ethical principles when conducting research (Yin, 2018). I therefore followed the moral guidelines stipulated in the Belmont Report (National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, 1978). Any information shared by individuals participating in the study is confidential and confined to research purposes only.

Participants

For this study, I interviewed three Black small business owners who offered products or services within the North Carolina RTP area. All three participants agreed to be interviewed and I did not need to pursue finding more participants. The selection

criteria for the business owners required them to be owners, who had obtained SB loans for their businesses, and who had been in business a minimum of 5 years. To ensure that I accurately obtained the necessary data, I only used participants who are qualified (Yin, 2018). I only used Black small business owners who have experienced success in their business.

After I received approval from the Walden University and from the Internal Review Board (IRB), I contacted potential participants by phone. Being very familiar with the RTP area of North Carolina, I had knowledge of which businesses had successfully operated beyond 5 years and was able to access them by phone easily through a Google search. My knowledge regarding which Black business owners own businesses contributed to this process. However, I did not recruit participants who were personally known to me, owed me favors, or expected future privilege. In this manner, the study remained unbiased. In using purposive sampling (Stake, 2013), I asked if the potential participants met the eligibility criteria to participate in the study. Purposive sampling is in line with qualitative studies and allows for the selection of individuals who are knowledgeable about a certain phenomenon (Yin, 2018).

After obtaining interest from potential participants, and after verifying their eligibility criteria, I explained the purpose of the study. I then asked participants if they would be willing to meet with me in order to have a face-to-face interview. At this point, interview meeting times were set up that were convenient for both the participant and myself. When conducting the interviews, I brought a consent form and asked participants to sign the form, which explained any expectations related to the study.

Research Method and Design

Research Method

A qualitative methodology was used to explore successful strategies Black small business owners use to obtain SB loans in the Research Triangle Park (RTP) area of North Carolina. A qualitative methodology established the foundation of the study and aided in ascertaining the best method for framing and communicating the outcome of the study (Yin, 2018). This qualitative study used semistructured participant interviews, through which the researcher gathered explanations from the participants that experienced the phenomenon of interest (Gioia, Corley, & Hamilton, 2013).

The questions asked during the interviews were open-ended, iterative, and flexible which allowed the participants to respond in a comfortable manner. Qualitative studies are exploratory and appropriate for use when the researcher seeks insight into the underlying reasons, opinions, and motivations related with behavior (Yilmaz, 2013). Qualitative studies are subjective, and the researcher makes interpretations from the information participants provide in a collaborative manner between the researcher and the interviewee (Yilmaz, 2013).

A quantitative methodology was inappropriate for this study. The goal of a quantitative approach is to explore the relationship between independent and dependent variables in a certain population (Stake, 2013). Quantitative and qualitative researchers use very different processes research strategies and methods of inquiry (Yilmaz, 2013). In a further explanation of quantitative studies, Stake (2013) emphasized that researchers use randomization in quantitative approaches to warrant internal validity. Randomization

is not always practical or needed, as was the case in this study which addressed successful strategies Black small business owners use to obtain SB loans. The nature of this study did not warrant the use of randomly assigning Black small business owners into groups who consistently obtain SB loans and achieve a certain outcome. A design that excluded randomization, based on obtaining large numbers of participants, was better suited to this study. Choosing a qualitative method of research, instead of a quantitative method allowed for a deeper understanding of the phenomenon under study. Last, a mixed-method approach uses both qualitative and quantitative methods in a single study (Stake, 2013). However, this study benefited from a data-rich and direct method that specified the need to focus on one method: qualitative. Using a qualitative research method instead of a quantitative or a mixed research method allowed for a deeper understanding of the topic.

Research Design

Yin (2018) indicated that a multiple case study includes research questions that ask how and why, which is consistent with the interview questions in this study. Considering multiple interview questions and amassing perceptual data will be consistent with interviewing Black small business owners as participants (Stake, 2013). In choosing a research design for this study, the multiple case study approach was preferred to phenomenology and ethnography regarding the purpose of this study and the type of data needed to conduct the study accurately. Phenomenology is useful to explore participants' lived experiences (Keutel, Michalik, & Richter, 2014). However, the objective of this study was not to understand the participants' experiences. Ethnographers explore the

behaviors, beliefs, customs, or other social traditions of a populace (Keutel et al., 2014). Because the purpose of the study was not about understanding participants' lived experiences, or the behaviors or customs a population, phenomenology, and ethnography were inappropriate for use in this study. The multiple case study design allowed for deep study of the phenomenon from a broader perspective, while still being constrained by time, activities, events, and individuals. The multiple case study design was appropriate for exploring successful strategies Black small business owners use to obtain SB loans in the RTP area of North Carolina.

Case study designs allow for the use of multiple sources to construct a comprehensive picture of the topic, and permits participants to respond to face-to-face interviews (Yin, 2018). Data saturation takes place when nothing new develops from interviewing the participants of a study (Marshall, Cardon, Poddar, & Fontenot, 2013). During the interviews, I requested that the participants provide answers to questions until there was nothing more they feel they can add. After reviewing the interview transcript data, I asked the participants to read the information to see if what I had was correct, and if any new information could have been useful to the study. At the point when nothing more was made available, I assumed data saturation occurred. Consistent with the purpose and research question explored in the study, the multiple case study design was the most appropriate as it includes the use of data saturation and triangulation practices. As the interview and literature data was compared and contrasted triangulation of data occurred. Last, accurate coding of the data took place, and data analysis was conducted to reveal significant themes (Yin, 2018).

Population and Sampling

To conduct this multiple case study, I used purposive sampling. Purposive sampling is common in qualitative research for the selection of a demonstrative population (Ritchie et al., 2013). The purposive technique helps with the selection of groups or individuals who are experienced with the topic of study (Ritchie et al., 2013). Dissimilar to purposive sampling, random sampling facilitates studies in which data generalizability is a concern (Ritchie et al., 2013) because this study does not address generalizability specifically, purposive sampling is the preferred sampling method. For this study, I used three Black small business owners, of well-known businesses in the RTP area of North Carolina, who offered products or services within the RTP area, and who have successfully obtained SBA loans. According to Yin (2018), a study is valid based on the depth of information provided by the participants. I did not consider the study valid until data saturation occurred and none of the participants had new information to offer, as suggested by Stake (2013).

The selection criteria for the business owners required them to (a) be owners, those who have obtained SB loans for their businesses, and (b) those who have been in business a minimum of 5 years. To acquire interviewees, I contacted potential participants by phone (see Appendix B). Being familiar with the RTP area of North Carolina, I had knowledge of which businesses have been successfully operating beyond five years. I asked if the potential participants met the eligibility criteria to participate in the study. After obtaining interest from potential participants, and after verifying their eligibility criteria, I explained the purpose of the study. I then asked participants if they

would be willing to meet with me to have a face-to-face interview. At this point, an interview meeting time was set up that was convenient for both the participant and myself. When conducting the interviews, I brought a consent form and asked participants to sign the form, which explained any expectations related to the study. I met with participants at their place of business or in a location that was comfortable for them, such as a library, where what they shared could remain confidential.

Ethical Research

To ensure the research is ethical, I sought approval from the Walden University IRB, approval number 09-27-18-0318004, before gathering data. I endeavored to ensure that (a) participants were protected, (b) the recruitment plan was followed, (c) the privacy of the research participants was secure, (d) their rights were respected, and that (e) the informed consent process took place in an appropriate manner. I requested that participants signed the informed consent form (see Appendix A). The consent arrangement, combined with my own ethical behavior, helped me protect the participants' rights in this study. To ensure the privacy and confidentiality of the participants, their identities, and those of their organizations, are confidential. I made certain that only I know the identity of the businesses and participants.

The participants were aware that they were able to withdraw from the study at any time, and that they had the choice not to respond to every interview question. Withdrawal would have occurred as soon as a participant voiced a desire to discontinue the study, at which point they were allowed to leave the interview, choose not to participate from the

onset, or terminate. Participants were able to withdraw without penalty, and their right not to participate at the start of each interview, as recommended by Yin (2018), clarified.

The data collected for this study will stay in a locked cabinet to which only I will have access. The data will be stored for 5 years. After the 5 years, I will destroy the data by deletion and shredding. As noted by experts Stake (2013) and Yin (2018) proceeding in this manner is a common recommendation. To minimize business owner's potential discomfort, I did not share about other research participants, and I informed the participants that these findings were for research purposes only. I anticipated a lack of perceived physical, legal, or economic risk for participants, and did not anticipate incentives for participating in the study. Participants did not receive financial compensation for their participation. In relation to Dinh et al. (2014), participants may experience non-monetary motivations for participating. Non-monetary motivations could consist of wanting to foster personal business success or contribute to the success of other Black-owned small businesses.

Data Collection Instruments

Yin (2018) identified several sources of data used in qualitative research. These consist of: (a) interviews, (b) documentation, (c) physical artifacts, (d) direct observation, (e) archival records, and (f) participant observation, while stating that not all sources are appropriate for any one study. In this study, I used one of these sources of data, namely, interviewing participants to obtain results. In addition to identifying myself as the primary data collection instrument, I asked a set of written interview questions through one-on-one interviewing using semistructured interview questions, and I used the

interview protocol for consistency (see Appendix A). At the start of each interview, I made participants aware of the nature and purpose of the study through reading over the consent form prior to beginning the interviews. I assured the business owners that the information they share with me will remain confidential and that they can discontinue the interview at any time they feel they need or would like to leave. The interview questions were open-ended and when necessary I was willing to use additional questions to encourage participants to answer questions more comprehensively.

I asked a university cohort to review the interview questions and protocol to guarantee content validity. I double-checked the interview protocol for the appropriate number of questions, clarity of language, and to ensure there was sufficient time to conduct the interviews without inconveniencing the business owners. Gioia et al. (2013) suggested the use of these methods to ensure using valid procedures. I determined reliability by creating a highly detailed audit trail (Gioia et al., 2013). According to Yin (2018), validity takes place through member checking. Researchers use member checking to increase the credibility accuracy, validity, and transferability of a study (Yin, 2018). Frequently, participants can read portions of the work to ensure that the information obtained is what they intended to share and that the researcher's interpretation is accurate (Yin, 2018). Although member checking can occur at various stages in during the interviewing and afterwards, I conducted member checking after the interviews were finished and transcription of the data conducted.

Data Collection Technique

In this study, I collected data using face-to-face semistructured interviews after I invited participants from well-known Black small business in the RTP area of North Carolina, who wished to take part in the study. The selection criteria for the business owners required them to be owners, those who had obtained SB loans for their businesses, and those who had been in business a minimum of 5 years. To acquire interviewees, I used a Google search to find potential participants and then contacted them by phone using a phone recruitment script (see Appendix B). Being familiar with the RTP area of North Carolina, I had knowledge of which businesses had been successfully operating beyond five years. Meetings were held in a place comfortable to the participants, either their office or another unoccupied office in their place of business, which was decided during the initial phone conversation and after they had agreed to participate. To ensure the validity of the data I collected, I intentionally gathered, analyzed, and interpreted the information in an objective manner to accurately interpret the findings. There were several features of this research design that I used to maximize validity while reducing researcher bias. For instance, the member-checking process, reviewing the interview responses with participants during and following the interviews to verify the accuracy and thoroughness of their responses, ensured the results were objective and the study design was valid throughout the process (Yin, 2018).

Semistructured Interviews

According to Irvine, Drew, and Sainsbury (2013), there are several advantages to conducting face-to-face interviews, including the following: (a) politeness, (b) the ability

to gain trust, (c) learning from nonverbal communication, and (d) the capacity for participants to express themselves more fully. I used face-to-face interviews to interview the business owners and did not offer incentives for participating in the study. However, participants may have benefitted from contributing knowledge to Black small business owners in the RTP area of North Carolina and elsewhere. Manning and Kunkel (2014) posed that conducting interviews allows for a deeper understanding of the participants' feelings, sentiments, and experiences. Other types of data collection may not create the same effect. Unique ways in which to ask questions, with the use of prompting, can help bring out more information and direct the interview to greater levels of comprehension (Klenke, 2016). As such, I asked open-ended, semistructured questions during the three interviews to garner plentiful, rich data and to achieve a deeper understanding of the participants' experiences.

I anticipated that each interview would last approximately 30-60 minutes, although the actual time varied somewhat depending on the level of detail in the participants' experiences and responses. The interviews were individual and private, in a location chosen by the business owner, with the business owner present for each interview. One of the instruments I used in the interview was a notebook, in which I recorded answers to the interview questions that stood out and anything else I noticed, such as body language, during the interview that might have indicated more to me about how they felt, a strategy recommended by Yin for qualitative studies (2018). The second instrument was a Sony ICDPX333 digital recorder, which I used to capture the interviews word for word for transcription purposes. Interviewees had the opportunity to review

their responses during and after the interviews to member check they had shared what they intended to share.

I conducted the interviews in an iterative style, and I used follow-up questions based on the answers provided by the participants. I paraphrased the participants' responses and then used member checking, suggested by Yin (2018), during and after the interview to ensure the accuracy of my interpretations. Member checking was conducted to allow participants to correct or add anything more to what they have shared. By using member checking and a complete exploration of the themes and the literature, data saturation took place. During the interview and directly after I gave participants as much time as they needed to go over their responses to ensure everything was correct. Once I completed the transcription process, I also gave participants a copy of the transcript via the United States postal system. This process clarified that no new patterns would emerge through the data collection and analysis process (O'Reilly & Parker, 2013).

Data Organization Technique

I separated the data into categories and labeled them accordingly (e.g., recordings, notes, participants' and responses) for clear identification of the information. I used a digital audio recorder, audio-recorded the interviews, and transcribed the interviews. Birt, Scott, Cavers, Campbell, and Walter (2016) noted that to achieve accuracy and avoid leaving out relevant information, narratives warrant immediate transcribing. This data organizational method allows for both flexibility and accuracy (Yin, 2018). Yin (2018) stated that researchers use member checking to improve the credibility, validity, accuracy, and transferability of the findings within study. Member checking occurred

after the interview process and during an informal follow-up phone call with the business owners, for additional clarity, of which none was needed. Throughout the process, I aimed to build a comfortable camaraderie with the participants so they felt comfortable sharing their insights, experiences, and strategies in obtaining SB loans.

I shared the interview material with the participants during the meeting to ensure the completeness of their responses, and to allow the data collected and interpreted to serve as a useful design for future researchers (Yin, 2018). After transcribing, I saved the transcripts in a Microsoft Word document and on a backup drive. The backup drive, consent forms, and transcripts were stored in a locked facility for 5 years. After the 5 years elapses, I will destroy the electronic data by erasing information on the hard drive of my computer and by destroying any external storage sources. I will shred any paper data.

Data Analysis

The fundamental components of qualitative data analysis are available through the modified van Kaam method (Moustakas, 1994). These include (a) organizing the data, (b) familiarizing oneself with the data, (c) classifying the data, (d) coding the data, (e) triangulating the data, (f) interpreting the data, and (g) presenting and writing up the data (Rowley, 2012). After the interviews, I transcribed the information by closely listening to the recordings. Next, I reviewed the transcripts and conducted open coding of the data by hand, with the use of a codebook, as a means to identify and categorize the information shared by the participants. Rowley (2012) recommended coding data in this manner for its effectiveness in identifying themes.

Given the vigorous nature of qualitative studies, data analysis is a continuing process. I identified key themes and related them to the literature and the conceptual framework. Systems theory provides an analytical framework for viewing an organization as a system in which all parts contribute to the functioning of the whole (Jenson et al., 2016), and contingency theory allows for the exploration of different situations, within a business environment, that can create differing needs and responses to increase the viability of each unique business (Miner, 2015). Both theories framed the study and drew out themes from the data.

Rowley (2012) described that constant coding aids in the recognition of the emerging themes in the data and help identify the point at which data saturation occurs. Open coding, the first step in analyzing data, consists of reviewing the transcribed interviews and notes, identifying the categories of information in which to place the material, and then organizing the data (Urquhart, 2013). I coded the data by hand and used NVivo 11 software. Wolf and Silver (2017) stated NVivo 11 software allows a researcher to engage in meaningful analysis. I used NVivo 11 software to analyze the data, organize the data, and to identify emerging themes and organize the unstructured data, as necessary. The NVivo 11 software helped with coding themes determining trends in the responses, a useful tool I would recommend to other researchers.

Triangulation

In many studies, researchers use either methodology triangulation or data triangulation, and sometimes both. Methodology triangulation is the process of using several methods of primary research to gather data, such as interviews, observations,

surveys, questionnaires, and documents to guarantee the integrity of the findings (Denzin & Giardina, 2016). Researchers use data triangulation to compare findings across different periods of time and in different settings. Both primary and secondary research aligns with data triangulation, and adds to the comparison of different points of view through interviews, public records, documents, observations, and photographs (Denzin & Giardina, 2016).

In this study, I used data triangulation to help integrate the interview data, public records, such as general statistics and information related to business sustainability, and the literature collected and explored. I carried out data triangulation by conducting interviews, analyzing public documents on business success, and by reviewing the information gathered in the literature review associated with Black owned small business in their attempts to obtain SB loans and remain solvent beyond the five-year mark. The purpose of using data triangulation was to affirm that the data gathered is complete (Denzin & Giardina, 2016). The information garnered through interview data and a thorough review of the literature helped establish an all-inclusive data set to allow for understanding of the experiences of Black small business owners in the RTP area of North Carolina.

Reliability and Validity

Moustakas (1994) described validity as the accuracy of research results and reliability as that which other researchers can duplicate and obtain similar results. Reliability and validity are critical to warranting the value of the results of a study. According to Sousa (2014), an honest understanding of the data can lead to valid and

reliable results. As I interviewed Black small business owners from three different businesses who have successfully obtained an SB loan and have had a business in operation for at least 5 years, I confirmed the consistency of the data through a comparison of their responses.

Reliability

Determining reliability identifies how researchers address the dependability of a study (Stake, 2013). Tactics to guarantee dependability comprise of participation in the analysis through member checking and through providing a detailed description of the research method (Yin, 2018). To evaluate the dependability of this study, it is critical to examine the processes that made the study attainable by conducting an audit trail, an approach recommended by Yilmaz (2013). I created an audit trail by delineating the process by which I made methodological decisions. Researchers can create audit trails by (a) clarifying the reasons for choosing the participants used in a study, (b) clarifying the purpose of the study to the participants, (c) clarifying the data collection process, (d) explaining the transformation of data during the analysis, (e) clarifying the exact techniques used to define the credibility of the data, and (f) clarifying the research findings (Yin, 2018). I created an audit trail for this study by following Yin's procedure through the initial phone conversation and by reviewing the consent form with participants at the start of the interview.

Validity

Allowing for the validity of a study commonly consists of transferability, confirmability, and credibility (Sousa, 2014). Qualitative research should be reflective

and honest. These parameters are preferable as it increases the credibility of qualitative research (Sousa, 2014). Through thick, rich descriptions, I provided detailed information to add to the confirmability of this study.

To achieve confirmability, I used member checking. Member checking is a practice researchers use to improve the accuracy, credibility, validity, and transferability of a study (Yin, 2018). Confirming that participants are sharing what they mean to share will occur during the interview process. In this process, I attempted to build a rapport with the participants so that they were comfortable sharing their insights, experiences, and strategies for obtaining SB loans.

For credibility, I used data triangulation to ensure the accuracy of the data. Researchers engage in triangulation by using the responses to the semistructured interview questions as sources of data for verifying the data findings (Venkatesh, Brown, & Bala, 2013). Venkatesh et al. noted that any method of review has positives and negatives, and that investigators must validate the findings through triangulation. I used triangulation in the data analysis process by using preexisting data from public records that included statistic regarding business sustainability and the previous research related to methods and theories to provide supporting evidence for this study.

Last, I conducted the initial interview, interpreted what the participant shared, and shared my interpretation with the participant for member checking and validation. I interviewed until data saturation occurred. Data saturation took place when no new data was revealed in the data collection process. To guarantee data saturation, I continuously collected data until nothing new emerged from the data.

Transition and Summary

The objective of Section 2 was to describe how information would be gathered to study the successful strategies Black small business owners use to obtain SB loans. Conducting face-to-face semistructured interviews with Black small business owners, who have obtained an SB loan and survived beyond 5 years, granted a deeper understanding of the phenomenon. In Section 3, I will present the findings, share the applicability of the study to the professional practice, indicate implications for change, recommendations for action, and suggestions for further research.

Section 3: Application to Professional Practice and Implications for Change

Introduction

The objective of this qualitative multiple case study was to explore strategies Black-owned small businesses that have lasted beyond 5 years use to obtain SB loans. The targeted population consisted of three Black small business owners in the North Carolina area who have secured SB loans and whose businesses have lasted for longer than 5 years. Through the van Kaam method (Moustakas, 1994), and as recommended by Rowley (2012), I (a) organized the data; (b) familiarized myself with the data; (c) classified, coded data, triangulated, and interpreted the data; and (d) wrote up the results of the data. I used semistructured interviews with six questions. After each interview, I conducted member checking by asking participants to review what they had shared to ensure it was what they intended to share. Data saturation occurred through member checking and an exploration of the themes and the literature. I used NVivo 10 software to analyze, organize, and to identify emerging themes and organize the unstructured data. I triangulated the data through the interviews and review of the literature associated with small business owners' attempts to remain in business beyond the 5-year mark. Based on the data analysis two centralized themes emerged: (a) having an effective business plan and (b) extensively researching and preparing for the SB loan procurement process. The two minor themes discovered were (a) being mindful of credit scores and (b) keeping extensive business records.

Presentation of the Findings

A multiple case study was used to study loan acquisition strategies from three Black-owned small businesses in North Carolina identified by the designators P1, P2, and P3. The data collection method involved semistructured interviews. The data collected and analyzed from the interviews and the literature provided rich information and contributed to answering the research question: What strategies do small, Black-owned businesses that are sustained beyond 5 years use to acquire SB loans? The data obtained from the two interview participants were enough to achieve data saturation or until no new information emerged from the interviews and literature. I also used member checking and data triangulation (Denzin & Giardina, 2016) for attaining the data saturation needed for comprehensive qualitative studies. Data analysis included examining the interview responses to establish a baseline for strategies employed by the study participants. I identified plausible themes after repetitive inspection of the interview data and with the aid of NVivo software. The data triangulation process included validating the answers given by the study participants against the findings of other researchers explored in the literature review, a review of public documents on business success in the area, and exploration of the literature on small business successes and failures. The information presented by participants was also in concurrence with the findings in the literature, allowing themes to emerge. The data inspection process contributed to developing a summary of the experiences shared by the participants. After an in-depth review and analysis of the collected data, two main themes and two minor themes emerged, as summarized in Table 3.

Table 3

Summary of Main and Minor Themes

	Description of Themes	Occurrence
Main themes	Having an effective business plan	P1, P2, P3
	Extensively researching and preparing for the SB loan procurement process	P1, P2, P3
Minor Themes	Being mindful of credit scores	P1, P2
	Keeping extensive business records	P1, P3

Theme 1: Having an Effective Business Plan

P1, P2, and P3 identified having an effective business plan as a critical part of securing a SB loan. Three important theoretical concepts, which can help with the creation of a business plan, are systems theory, contingency theory, and organizational change theory (Jenson et al., 2016; Miner, 2015; von Bertalanffy, 1968; Walizer 2014). Chikere and Nwoka (2015) discussed how, according to systems theory, different systems act in tandem with each other, ultimately creating an interrelated chain of elements, which becomes increasingly complex as the business grows. To articulate and consolidate a business plan, it is critically important that the business person in question understands the conventions of their business, the competition they anticipate facing, the ways in which they intend to grow their business, the different elements of their business

which will need to be coordinated with growth, and the capital they need to secure to keep their business on a trajectory for growth (Chikere & Nwoka, 2015).

Wadongo and Abdel-Kader (2014) described contingency theory as an organizational theory which argues that there is not one ideal method for running an organization; instead, a business' leadership must take into account many different elements and circumstances to take the most effective action at any point. These elements include organizational effectiveness and structure, leadership, size, funding, competition, access to resources, and environmental dynamism. To operate a successful business, business owners must understand how to react to many different external and internal elements, how to appropriately prioritize these different elements, and how to make sense of the impacts any given decision may have. Miner (2015) discussed how a business' long-term success is attributable to a business owner's ability to effectively understand and react to internal and external elements, which affect their business.

According to Walizer (2014), systems theory, contingency theory, and organizational change theory are all useful for black-owned businesses' enduring success. Organizational change theory relates to a business's ability to reorient existing structures and practices to achieve new goals relating to services and products (Walizer, 2014). The synthesis of systems theory, contingency theory, and organizational change theory allows business owners to create dynamic, effective business plans, which adequately account for possible market changes. Walizer (2014) found that the simultaneous application of systems theory, contingency theory, and organizational theory allowed Black small business owners to become more competitive in the business market; Walizer (2014) also

found a correlation between Black small business owners' perceptions of organizational change and the capacity to garner capital funding.

A business plan, which clearly outlines the key tenets of the owner's business strategy while accounting for the possibilities of organizational change and changes in priorities with growth, is a critically important asset for Black-owned small businesses. P1, P2, and P3 all discussed the importance of having an effective business plan. P1 discussed the importance of keeping one's records to ensure that your business plan was clearly communicated. P2 cited having "a solid plan of how you are going to grow your business to pay [the SB loan] back" as crucial to the loan acquisition process. P3 focused on the importance of research in developing a business plan. P3 said, "Before securing my SBA, extensive research was conducted regarding the type of business I was opening. Information [regarding] the demographics of the area was conducted along with pricing of other childcare centers in the area." Some of the thoughts of the participants are further laid out in Table 4.

Table 4

Theme 1: Interview Questions, Interpretation and Analysis, and Emergent Themes

Excerpts of Answers from Interview Questions Relevant to Theme #1 (Having an effective business plan)	Interpretation and Analysis	Emergent Themes
P1, Q5: “Your records also need to be housed in an organized manner as an almost always criteria is opening your vest and showing the past 6 months of statements.”	Participants noted the need for proper recordkeeping and organization in order to obtain a concrete sense of their business plan’s strengths and weaknesses, as well as their history as a business owner. Understanding past problems with their business plans could also lead to greater consideration of ways to ultimately improve their business plan.	Recordkeeping is a key aspect of creating a sustainable business plan, as it is a crucial part of understanding your business’ strengths, weaknesses, present capabilities, and future trajectory.
P2, Q2: “[a woman at the bank] advised me to contact NC INstitute of Minority Economic Development [...] to help revise my business plan.”	Q2: There are potentially resources available to black small business owner, which should be taken advantage of; keeping abreast of how different assistance programs can be incorporated within one’s broader business plan is extremely prudent. This can strengthen a business plan while also showing initiative.	Understanding how to strengthen one’s business plan by demonstrating responsibility and motivation will help a black small business owner both secure a loan and ultimately maintain a business.
P3, Q3: “Before securing my SBA, extensive research was conducted	Q3: In order to properly devise a business plan, pne must have a clear concept	To properly build a business plan, a black entrepreneur must

<p>regarding the type of business I was opening. Information reading the demographics of the area was conducted along with pricing of other childcare centers in the area.</p>	<p>of who their customer base is, what their customer base wants, and who their competition is. Without an understanding of who will be patronizing and competing with a business, it is impossible to concoct a solid business plan.</p>	<p>understand their competition, be very financially prudent, and know whom they are selling their product or service to.</p>
<p>P3, Q4: “My advice would be to make sure there is enough working capital for at least the first solid two years of your business. Take time to budget and think about how much you will pay your employees. Payroll and rent are always the biggest expense[s] in a business. It is also important for the business owner to know how to run every aspect of the business.</p>	<p>Q4: Having strong financial footing is important to getting a new business to flourish. A crucial part of securing a loan is demonstrating financial responsibility; by ensuring that the first two years of resources are secured, a business owner can focus on expansion rather than survival and give potential lenders a sense of security.</p>	

As seen in Table 4, P3 recognizes that the business they will be starting looks to serve a particular community with a particular age makeup, a particular ethnic makeup, and a particular economic makeup. These findings relate to using both contingency and systems theories. To maximize profits, P3 must take into account what their customer base values, needs, and can afford. Systems theory recognizes that the consumer is a crucial part of the business’ system, and that the functioning of the business is contingent upon having as broad a consumer base as possible (Jenson et al., 2016). To properly apply contingency theory, a business owner must recognize the different elements that

influence their consumer base, and must be prepared to adjust their business model or practices to stay competitive in the market (Shin & Park, 2013).

P3 gave explicit advice on properly budgeting for the first two years of business and its impacts on a Black small business owner's larger plan. P3 said,

My advice would be to make sure there is enough working capital for at least the first solid two years of your business. Take time to budget and think about how much you will pay your employees. Payroll and rent are always the biggest expense[s] in a business. It is also important for the business owner to know how to run every aspect of the business.

Here, P3 cites important elements of systems theory, contingency theory, and organizational change theory. By clearly laying out which types of workers will be necessary for the first two years of business, the amount of money which will be spent on paying each of the employees during the first two years of business, the rent for the first two years of business, and the location for the first two years of business, P3 has established major, concrete aspects of their business plan. Such knowledge implies an understanding of the basic functions of their business, and how those functions are interrelated, which is consistent with systems theory (von Bertalanffy, 1968).

P3 also discussed how important it is for the business owner to understand how to operate every aspect of the business. Having full understanding of operating a business is consistent with systems theory, contingency theory, and organizational change theory (Miner, 2015; von Bertalanffy, 1968; Walizer 2014). According to systems theory, a business owner must understand the individual processes of every position within a

company and how they are interrelated (Jenson et al., 2016; Walizer 2014).

Understanding every aspect of one's business is necessary to understand the machinations of the system. Understanding how to operate every aspect of one's business gives a business owner a knowledge advantage on how to operate different elements of their business more efficiently and effectively. Achieving this type of business understanding is consistent with contingency theory, which encourages business owners to make an effort to understand and prepare for potential problems by considering all the different elements that contribute to their business (Miner, 2015). Understanding how to operate every aspect of one's business is also consistent with organizational change theory, as re-allocating labor and resources within a company based on a problem or inefficiency demands a comprehensive knowledge of the labor and resources that each element of the company demands.

P2 said, “[a woman at the bank] advised me to contact [the North Carolina] Institute of Minority Economic development [...] to help revise my business plan.” Understanding the resources available to Black small business owners can provide valuable assistance in securing a loan, and is consistent with systems theory, as understanding and utilizing public resources available to Black small business owners can be understood as a part of the broader system of small business ownership (Jenson et al., 2016).

In summary, P1, P2, and P3 all identified having a strong, adaptable business plan as a key element in securing a SB loan as a Black business owner. The theoretical framework on loan acquisition by Black small business owners compliments the findings,

as Walizer (2014) discussed, Black business owners' ability to secure a loan correlated with their adherence to systems theory, contingency theory, and organizational change theory.

Theme 2: Researching and Preparing for the SB Loan Procurement Process

P1, P2, and P3 all identified extensive researching and preparing for the SB loan procurement process as important parts of securing a SB loan that worked well for their business. This is bolstered by contingency theory, which Walizer (2014) contended is useful for the Black small business owners looking to secure a loan. Whereas, contingency theory, as Wadongo and Abdel-Kader (2014) argued, focuses on the notion that there is no "right" way to operate a business, and that level of success a business achieves is contingent upon how a business' leadership manages the many different factors that influence the business' direction. Miner (2015) discussed how contingency aids often act as guides, which help business owners, understand the best ways to operate their companies. These aids are extremely important when seeking to secure a loan. When a business looks for a loan, the business' leadership must consider many different factors, including the size of the loan, the interest rate at which the loan can be comfortably paid, and the willingness of the lenders to loan to the business.

Jaskiewicz, Combs, and Rau (2015) argued that contingency theories help conceptualize the degree of fit between different elements, which affect organizational outcomes. In the case of SB loans, understanding the implications of different loans from different lenders is important; the elements that distinguish the different loans from each other can have profound impacts on an organization's structure and behaviors.

Contingency theory helps Black small business owners determine which loans and lenders are right for their business.

P2 said, “Starting a business can be a very daunting process. You will feel intimidated and overwhelmed by the initial process, especially if you do not know where to start and who to reach out to for help.” Here, P2 speaks to the need for aids in understanding the loan process, as Miner (2015) discussed. Every loan has its own unique, complex terms, which need to be analyzed. Table 5 further clarifies the participants’ thoughts obtaining an SB loan.

Table 5

Theme 2: Interview Questions, Interpretation and Analysis, and Emergent Themes

Excerpts of Answers from Interview Questions Relevant to Theme #2 (Researching and preparing for the SB loan procurement process)	Interpretation and Analysis	Emergent Themes
<p>P1, Q2: “I wanted to evaluate the PayPal loan against other loans before jumping on that offer. I explored a couple of other websites and found that my business income did not meet the criteria. I of course opted for the PayPal since I didn’t even qualify for the others.”</p> <p>P1, Q5: “Not every loan provider will be the right fit for you.</p>	<p>Many Black small business owners are presented with more than one loan opportunity. Without carefully considering the specifics of a particular loan, the business owner may be putting themselves in a difficult situation. It may be a hard and long process to find the correct loan.</p>	<p>While building up a small business can be an arduous task, perseverance and careful decision making will ultimately pay off for the business, its owner, its employees, and its patrons.</p>
<p>P2, Q1: “Starting a business can be a very daunting process. You will feel intimidated and overwhelmed by the initial process, especially if you do not know where to start and who to reach out to for help.”</p>	<p>Starting a business is always risky. Developing a network for possible advice and assistance will help a small business owner make better-informed decisions and feel more confident.</p>	<p>Mentally preparing for and organizing for a frustrating and long-winded process by developing a support network can be an invaluable resource to the small business owner.</p>
<p>P3, Q1: “I found the SB loan process to be very tedious and intricate. Before the process begins, a business proposal needs to be submitted along with a personal bio. Many</p>	<p>The SB loan process is not, and should not be understood as, casual. Acquiring an SB loan requires in-depth documentation, personal and professional. As such,</p>	<p>SB loan acquisition can be grueling -- tedious, revealing, and uncomfortable. An SB loan applicant must understand this, and must be willing to power through the</p>

financial statements are requested and spreadsheets which outline personnel salaries and business projections.”	SB loan applicants must be prepared to display and account for all of their business plan and their financial history.	discomfort.
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P1 was in the unique position of having a company approach them with a loan offer. P1 set out to search for other loans, but found that their business income did not fit the criteria for other loans. Without diligently researching the terms of each loan, P1 would have wasted time applying for loans that they would not have been able to obtain. Understanding that few loan providers would be helpful for their business, P1 proceeded with the loan they were offered. Choosing this course of action demonstrates an understanding of time as a key element of contingency theory (Wadongo & Abdel-Kader, 2014).

P3 focused more on the demanding intricacies of the loan application process, discussing how a personal bio, a set of business projections, many financial statements, and a down payment must be provided to a lender before a SB loan application can go forward. Further, P3 discussed how “applicants need to be prepared to show why and how their business is unique from others in the industry and provide information showing there is a need for the business.” Here, P3 discusses how the loan application process both requires application contingency theory when searching for potential lenders and when drafting an SBA request. P3 discusses how loan applicants must demonstrate commitment to their business, responsibility for their business, and strong potential to be adaptable as a manager.

In summary, P1, P2, and P3 all viewed properly preparing for the SB loan procurement search as an important factor in successfully securing an SB loan as a Black small business owner. The theoretical framework of contingency theory supports these claims, as pursuing and researching an SB loan requires an intimate knowledge of one's business plan and the ability to properly budget one's time and resources.

Minor themes

The two minor themes discovered were (a) being mindful of credit scores and (b) keeping extensive business records. While P3 and P2, respectively, did not explicitly bring up these points, it could be inferred that keeping a stable credit history and keeping extensive business records were understood by P3 and P2 as an implicit part of Theme 2. Keeping a stable credit history and extensive business records are extremely important to any small business' survival and to any bank willing to loan money to a small business. Both Tables 6 and 7 demonstrate how the participants related to the two minor themes that emerged in this study.

Table 6

Minor Theme 1: Interview Questions, Interpretation and Analysis, and Emergent Themes

Excerpts of Answers from Interview Questions Relevant to Minor Theme #1 (Being mindful of credit scores)	Interpretation and Analysis	Emergent Themes
P1, Q6: “[Retaining a business loan] is all about having your credit score in excellent standing, a down payment and a solid plan of how you are going to grow your business in order to pay the money back.”	Having a strong credit score is crucially important to demonstrating financial competence and allows potential investors to build confidence in an SB lender.	It is extremely important to retain a strong credit score when seeking a loan, regardless of lender.
P2, Q1: “Initially, obtaining an SB loan did not cross my mind due to the fact of it being a startup business and there were no credit worthiness established as of yet.”	Having strong credit is such a crucial part of securing a loan that one interview subject did not consider seeking an SB loan until approached by a lender. Further, even if approached by a lender, it is important that a small business owner have a concrete understanding of the amounts of money they are capable of paying back.	In order to keep a strong credit score, an SB lender must have a realistic concept of their own finances, their business’ finances, and their business plan.
P2, Q5: “Have your credit in order to reflect positive payment history, this will allow the bank to see that you are capable of paying the loan back.”		

Table 7

Minor Theme 2: Interview Questions, Interpretation and Analysis, and Emergent Themes

Excerpts of Answers from Interview Questions Relevant to Minor Theme #2 (Keeping extensive business records)	Interpretation and Analysis	Emergent Themes
<p>P1, Q4: “I handle all of my business through PayPal, so they have full visibility into my sales and earnings.”</p> <p>P1, Q5: “Your records also need to be housed in an organized manner as an almost-always criteria is opening your vest and showing the past 6 months of statements.”</p>	<p>A small business owner must have records in order to give their potential SB loan lenders confidence in their ability to repay. More detail and transparency will help grow the lender’s confidence.</p>	<p>Business records must be thorough, detailed, and accurate in order to act as a proper tool.</p>
<p>P3, Q6: “Save all of your receipts and hire a good bookkeeper to record all spending.”</p>	<p>A bookkeeper can be an excellent financial asset for a small business; understanding where money is being spent allows business managers and owners to better address inefficiencies and problematic spending. This ultimately allows businesses to increase their profit margins and grow.</p>	<p>Managing spending and keeping business records is important both during and after the SB loan acquisition process. Ongoing bookkeeping is a crucial part of keeping a business profitable and sustainable.</p>

As seen from reviewing the two minor themes, it is important to retain good credit to secure a loan, and this is something all three participants shared. However, to retain a positive credit score, an SB lender needs to have some confidence concerning the ability of the applicant to pay back the loan. In addition, lenders must be able to gain a clear

perspective on a business's finances and business plan. Therefore, the theme of keeping thorough, detailed, and accurate books and records in business is critical to obtaining an SB loan and in continuing to remain profitable and sustain the business.

Applications to Professional Practice

The focus of this study was on three Black North Carolina small business owner's methods used to secure a SB loan. The strategies in this study might provide a blueprint for new or relatively new Black-owned businesses in major metropolitan areas trying to secure a loan. Business owners looking to enhance their approach through systems theory, contingency theory, or organizational change theory could also use this study as a framework for application. Concrete examples of successful Black small business owners' general practices may help other business owners outline new, pragmatic approaches to work.

The study does not disclose the business fields of the subjects involved, so while these points are widely applicable to most new businesses, they do not offer any unique help for those looking to better their new business in a particular field. Similarly, while the points made by all three subjects are general enough that region should not matter; it is worth stressing that both subjects in this study are from North Carolina.

Implications for Social Change

The strategies found in the study may help identify strategies to assist Black small business owners to sustain business beyond 5 years. The Black community has been repeatedly economically disadvantaged throughout American history due to many historical injustices, from slavery to sharecropping to de facto segregation (Reuben &

Queen, 2015) (Walker, 2016). The Black community, which has historically relied on community-owned businesses, has been significantly impacted by dwindling access to important economic resources (Bates et al., 2018). Increasing access to SB loans for Black entrepreneurs may help bring greater business sustainability and greater economic equality to Black homes and communities (Newberger, 2018).

Recommendations for Action

The results presented in this study can help Black small business owners create strategies for obtaining SB loans. By incorporating systems theory, contingency theory, and organizational change theory into their approach to business; having effective business plan; extensively researching SB loans; keeping a strong credit score; and keeping extensive records of their businesses, Black small business owners can have a less difficult time securing a SB loan. Black small business owners should consider the specific recommendations listed below as particularly important:

- Adopt principles of systems theory, contingency theory, and organizational change theory into business plans;
- Perform extensive research on your customer base, your field, and the operations of your business;
- Understand every aspect of the business;
- Keep detailed documentation on your business; and,
- Be aware of the resources available to help grow your business.

To foster the use of the strategies in the plan outlined above, I will forward a findings summary to all participants and their companies. I will disseminate the study

findings to new small businesses either by visiting companies, conducting public conferences, or through electronic communications.

Recommendations for Further Research

The purpose of this qualitative case study was to explore successful strategies adopted by Black small business owners that managed to obtain a SB loan. The findings of this research validate early and current literature. One limitation identified in this study was the number of participating businesses, which, while providing an appropriate amount of data for triangulation, did limit the scope of the study. Conducting a broader survey with an emphasis of incorporating different types of Black-owned businesses may be a useful approach to find a common ground of successful practices across business types. The best way for researchers to represent all small businesses is to use quantitative sampling to collect data from a large number of individuals and then use inferential statistics, which enables the researcher to determine the characteristics of a larger population.

Another limitation of this study is that the data collected from participants may not adequately represent businesses in all geographical regions, as all subjects in this study were located in the same geographical area. Nevertheless, a review of public documents concerning which small business in the area survived Researchers may expand the study to other areas outside of North Carolina to confirm or disconfirm generalizing the study's findings. Other limitations were participants' responses, opinions, knowledge, experiences, and worldviews. Individual interpretations of strategies can vary drastically from manager to manager, depending on the individual

manager's business, mission, verbal acumen, and understanding the concepts and goals; all of which can influence the conclusions of a study.

Reflections

This was my first experience with conducting a study and writing a dissertation on a business problem. Prior to this study, I was unaware of the level of detail required to properly perform a doctoral study. A business study at the doctoral level is more exhaustive and methodically aligned than I expected. The research alignment and level of integrity between sections of the study template were helpful in modifying my rationale for conducting an academic study and in communicating with the three subjects studied. I anticipated most of the themes that surfaced, but also became aware of enlightening new considerations. Findings from this study improved my knowledge of small business strategy and of loan acquisition strategies for Black small business owners. The identified themes are informative for Black business owners who are attempting to obtain a SB loan.

Summary and Conclusion

The purpose of this qualitative multiple case study was to explore the strategies fostered by Black owners of small businesses who successfully acquired a SB loan and remained in business beyond 5 years. The Black community has been continually economically disadvantaged throughout American history caused by historical injustices such as slavery, sharecropping, and de facto segregation. The Black community, which has traditionally relied on community-owned businesses, has been considerably affected by declining access to important economic resources. Increasing access to SB loans for

Black entrepreneurs can bring greater business sustainability and economic equality to Black families and communities.

The study findings included four themes, two major centralized themes and two minor themes. The centralized themes were (a) having an effective business plan, and (b) researching, and preparing for the SB loan procurement process. The two minor themes discovered were (a) being mindful of credit scores and (b) keeping extensive business records. The findings of the study aligned with the literature, the current studies, and the conceptual framework. A Black small business owner who adopts effective business strategies, including systems theory, contingency theory, and organizational change theory, while keeping an effective business plan and being vigilant with their credit has an excellent chance of securing a SB loan. The strategies considered in this study can provide a roadmap for new or relatively new Black-owned business owners trying to secure a loan in major metropolitan areas. The concrete examples provided in this study can help other business owners outline new, pragmatic approaches to business sustainability.

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Appendix A: Interview Protocol

STEP 1: Welcome and Overview of Purpose of Interview and Protocol (2-3 minutes)

“Hi. First, thank you for being here to participate in this one-on-one interview.

My name is Trenessa Baker, and I am a doctoral student at Walden University. I am interested in learning about your thoughts and experiences regarding being a Black small business owner. The interview today should take between 30-60 minutes. I am going to facilitate the interview and would you mind if I taped the interview? If you agree to be recorded, your verbal agreement will be a part of the recording as well as acknowledging that you can stop at or withdrawal from the study at any time. Recording the interview will help me stay focused on our conversation and it will ensure I have an accurate record of what we discuss. After the transcripts are created from the recording, two additional steps will take place.”

“First, I will invite individuals who participated to submit additional information that can help provide additional insight into the questions posed. The individual (or I) may want to schedule a follow-up conversation over the phone or via email to clarify or elaborate on any of the responses shared at the interview. This can also take place in a second, follow-up meeting”

“Second, I will erase the audio recording. The typed transcripts will be kept on a computer in a password-protected file for three years. Individuals can decide at any time

to discontinue their participation. Please feel free to ask any questions you may have.

Shall we get started?"

STEP 2: Introduction (2-3 minutes)

"May I record your answers for this interview? Can you tell me; Are you a resident of the RTC area? Have you experienced business success? Are you interested in sharing your experiences? If so, please tell me about your experience as small business owner."

STEP 3: Six Questions Posed to Interviewee (4-5 minutes according to question)

1. What was your experience obtaining an SB loan?
2. What obstacles have you had to overcome to obtain an SB loan?
3. How have you addressed the obstacles to obtaining an SB loan?
4. What successful strategies did you use to obtain an SB loan?
5. What recommendations would you give Black small business owners pursuing an SB loan in the RTP area of North Carolina?
6. What additional information can you add that is relevant to this study?

STEP 4: Closing Questions (3-5 minutes)

"Is there anything you would like share about obtaining an SB loan for your business?"

Do you have any questions for me?"

STEP 5: Thank participants, recap next steps, and member checking will take place (2-3minutes)

“Thank you very much for taking part in this study and for sharing your experiences with me. After your recorded interview is transcribed, I will contact you so that you can read over the interview transcript. This is to ensure that what is written down is what you intended to share. If you feel the information is inaccurate or needs further clarification, we can discuss it further over the phone or in a follow up interview. Thank you again for your participation.”

Appendix B: Phone Recruitment Script

Hello, my name is Trenessa Baker. I am a Doctoral Student at Walden University conducting a study called: Successful Strategies for Obtaining Loans for Black-Owned Small Businesses.

I am calling to ask you if you might be interested in participating in this research study.

Would you be willing to hear more information about this study?

Thank you for agreeing to continue. Let me tell you more about this study and what will be required of you.

Your participation is completely voluntary. This means that you do not have to participate in this study unless you want to and you can choose to stop participating at any time. Any information you share will also be kept confidential.

The purpose of this study is to explore successful strategies Black small business owners use to obtain SB loans. The results of the proposed study can provide Black small business owners new strategies for achieving business success. The implication for social change is the overall contribution to the economic prosperity of the local communities' economies.

The study will require one interview at a location that is comfortable for you. The interview will last 30 to 60 minutes.

If you are eligible for the study, a small business owner who has successfully obtained an SB loan and sustained your businesses for at least 5 years, it would be very helpful if you choose to participate.

There is no cost for participation in the study.

If you agree to participate, you will not receive compensation for travel and time.

If you are willing to consider participation in the study, I would like to arrange a time and a place to hold the interview.

Do you have any questions at this time?

Would you be willing to consider participation in this research?

Thank you for your time.