

## **EVALUATION OF FACTORS AFFECTING THE SUCCESS OF SMALL AND MEDIUM SIZE ENTREPRISES (SMEs) IN RWANDA**

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### **Abstract**

This study examined and analyzed the factors affecting the success of Small and Medium Enterprises in Rwanda. The study was conducted among SMEs located in Kigali. The hypothesis of the study tested if there is no significant difference in the evaluation rating of the factors that affect the success of (SMEs) of respondents grouped according to the nature of business. Descriptive research that provides statistical descriptions, analysis, relations and explanation about numerical data were used. The results from this study demonstrated that the success of SMEs depends on a number of factors, being internal or external. This study demonstrated that internal factors like managerial skills, effective human resource management, production/technology, entrepreneurial skills were the most important in explaining the factors affecting SMEs success. This study also demonstrated that with boosted internal factors, competition and market dynamics have not negative significant influence on probability of SMEs success. Besides, legal and government incentives were also a key element that influences SMEs success and was seen by respondents not to be challenging towards business success. When grouped by industry, agriculture compare to other sector has a negative significant difference along the managerial skills and entrepreneurship. However it has a positive significant difference in terms of access to finance when grouped per industry along agriculture and service. In addition there is a positive significant difference when grouped by industry compare all sectors to agriculture in terms of entrepreneurship and managerial skills. Furthermore handcraft and merchandising, service and merchandising, and agriculture and service have positive significant difference in terms of access to finance.

**Keywords:** Factors, Success, Small size Enterprises