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## THE ANALYSIS OF CHALLENGES AND PROSPECTS FACED BY ENTREPRENEURS TO ENSURE SUSTAINABLE GROWTH OF SMALL AND MEDIUM ENTERPRISES

SMEcos (Small and Medium Ecopreneurs) are critical players in the circular economy and achieving the goal of sustainable development. This is especially true because SMEcos have long been the backbone of economic progress, and entrepreneurs make a significant contribution to the sustainable use of natural resources and the reduction of development problems. Therefore, this research looks at the problems and opportunities faced by small and medium-sized ecopreneurs. The terms “sustainable development”, “circular economy”, and “ecopreneurship” have been discussed in the research. It also considers how SMEcos might contribute to the development of a circular economy. As a theoretical framework, the survey is based on sustainability theory. To conduct thorough study, relevant and accurate learning theory and reports have been employed. Entrepreneurs face four major challenges: financial availability and accessibility; a lack of planning, competent labor, and appropriate management skills; a lack of competitiveness, technical innovation, and consumer loyalty; and a lack of legal and regulatory framework as well as social considerations. The SMEs offers significant potential for entrepreneurial development, according to the results. New entrepreneurs are frequently confronted with rivalry, unforeseen business obstacles, and other reasons when faced with external hurdles. In addition, the results of the study have revealed a number of concepts that can help entrepreneurs overcome difficulties, such as being optimistic in the face of difficulties, spreading an idea and vision to potential investors, etc.

**Keywords:** *entrepreneurship, policy, SMEs, entrepreneurs, new business start-ups, prospects and challenges*

**JEL:** *L25, L26, M13*

SMEcos (англ. Small and Medium Ecopreneurs, малі та середні екопідприємці) є ключовими гравцями в економіці замкнутого циклу та досягненні мети сталого розвитку. Це твердження є вірним, оскільки SMEcos вже давно є основою економічного прогресу, а екопідприємці роблять значний внесок у стале використання природних ресурсів і зменшення проблем розвитку. У статті досліджено проблеми та можливості, з якими стикаються малі та середні екопідприємці. уточнюються терміни «сталій розвиток», «циркулярна економіка» та «екопідприємство». Розглянуто як SMEcos можуть сприяти розвитку економіки замкнутого циклу. Дослідження базується на теорії сталого розвитку. Для проведення ретельного вивчення було використано відповідні дослідження та звіти. З'ясовано, що підприємці стикаються з чотирма основними проблемами: наявність і доступність фінансів; відсутність планування, грамотної організації та належних управлінських навичок; відсутність належного рівня конкурентоспроможності, технічних інновацій і лояльності споживачів; відсутність законодавчої та нормативної бази, а також соціального сприйняття. Згідно з результатами досліджень, SMEcos пропонують значний потенціал для розвитку підприємництва. Підприємці-початківці часто стикаються з суперни-

цтвом, непередбачуваними бізнес-перешкодами та іншими проблемами, які породжуються зовнішнім середовищем. Крім того, результати дослідження виявили ряд концепцій, які можуть допомогти підприємцям подолати труднощі, наприклад, бути оптимістичними перед обличчям труднощів, поширювати ідеї та бачення перспектив серед потенційних інвесторів тощо.

**Ключові слова:** підприємництво, політика, малий і середній бізнес, підприємці, відкриття нового бізнесу, перспективи та виклики

**JEL:** L25, L26, M13

## 1. Introduction

The importance of the SME sector in the economy has been recognized by academics and policymakers in developed and developing countries. SMEs have a significant effect on the global economy, despite their tiny size. Small business performance and vitality are often regarded as important predictors of economic success and future growth (Tsai & Kuo, 2011). Many worldwide firms and nations began to investigate economic strategies to encourage entrepreneurship in the mid-1990s. “Entrepreneurship” in this study refers to both the desire to start a new business and the actions of SME owners and managers in facilitating business growth (Cuckovic & Bartlett, 2007). In terms of entrepreneurial activity, the SME sector is the driving force behind.

SME Entrepreneurship is a platform for solving personal development and social problems, as well as a stimulus for economic competition and job creation (The Commission’s Green Paper: Entrepreneurship in Europe 2003). As a result, the potential for job creation may depend heavily on opportunities for SMEs. Furthermore, high-growth SMEs are often innovators and early adopters of new technologies, and play an important role in enhancing productivity and maintaining competitiveness (Audretsch, 2004). Entrepreneurs are very important to the development of new products, technology and businesses. They have the ability to put their own qualities and goals into action (Avnimelech & Teubal, 2008). Entrepreneurs must bear responsibility for ensuring the survival and development of their businesses in SMEs where resources and talents are limited. Moreover, SMEs with higher operational flexibility and adaptation to change have a better chance of profiting from

unanticipated developments and discoveries (Schaper, 2008). Entrepreneurship policy encourages people to start their own businesses and offers service assistance and resources to help them succeed. Governments must devote far greater attention to the SME entrepreneurial policy environment, which is an essential prerequisite for SMEs to start and grow. Entrepreneurship promotion is an important part of a strategy aimed at improving entrepreneurial activity, which might lead to the formation of SMEs (Rennings, 2000).

The Business Dictionary defines entrepreneurship as “the ability and inclination to structure a firm as well as the risks involved in creating a profit”. An entrepreneur (Lowrey, 2003) is a person who pursues his or her own economic survival and growth goals. Entrepreneurs are those who develop and manage businesses in the field of entrepreneurship and are regarded as active participants in the sector. After all, they’re the ones that produce the services and goods we utilize daily. In this fast-changing environment, entrepreneurs must be accountable for contributing to national economic income, enhancing consumer lives, and solving customer concerns. However, some entrepreneurs, particularly young entrepreneurs with little expertise in the economic world, suffer obstacles on their way to success. Young entrepreneurs will confront several internal and external challenges that may stymie their progress because they are still new to the business world. As a result, the numerous internal and external issues that young entrepreneurs face will be thoroughly investigated in this research. In addition, helpful recommendations for resolving the problems they experience will be suggested.

**2. Literature survey**

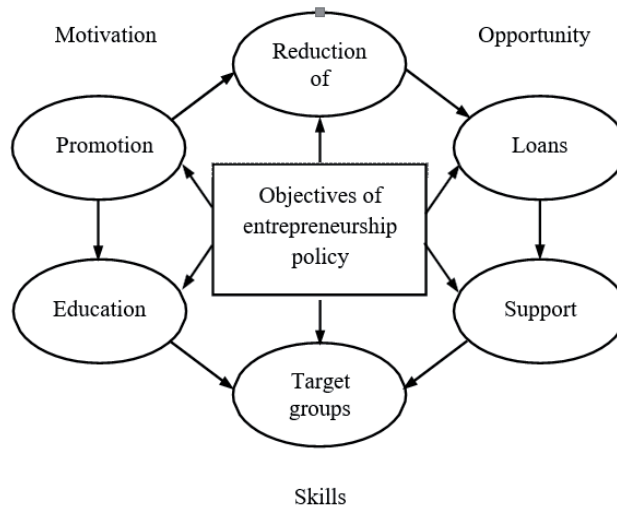
Some researchers look at entrepreneurs through personal characteristics such as social status and personality, educational background and success, race, and other related factors (Ki, 2008). Several studies (e.g., Acs & Armington, 2006; Ki, 2008) have looked at population, gender, industry composition, location (urban and rural), human/social capital, R&D, creativity, and regional economic studies in local and regional contexts. Other studies focus on the new organizational architecture and the interaction between entrepreneurship and regional characteristics. Many industrialized nations have a highly competent and educated workforce for start-ups and ventures, but company start-ups in developing countries, such as Ghana, are both demographic and rural/urban, owing to variables such as funding and market prospects. As a result, cities are more likely than rural areas to attract new businesses.

Mack and Heifeng (2016) focus on the entrepreneurial aspects of entrepreneurship and business processes in terms of the combination of the factors of entrepreneurship while researching entrepreneurial finance, venture capital, industrial relations, and the organizational mechanisms of entrepreneurs (Mack & Heifeng, 2016). Capital, machinery/equipment, and labor are all components of manufacturing. The

attempt to bring entrepreneurial action in this context entails combining production factors to create new products, services, or processes, as well as entering new markets, the entrepreneur’s ability to understand the business environment and capitalize on opportunities, and the assumption of risks, since risks and uncertainties associated with starting a business are numerous.

**3. Materials and Methods**

This research provides the necessary framework for business policy activities to fully assess the business policy environment of SMEs (Lowrey, 2003). Some of the aims for executing the entrepreneurship strategy include creating an entrepreneurial climate, fostering entrepreneurship, establishing good attitudes toward entrepreneurs, and increasing the number of company start-ups/new firm formation/new entities. This model combines the elements of motivation, capacity, and opportunity that will effect the growth of new businesses: loans and initial capital/seed capital for new businesses, and assistance in the formation of new businesses (incubators, orientation, first stop shops, networks), changes in prohibition/taxation and entrance barriers, enhancement of business culture and institutions, and reduction of failure stigma, business education, and telecommunication services in schools (e.g. young women, unemployed). Fig. 1 shows the framework of entrepreneurial regulation developments.



**Fig. 1. The framework of entrepreneurship policy measures**

Fig. 1 shows the structure of entrepreneurial policy measures. For SMEs and entrepreneurial activities, the entrepreneurial climate is critical. SME Entrepreneurship Policy refers to policies implemented by a country or region to promote entrepreneurial activity by improving the entrepreneurial environment and promoting new businesses in the SME sector.

To examine the SME sector's enterprise policy, this study proposed a set of evaluation criteria based on the enterprise policy measures framework. Business education, company services support, corporate files, and business capital support are among the evaluation factors. Environmental policy and supporting policy are the two types of these four variables. The first two elements are associated with environmental policy, whereas the latter two are associated with support policy (Fig.2). The following portion of this research examines the SME sector's

entrepreneurship policy using the above-mentioned assessment criteria methodology.

#### 4. Research Results

##### 4.1. Entrepreneurship policy for SMEs

Entrepreneurs view the creation of a long-term economic climate as a requirement for investment and risk. The reliable statistics backup the theory that the business environment is one of the most critical elements that influence the start-up and success of new enterprises, particularly SMEs (Table 1) (Pinto, 2005).

##### 4.2. Entrepreneurship education and training

The goal of entrepreneurship education is to develop, acquire and improve all essential entrepreneurial skills. With theoretical and practical programs, entrepreneurship education is aimed at instilling entrepreneurial skills in students. Entrepreneurship education and training aims to promote entrepreneurship, encourage

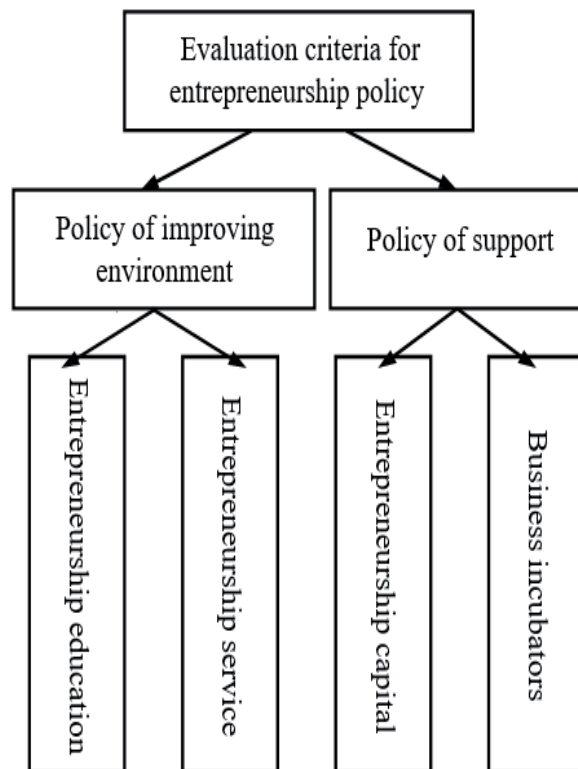


Fig.2. The system of criteria for evaluating entrepreneurship policy

Table 1

**Illustrations of government initiatives that help SMEs and encourage entrepreneurship**

Problem	Program	Description
Access to loan finance	Loan guarantee scheme	SMEs without access to own collateral obtain access to bank loans by state acting as guarantor
Access to equity capital	Enterprise investment scheme	Tax breaks for wealthy individuals to become business angels
Administrative burdens	Units established within government to seek to minimize administrative burdens on smaller firms	Deregulation units terminating the effect of legislation
Science parks	Property-based developments adjacent to universities	Seek to promote clusters of new technology-based firms
Managed workspace	Property provision to assist new and very small firms	Often called business incubators, they provide premises for new and small firms on easy terms
Stimulating innovation and R&D in small firms	Small business innovation research program (SBIR)	Certain amount of money is allocated via competition to small firms to stimulate additional R&D activity
Entrepreneurial skills	Small business development corporations (SBDCs)	Counseling is provided by SBDC mentors to small business clients who may be starting a business or be already trading
Entrepreneurial awareness	Entrepreneurship education	To develop awareness of entrepreneurship and/or the entrepreneur by incorporating enterprise into the school

people to establish businesses, and increase their ability to identify business prospects.

In order to improve entrepreneurial education in SMEs, the following measures are taken. Higher educational institutions that investigate business education specialities, provide business education training to instructors, host undergraduate business project competitions, and encourage student entrepreneurship (Bai, 2008). In recent years, the number of business training programs for SMEs has been expanded. Monthly talks on entrepreneurship and SMEs on the legal and regulatory environment, the financial environment, and the business environment are offered by the Association for SMEs. The forums (Beijing Coalition of Entrepreneurship for SMEs) include subjects such as entrepreneurship and market position, SME stock options, SME entrepreneurship and policy environment, SME finance, and SME legal and regulatory challenges, to mention a few.

In the field of business education and training, there is still a lot of room for advancement. The modern educational system does not provide sufficient support for the quick development of entrepreneurial mindsets. Entrepreneurship must be taught in primary and secondary schools, and entrepreneurial behavior must be ingrained in the education system. The activities of graduate business schools should also be strengthened in this regard. Organizational planning, new product development, technical requirements, managerial skills, marketing, and financial management are all areas where business education programs fall short of meeting client demands.

The majority of financial measures that can be approved is, in general, a significant part of this support. Government subsidies, subsidized loans, loan guarantees, and, increasingly, risk capital availability policies are among them. Long-term support is also offered in the form of specialist training as well

as direct delivery of information, guidance, and other types of practical assistance. David Story has illustrated many distinct sorts of entrepreneurship, despite the fact that diverse types of entrepreneurial policies in different nations have been recognized and mentioned below. Table 1 shows how these regulations are implemented.

4.3. External challenges faced by new entrepreneurs

On their way to financial success, entrepreneurs may face several external challenges. Environmental variables that arise around young businesses can produce external issues. External problems in the business world include product market pricing, government laws and regulations, market competitiveness, and so on. As a result, the most prevalent external issues that young entrepreneurs encounter while beginning a business are highlighted.

#### 4.3.1. *The challenges of ecopreneurship*

This section looks at some of the roadblocks to ecopreneurship success in the context of sustainable development. Below are the components:

- Ecopreneurship is confronted by many external barriers, driven by technical and environmental conditions (Rennings, 2007). Eco-entrepreneurs face the financial risks of investing in a green company (McEwen, 2013).

- Business people in the industry find it difficult to raise funds for eco-entrepreneurs due to difficulties in accurate estimation of risks associated with entrepreneurship and the lack of a track record or track record of success (McEwen, 2013).

- As a result of the issues that define current and future environmental disasters, eco-entrepreneurs face huge and unpredictable business risks. According to McEwen (2013), the market in which eco-entrepreneurs operate does not promote effective interim risk tolerance and risk aversion allocation (McEwen, 2013).

- Recycling Technology Acquisition and Infrastructure Costs: Production, Marketing, and Research and Development: Manufacturing, marketing, research, and development costs for recycling technology

and infrastructure facilities are generally a barrier for eco-entrepreneurs (Grübler & Nakicenovic, 1999).

- Information, Education and Knowledge: the lack of high-quality information is a major barrier to eco-entrepreneurs. This is intrinsically true because environmental innovations require sophisticated technological processes that can only be carried out with accurate information about the nature and extent of the problems, the scope and costs of available solutions, and how to reduce them (Banks & Heaton, 1995).

- Government regulations on circular economy: the biggest problem that eco-entrepreneurs face is the lack of policies. As a result, governments at all levels must support legislation and initiatives that help increase the acceptance of environmental products in recent years (Banaitè, 2016).

#### 4.3.2. *Trading with opposition*

When it comes to beginning a new business, competition is a big issue that all entrepreneurs encounter. Most young entrepreneurs regard competition as a major annoyance as it makes their business less relevant in the eyes of customers, resulting in customer churn. Since new business ideas may conflict with those of newly established businesses, the daily increase in new businesses can encourage competition between new entrepreneurs.

In addition, as Shahidi and Smagulova (Shahidi & Smagulova, 2008) note, the ability to explore new business opportunities while keeping up with industry changes and trends that are constantly intensifying to attract customers is perhaps the most common form of competition young entrepreneurs face. Many businesses have been founded and destroyed as a consequence of trends, which provides a challenge for new entrepreneurs with no prior experience in the field. They are not like seasoned entrepreneurs who are accustomed to quickly adapting their business to current trends, exploiting those trends, or seeing business opportunities.

For any business owner trying to expand, this might be viewed as a welcome task. If there is competition, entrepreneurs are

driven to continually enhance their products or services in order to keep a stable place in the global market. As a result, businesses are encouraged to develop and offer high quality products at affordable prices to attract customers. Thus, competition may be viewed as a very gratifying challenge for young entrepreneurs, as it encourages them to explore and expand their businesses based on their creativity and individuality. Managing competition, on the other hand, is a significant issue, particularly for inexperienced new entrepreneurs, competing against well-established entrepreneurs all over the world.

#### ***4.3.3. Unpredicted business challenges and expenses***

One of the most challenging problems faced by an entrepreneur is unexpected costs and obstacles that can arise at any time. As a result, an entrepreneur must always be always ready for anything and be able to deal with any difficulties or crises that may occur. Unexpected legal issues, contradictory government regulations, bad consumer credit, inadequate sales of goods, missing invoices and taxes are just some of the company's unexpected obstacles (Kaburi et al, 2012). This has had a huge impact on Asian businesses, with most established businesses being forced to close as a result of the unpredictably severe economic downturn. All of these unanticipated or unforeseen business challenges must be successfully addressed by entrepreneurs, or progress toward building a successful company will be delayed. If addressed inefficiently, unplanned business expenses that are accidentally escalating might result in a continuous negative cash flow, eventually leading to corporate failure. As a result, all these elements clearly function as an external barrier for young entrepreneurs, as they may not be prepared to deal with unforeseen business storms.

#### ***4.3.4. Discovering good customers***

Selecting the best clients is an external challenge faced by new entrepreneurs when starting a firm. Finding the best customers is a difficult task, but it is critical to a company's success. A business can develop

a desire to do the right thing for the good customer (The Commission's Green Paper: Entrepreneurship in Europe 2003). The proprietors will give constructive comments as the new business's service improves. In this case, customers will always be loyal to the company and will forgive if it makes a mistake or apologizes. However, finding good clients is challenging.

On the other hand, bad customers are becoming more common and new businesses should be wary of them. When it comes to small matters, terrible clients are generally seen to be overbearing and authoritative. Customers who are unhappy with a firm will constantly strive to bring it down by exploiting flaws in its regulations and tearing it apart (McEwen, 2013). As a result, while starting a firm, a new entrepreneur must be prepared to deal with both favorable and negative behavioral intentions of customers. Excellent clients, on the other hand, are hard to come by, so finding the perfect clients to start a firm is difficult, especially for a beginning entrepreneur.

#### ***4.4. Suggestions to meet the challenges***

In today's fast-changing world, new entrepreneurs face both external and internal challenges. There is a variety of tactics that entrepreneurs may use to overcome these challenges. Below are some suggestions for dealing with the challenges new companies face.

##### ***4.4.1. Being optimistic towards challenges faced***

Whenever young entrepreneurs try to build new company prospects, they face obstacles, challenges and setbacks. As said earlier, entrepreneurs will face challenges both inside and outside the company, from the concept of a business idea to the actual founding of the company. New entrepreneurs may respond to these challenges with negative attitudes, such as giving up too early or becoming frustrated, which can stifle not only the market flow of their business, but also the competitive spirit of other entrepreneurs in the region (Acs & Armington, 2006). Instead of becoming discouraged, new entrepreneurs should view these challenges as an opportunity

to strengthen existing weaknesses in an attempt to avoid repeating past failures (Acs et al, 2007). A successful entrepreneur, according to Voogd, views failure with confidence, which helps him succeed in his career (Voogd, 2015). Viewed another way, individuals must have faith in what is good or wrong in any scenario if they are to succeed. Furthermore, young entrepreneurs are encouraged to seek motivation in order to overcome the challenges they face, which derive mostly from their original goal in starting the firm (Mack & Heifeng, 2016). Instead of viewing problems as an obstacle, entrepreneurs should welcome new business opportunities and take steps to ensure their success.

#### ***4.4.2. Expand the idea and vision to potential investors***

It is also difficult for entrepreneurs to convince others of their company's potential, as others may not understand what they are talking about. As a result, in order to overcome this challenge, entrepreneurs must convey their product and vision to potential investors. People are interested in the quality of their management team, the strength of their business potential, and the return on their investment in their firm, according to Font and Cohen (McKenzie et al, 2007). Young entrepreneurs should identify possible investors who could assist them in growing the businesses. They should be able to convince investors to invest in the proposed business plan. Thus, aspiring entrepreneurs need a well-organized business plan to capture potential investors' attention and pique their interest in the suggested business concept. As the business grows, a business plan helps entrepreneurs to plan more realistically and take necessary actions or decisions (McEwen, 2013).

#### ***4.4.3. Research the target market and analyses competitive products***

Another external challenge that entrepreneurs frequently confront is competing with new or existing businesses. To overcome this obstacle, prospective business owners must perform market research and examine competitor goods. To survive in a competitive company climate, entrepreneurs

must research their competitors' efficient sales approaches, pricing, and advertising strategies in order to better compete. Using such effective methods will undoubtedly help them surpass the competitors (Banks & Heaton, 1995).

Entrepreneurs are urged to do crucial online business research since it is free and, more importantly, it may disclose the most recent trends in market demands. Since social media is now widely available to the general public, entrepreneurs are strongly encouraged to conduct such research. Furthermore, for most people, being online has become a daily ritual, making it easier for companies to acquire information. Individuals, for example, are more likely to submit product evaluations or discuss their daily difficulties online. As such, businesses may utilize this data to enhance their business acumen while also attracting new clients. Customers may also use social networks to find more efficient and convenient products and services, according to Henlein (Haenlein, 2010).

#### ***4.4.4. Enrich oneself by reading inspiring materials***

Developing a business is difficult for aspiring entrepreneurs because they can face internal and external challenges such as mood swings, lack of competent people, and other problems. Successful entrepreneurs are motivated to come up with innovative solutions that benefit them. They can overcome negative perceptions of the obstacles they face at work by reading information about successful firms, such as articles or biographies (Pinto, 2005). "Company Adventures", by John Brooks, delves into the factors of company success and failure, making it a must-read for aspiring entrepreneurs. Young entrepreneurs should also study other books to obtain crucial knowledge that will assist them in dealing with challenges and expanding their enterprises (Bai, 2008).

#### ***4.5 Entrepreneurship support service***

To promote a healthy business environment, the Business Services Support Policy focuses on enhancing management services and providing diverse information



and consultation sites. Interaction with public authorities, inefficient and non-transparent methods, frequent bribery and forcing businesses to register their services, which facilitates informal activities, are some of the most serious difficulties faced by entrepreneurs.

The contemporary tax structure encourages company growth and entrepreneurship. This is owing to numerous tax deductions and incentives for income and profit. The current government promotes the construction of supporting infrastructure to reduce SMEs' operating expenses, particularly through the provision of business services (Pinto, 2005). A successful strategy for SMEs promotes the sale of their goods and services, as well as the expansion of their market potential. In recent years, Beijing has developed and implemented a number of trade facilitation targets, but progress has been slow and SME expansion has been hampered by shadow economy, bribery and corruption. Consulting and information services are already more accessible to small enterprises. However, the long-term financial viability of corporate consulting services is questionable, and the credibility and certification of consultants, as well as the quality of services and the development potential of the advice offered, are all areas of worry. To make full advantage of SMEs' operating skills, more work has to be done to give further guidance and information assistance.

#### **4.6. Entrepreneurship capital support**

Due to the global economic slowdown, the weak development of the financial services sector, repeated banking crises, and rising risk aversion by commercial banks, financing is a challenge for entrepreneurs and SMEs all over the world. In light of this, funding channels for entrepreneurs and small firms, including various sources of capital and lines of credit, appear to be critical. Small businesses and entrepreneurs now have more financial choices than ever before. The amount of money available from the municipal budget to assist entrepreneurs and small businesses has dramatically grown. Government budgetary programs

for entrepreneurs and the SME sector have been increased, and new programs such as Dedicated Funds for Business Investment in SMEs have been introduced:

- Due to this rapid expansion, the banking industry continues to ignore the needs of small businesses. Applying for a loan takes a lot of time.
- Furthermore, there is a scarcity of venture and equity funds, and venture and seed capital businesses have a lot more potential.
- Business angels do not formally exist as a source of capital for SMEs.
- A robust, productive banking industry is necessary to provide SMEs with long-term access to capital (Kaivanto & Stoneman, 2007). Bank risk aversion, as well as the cost of obtaining bank funding, remain significant hurdles for entrepreneurs and the SME sector.

#### **4.7. Business incubators**

Business incubators are well-known for providing space, infrastructure, and support services to nascent enterprises, hence enhancing their chances of survival (Krasniqi, 2007). Entrepreneurship centers and scientific parks, as well as other SME assistance institutions, typically have business incubators. They're intended at entrepreneurs and businesses with great growth potential and long-term prospects, and they're extensively employed to combat unemployment and poverty.

In recent years, a system of entrepreneurial centers has emerged, consisting of academic scientific parks, commercial archives, and worldwide entrepreneurial parks, all of which are backed by federal and state laws. Entrepreneurship policies that encourage the growth of business incubators have shown positive benefits. Table 2 summarizes some of the most important small and medium-sized company policies.

### **5. Conclusion**

This research will provide productivity, sustainability, competitiveness, and profitability benchmarks for entrepreneurs and SME owners. Various developing countries might use these initiatives to develop policies that would assist entrepreneurs and

**Entrepreneurship programs for SMEs**

<b>Program</b>	<b>Description</b>
Experimental higher education college	Providing entrepreneurship education and develops entrepreneurship competencies
Entrepreneurship forums	Providing training programs targeted at entrepreneurship of SMEs
Entrepreneurship mentoring centers	Providing entrepreneurship advisory information
Entrepreneurship websites	Providing information related to entrepreneurship
Entrepreneurship service buildings	Providing entrepreneurship facilities to entrepreneurs and SMEs
Funds focused on entrepreneurial investments in SMEs	Financing entrepreneurs and SMEs
Beijing SMEs Credits RE-guarantee Co Ltd	Assistance and guarantees for entrepreneurs and SMEs in financing
Science parks	Incubating and aggregating businesses

SMEs in adapting much-needed resources. Exploring business chances by taking certain risks, turning fresh entrepreneurial ideas into opportunities, and producing innovation and new value are all themes that run across the many theoretical viewpoints on entrepreneurship. Entrepreneurship is an important component of economic and regional development since it contributes to economic growth, job creation, and company innovation. The study has provided insights and suggestions on how the government can help entrepreneurs and SMEs expand and flourish, as well as how entrepreneurs might build their businesses.

These recommendations can be used by a number of developing countries to develop policies that will enable entrepreneurs and SMEs to access much-needed resources. The theoretical entrepreneurial techniques include features such as exploring business prospects by taking certain risks, turning new company ideas into opportunities, and producing innovation and new value. Entrepreneurs have a vital role in regional and national development by contributing significantly

to economic growth, job creation, and business innovation. The paper includes some suggestions on how the government may assist entrepreneurs and small firms in expanding and growing existing enterprises, as well as how entrepreneurs might start their own companies.

It has been concluded that governments in developing countries and their development partners should implement fresh, energetic, and intense private sector development strategies, as well as prospective loan programs and management training programs. They should contribute more to the community. If government initiatives in developing countries are to have a significant impact on SMEs, government policy in this area must be strengthened to ensure that the numerous challenges that SMEs face are adequately and properly addressed in order to maximize socioeconomic growth opportunities and potential. According to comparable studies, the entrepreneurial activity and barriers to SME promotion highlighted in this study are similar to those faced by entrepreneurs and SMEs in developing countries in general.

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## THE ANALYSIS OF CHALLENGES AND PROSPECTS FACED BY ENTREPRENEURS TO ENSURE SUSTAINABLE GROWTH OF SMALL AND MEDIUM ENTERPRISES

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SMEcos (Small and Medium Ecopreneurs) are critical players in the circular economy and achieving the goal of sustainable development. This is especially true because SMEcos have long been the backbone of economic progress, and entrepreneurs make a significant contribution to the sustainable use of natural resources and the reduction of development problems. Therefore, this research looks at the problems and opportunities faced by small and medium-sized ecopreneurs. The terms “sustainable development”, “circular economy”, and “ecopreneurship” have been discussed in the research. It also considers how SMEcos might contribute to the development of a circular economy. As a theoretical framework, the survey is based on sustainability theory. To conduct thorough study, relevant and accurate learning theory and reports have been employed. Entrepreneurs face four major challenges: financial availability and accessibility; a lack of planning, competent labor, and appropriate management skills; a lack of competitiveness, technical innovation, and consumer loyalty; and a lack of legal and regulatory framework as well as social considerations. The SMEs offers significant potential for entrepreneurial development, according to the results. New entrepreneurs are frequently confronted with rivalry, unforeseen business obstacles, and other reasons when faced with external hurdles. In addition, the results of the study have revealed a number of concepts that can help entrepreneurs overcome difficulties, such as being optimistic in the face of difficulties, spreading an idea and vision to potential investors, etc.

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