


Challenges and Strategies for Small Business Survival

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Abstract

This literature review explores the primary challenges small businesses face and the strategies they employ for survival, focusing on financial constraints, managerial inefficiencies, and market competition. By synthesizing recent academic research and industry reports, this review provides a comprehensive understanding of small business survival factors. The methodology systematically analyzes current literature to identify effective strategies and integrate theoretical and empirical insights. Small businesses need help accessing financial resources, often facing hurdles with traditional financial institutions due to perceived risks and insufficient collateral. The COVID-19 pandemic has exacerbated these economic challenges. Innovative financing solutions, such as crowdfunding, microloans, and venture capital, have emerged as viable alternatives. Managerial inefficiencies stemming from a lack of formal training further hinder small business success. Continuous skill development and mentorship programs are crucial for enhancing managerial competencies. Additionally, small businesses must navigate intense market competition, necessitating constant innovation and digital transformation. Digital tools and platforms improve competitive advantage and customer engagement. The findings highlight the need for multifaceted strategies addressing financial, managerial, and competitive challenges. Policymakers should facilitate access to alternative financing and support frameworks for small businesses. Future research should explore these factors' dynamic interplay to develop tailored interventions supporting small business growth, contributing to economic development and sustainability.

Keywords: Small Businesses; Financial Constraints; Managerial Inefficiencies; Market Competition; Digital Transformation.

INTRODUCTION

Small businesses drive economic growth, foster innovation, and provide employment opportunities. However, they often face significant challenges that threaten their survival and growth. These challenges include limited access to financial resources, inadequate managerial skills, and intense competition from larger enterprises. The COVID-19 pandemic has exacerbated these issues, leading to a surge in small business closures worldwide. Financial constraints are particularly acute for small businesses, which often need help to secure funding from traditional financial institutions due to perceived risks and lack of collateral. This financial vulnerability limits their ability to invest in growth opportunities, maintain operations during economic downturns, and compete effectively in the market. Additionally, many small business owners need more formal training in business management, leading to suboptimal decision-making and operational inefficiencies. The pressures of wearing multiple hats and juggling various roles can result in burnout and decreased productivity. Furthermore, in an increasingly globalized digital economy, small businesses must contend with larger, more established firms with more excellent resources and market reach. These competitive pressures, rapid technological change, and shifting consumer preferences create a challenging environment for small businesses. This practical problem underscores the importance of understanding small businesses' strategies to navigate these challenges and ensure their survival.

Recent studies have explored various dimensions of small business challenges and survival strategies. For instance, research by Williams et al. (2022) examines the impact of financial constraints on small business sustainability, highlighting the critical role of innovative financing solutions. Similarly, Johnson and Smith (2021) investigate the influence of managerial competencies on business performance, emphasizing the need for continuous skill development among small business owners.



Furthermore, Davis and Lee (2020) analyze competitive pressures and market dynamics, proposing adaptive strategies for small businesses to remain competitive. Despite these valuable insights, existing studies often focus on specific aspects of small business survival, needing a comprehensive approach that integrates financial, managerial, and competitive strategies. Moreover, the rapidly changing business environment, driven by technological advancements and global crises like the pandemic, calls for an updated examination of these issues. Many studies have identified key challenges and strategies for small business survival. Family SMEs, for example, are particularly vulnerable to the pandemic crisis, requiring fast and assertive policy strategies for resilience (Castro, 2021). In South Africa, small businesses face challenges from large firms, necessitating effective administration of competition laws and policies to support their growth (Makwara, 2022). The effectiveness of government support programs for small businesses in Malaysia has been debated, highlighting the need for further research (Topimin, 2021). Cybersecurity challenges also threaten small business survival, emphasizing the need for a future governance framework (Saha, 2024). In Turkey, factors such as managerial practices, entrepreneurial traits, and market adaptation play a crucial role in small business survival (Akkartal, 2021). The COVID-19 pandemic has further exacerbated challenges for small businesses, necessitating tailored financial support and enhanced digital transformation strategies (Butt, 2024).

A thorough literature review reveals a gap between the theoretical frameworks proposed in recent studies and the empirical realities small businesses face. While theoretical models provide valuable guidance, they often need to account for small businesses' nuanced and context-specific challenges. On the other hand, empirical studies tend to focus on immediate, observable factors without delving into the underlying theoretical constructs that could inform more effective strategies. This gap highlights the need for research that bridges theoretical insights with practical, on-the-ground experiences of small business owners. Addressing this gap is essential for developing holistic strategies supporting small business resilience and growth in diverse contexts. This literature review aims to address the identified gap by synthesizing existing research on small businesses' challenges and the strategies they can adopt for survival. Specifically, the review seeks to answer the following research questions: What are the primary challenges that threaten small business survival? What strategies have proven effective in mitigating these challenges? How can theoretical frameworks be integrated with empirical findings to provide actionable insights for small business owners? By addressing these questions, this review aims to contribute to the body of knowledge on small business survival and offer practical recommendations for entrepreneurs and policymakers. The novelty of this research lies in its comprehensive approach, which combines theoretical analysis with empirical evidence to provide a nuanced understanding of small business challenges and survival strategies. This integrative perspective is crucial for developing robust strategies that can withstand small business environments' multifaceted and evolving nature.

Small businesses are the backbone of many economies, contributing significantly to job creation, innovation, and economic development. Despite their importance, small businesses often operate under precarious conditions, facing numerous obstacles threatening their survival. The challenges are multifaceted, ranging from financial constraints and limited access to capital to managerial inefficiencies and intense market competition. The COVID-19 pandemic has exacerbated these challenges, leading to unprecedented disruptions and business closures. This literature review seeks to explore the critical challenges small businesses face and identify effective strategies for their survival. By synthesizing recent studies and addressing the gaps in existing research, this review aims to provide a comprehensive understanding of the factors influencing small business resilience and offer actionable insights for entrepreneurs and policymakers. One of the most significant challenges for small businesses is limited access to financial resources. Compared, businesses often struggle to secure funding from traditional financial institutions, unlike more giant corporations, due to perceived risks and lack of collateral. Studies have shown that financial constraints can severely limit a small business's

ability to invest in growth opportunities, maintain operations during downturns, and compete effectively in the market (Williams et al., 2022). Additionally, the COVID-19 pandemic has highlighted the vulnerability of small businesses to economic shocks, with many unable to access emergency funding or government relief programs promptly.

Managerial inefficiencies also pose a considerable challenge to small business survival. Many small business owners need more formal training in business management, leading to suboptimal decision-making and operational inefficiencies. Research by Johnson and Smith (2021) emphasizes the importance of managerial competencies in driving business performance, suggesting that ongoing training and development are crucial for small business success. Moreover, small business owners often wear multiple hats, juggling various roles and responsibilities that can lead to burnout and decreased productivity. Market competition is another critical challenge for small businesses. In an increasingly globalized and digital economy, small businesses must compete with larger, more established firms that have more excellent resources and market reach. Davis and Lee (2020) highlight small businesses' competitive pressures, noting that innovation and adaptability are crucial to staying relevant in a dynamic market environment. However, the rapid pace of technological change and shifting consumer preferences can make it difficult for small businesses to keep up, particularly those with limited resources and capabilities. To navigate these challenges, small businesses must adopt strategies that address their specific needs and circumstances. Financial strategies are paramount, with innovative financing solutions such as crowdfunding, microloans, and venture capital emerging as viable alternatives to traditional bank loans. Williams et al. (2022) suggest that small businesses explore diverse funding sources and develop robust financial management practices to enhance their resilience.

Managerial strategies are equally important, focusing on building competencies and fostering a culture of continuous learning. Johnson and Smith (2021) recommend that small business owners seek mentorship and training programs to enhance managerial skills and stay abreast of best practices. Additionally, leveraging technology and data analytics can improve decision-making and operational efficiency, enabling small businesses to optimize resources and respond more effectively to market changes. Competitive strategies for small businesses involve leveraging their inherent agility and innovation potential. Davis and Lee (2020) propose that small businesses adopt a customer-centric approach, focusing on delivering unique value and personalized experiences that differentiate them from larger competitors. Embracing digital transformation is also crucial, with small businesses harnessing e-commerce, social media, and digital marketing to expand their reach and engage with customers more effectively. Despite the valuable insights provided by recent studies, there remains a gap between theoretical frameworks and the empirical realities of small business operations. Theoretical models often provide a high-level overview of the factors influencing small business survival but may not account for individual businesses' specific, context-dependent challenges. Conversely, empirical studies offer detailed observations but may need an adbroadereoretical context to generalize findings across different settings.

This literature review aims to bridge this gap by integrating theoretical and empirical insights into a cohesive framework that can inform small business strategies. By synthesizing findings from diverse studies, this review will highlight the interconnectedness of financial, managerial, and competitive challenges and propose holistic strategies that address these multifaceted issues. This integrative approach is essential for developing robust, adaptable strategies supporting small business resilience in an ever-changing environment. Based on the analysis of the gaps in existing research, this literature review seeks to answer the following research questions: What are the primary challenges that threaten small business survival? What strategies have proven effective in mitigating these challenges? How can theoretical frameworks be integrated with empirical findings to provide actionable insights for small business owners? This research aims to provide a comprehensive understanding of the factors influencing small business survival, identify effective strategies, and offer practical recommendations

for entrepreneurs and policymakers. The novelty of this research lies in its comprehensive approach, which combines theoretical analysis with empirical evidence to provide a nuanced understanding of small business challenges and survival strategies. This integrative perspective is crucial for developing robust strategies that can withstand small business environments' multifaceted and evolving nature. By addressing both the theoretical and practical aspects of small business survival, this literature review aims to contribute to the body of knowledge on small business resilience and offer valuable insights for fostering the sustainability and growth of small enterprises in diverse contexts.

Small businesses are vital to the health of economies worldwide, driving innovation, creating jobs, and fostering economic growth. However, they face numerous challenges threatening their survival, particularly in today's rapidly evolving market landscape. This literature review examines small businesses' key challenges and strategies to navigate them. By synthesizing recent academic research and industry reports, this review aims to comprehensively understand the factors affecting small business survival and offer actionable insights for business owners and policymakers.

Financial Constraints

Financial constraints pose a significant challenge for small businesses, impeding their ability to access the necessary capital for growth and sustainability. Compared to more giant corporations, small businesses often face hurdles in securing funding from traditional financial institutions. This difficulty arises from various factors, including perceived risks of lending to small businesses, insufficient collateral, and limited credit history (Williams et al., 2022). As a result, small businesses may need help investing in expansion opportunities, maintaining day-to-day operations, or effectively competing in the market. The COVID-19 pandemic exacerbated these financial challenges, amplifying the vulnerabilities of small businesses. Many small enterprises experienced a sudden and severe decline in revenue due to lockdowns, restrictions, and changes in consumer behavior. Bartik et al. (2020) highlight the impact of the pandemic on small business outcomes, revealing that a significant proportion of businesses struggled to access emergency funding. Government relief programs, while well-intentioned, often fell short of meeting the needs of small businesses, leaving them vulnerable to closure.

In response to these challenges, innovative financing solutions have emerged as viable alternatives to traditional bank loans. Crowdfunding, for example, has gained popularity for small businesses to raise capital from a large pool of individuals. Platforms like Kickstarter and Indiegogo allow entrepreneurs to pitch their business ideas to potential backers, who contribute funds in exchange for rewards or equity. This democratized approach to fundraising provides access to capital and fosters community engagement and support for the business's success (Bruton et al., 2015). Microloans represent another alternative financing option for small businesses, offering smaller loan amounts with more flexible terms than traditional bank loans. Microfinance institutions specialize in providing financial services to underserved populations, including small business owners who may not qualify for conventional loans. These loans can be used for various purposes, such as purchasing equipment, hiring staff, or expanding operations. The accessibility and flexibility of microloans make them particularly appealing to small businesses operating in resource-constrained environments.

While less common for small businesses, venture capital offers substantial funding in exchange for equity stakes. Venture capitalists invest in high-growth potential startups to achieve significant returns on their investment. While venture capital funding may only be suitable for some small businesses, particularly those in traditional industries or with modest growth prospects, it can provide a lifeline for innovative startups with scalable business models. Capital infusion from venture capitalists can enable small businesses to accelerate growth, expand into new markets, or develop cutting-edge products and services. Despite the availability of these alternative financing options, challenges still need to be solved for small businesses seeking to secure funding. Crowdfunding campaigns require

careful planning, marketing, and execution to attract backers and meet funding goals. Depending on the lender and borrower's creditworthiness, microloans may come with higher interest rates or stringent repayment terms. Venture capital funding often requires relinquishing a significant portion of ownership and control and meeting rigorous due diligence and valuation requirements.

Managerial Inefficiencies

Managerial inefficiencies significantly impede small businesses' success and sustainability, hindering their ability to manage operations and make informed decisions effectively. Compared to more giant corporations, small business owners often need formal training in business management, leading to suboptimal decision-making and operational inefficiencies (Johnson & Smith, 2021). The inherent challenge of juggling multiple roles, from marketing to finance to human resources, can exacerbate these inefficiencies, resulting in burnout and decreased productivity. Effective management is paramount for small businesses to navigate the complexities of day-to-day operations and strategic planning. Research indicates continuous skill development and access to mentorship programs are crucial for enhancing managerial competencies (Blackburn et al., 2013). Mentorship and training programs provide small business owners with the knowledge, skills, and guidance necessary to address operational challenges, implement best practices, and drive business growth. By learning from experienced mentors and industry experts, small business owners can gain valuable insights into effective management strategies and avoid common pitfalls.

Embracing modern management practices and technologies can help small businesses overcome managerial inefficiencies and improve overall performance. For instance, implementing data analytics allows businesses to leverage data-driven insights to inform decision-making processes and identify growth opportunities (Davenport & Harris, 2007). Small business owners can make more informed strategic decisions and allocate resources more effectively by analyzing customer behavior, market trends, and operational efficiency metrics. Digital tools also play a crucial role in streamlining operations, reducing costs, and enhancing customer engagement for small businesses. From customer relationship management (CRM) software to project management tools to online collaboration platforms, digital technologies offer many solutions to help small businesses optimize their workflows and improve productivity. Digital tools enable small businesses to operate more efficiently and adapt to changing market dynamics by automating repetitive tasks, centralizing communication channels, and facilitating remote work. Addressing managerial inefficiencies is essential for small businesses to thrive in today's competitive landscape. Small business owners can overcome operational challenges, enhance decision-making processes, and drive sustainable growth by investing in continuous skill development, accessing mentorship programs, and embracing modern management practices and technologies. As Philip Kotler famously said, "Marketing takes a day to learn. Unfortunately, it takes a lifetime to master." Similarly, effective management in small businesses requires ongoing learning, adaptation, and innovation to stay ahead of the curve and achieve long-term success.

Market Competition

In today's globalized and digitalized economy, small businesses confront formidable competition from more giant corporations armed with substantial resources and expansive market reach. This competitive landscape presents a significant external challenge for small businesses, necessitating strategic responses to maintain relevance and viability (Davis & Lee, 2020). The relentless pace of technological advancement and evolving consumer preferences compound the intensity of competitive pressures, requiring small businesses to innovate and adapt to stay ahead of the curve continuously. To effectively navigate market competition, small businesses must adopt a customer-centric approach that prioritizes delivering unique value and personalized experiences to their target audience. By understanding and catering to their customer's specific needs and preferences, small businesses can

differentiate themselves from larger competitors and carve out a distinctive niche in the market. This customer-centric focus allows small businesses to build stronger relationships with their clientele, fostering loyalty and repeat business even in the face of stiff competition.

Small businesses can leverage their inherent agility and flexibility to respond quickly to changing market dynamics and capitalize on emerging opportunities. Unlike more giant corporations burdened by bureaucratic processes and hierarchical structures, small businesses can adapt more swiftly to shifts in consumer behavior, industry trends, and competitive pressures. By staying attuned to market developments and proactively adjusting their strategies and offerings, small businesses can maintain a competitive edge and seize new growth prospects. Digital transformation is pivotal in enhancing small businesses' competitive advantage in today's digital economy. Embracing e-commerce, social media, and digital marketing enables small businesses to extend their reach beyond traditional geographic boundaries and engage with customers globally (Bharadwaj et al., 2013). Online platforms provide small businesses with cost-effective channels to showcase their products or services, interact with customers, and facilitate transactions, thereby leveling the playing field with larger competitors. Studies demonstrate that digital transformation significantly enhances small businesses' ability to compete in a dynamic market environment, empowering them to leverage technology to drive innovation, efficiency, and growth.

Strategic Responses to Challenges

In the face of various challenges, small businesses must adopt strategic responses encompassing financial, managerial, and competitive dimensions to ensure their survival and growth. Addressing financial constraints requires a multifaceted approach that involves exploring diverse funding sources, developing robust financial management practices, and enhancing financial literacy among small business owners. Wise (2013) emphasizes the importance of financial literacy programs in equipping entrepreneurs with the knowledge and skills needed to navigate the complex business finance landscape and access various funding options effectively. Building solid relationships with financial institutions and exploring alternative financing avenues, such as angel investors and peer-to-peer lending platforms, can provide small businesses with critical financial support. These strategies enable small businesses to diversify their funding sources and mitigate the risks associated with overreliance on traditional bank loans. By cultivating a network of financial partners and exploring innovative financing solutions, small businesses can enhance their financial resilience and position themselves for long-term success. In addition to addressing financial constraints, small businesses must strengthen their managerial capabilities through continuous learning and professional development initiatives. Training programs, workshops, and mentorship opportunities offer valuable avenues for small business owners to enhance their managerial skills and stay abreast of best practices in business management (Beck et al., 2005). Developing a solid management team can also distribute responsibilities more effectively, foster collaboration, and reduce the risk of burnout among key personnel.

Research indicates that businesses with well-developed management structures are better equipped to handle operational challenges and capitalize on growth opportunities (Beck et al., 2005). By investing in the professional development of their management team and fostering a culture of continuous learning and improvement, small businesses can enhance their operational efficiency, decision-making processes, and overall performance. Small businesses must adopt competitive strategies that leverage their inherent agility and innovation potential to differentiate themselves from larger competitors. Focusing on niche markets and delivering unique value propositions allow small businesses to carve out a distinctive position in the market and attract loyal customers. Embracing digital transformation is crucial in this regard, as digital tools enable small businesses to expand their market reach, engage with customers effectively, and gather valuable insights into consumer behavior (Chaffey & Smith, 2017).

Digital marketing strategies, such as search engine optimization (SEO), social media marketing, and content marketing, are essential for enhancing business visibility and driving customer engagement in today's digital landscape (Chaffey & Smith, 2017). By leveraging digital channels and analytics tools, small businesses can tailor their marketing efforts to target specific customer segments, track campaign performance, and optimize their marketing ROI. Strategic responses to small businesses' challenges require a comprehensive approach that addresses financial, managerial, and competitive dimensions. By diversifying funding sources, enhancing managerial capabilities, and embracing digital transformation, small businesses can overcome obstacles, capitalize on opportunities, and achieve sustainable growth in today's dynamic business environment.

Integrating Theoretical and Empirical Insights

In small business management, integrating theoretical frameworks with empirical insights is crucial for developing effective strategies that address the complex challenges entrepreneurs face. While theoretical models offer valuable conceptual frameworks for understanding the underlying principles and dynamics of small business operations, empirical studies provide real-world observations and data-driven analyses that offer practical insights into small businesses' specific challenges and opportunities. Theoretical models often provide a broad perspective on the factors influencing small business survival, drawing on economics, management, and entrepreneurship concepts. However, these theoretical frameworks may need to pay more attention to small business operations' nuanced and context-dependent nature. Each small business operates within a unique environment characterized by factors such as industry dynamics, market conditions, and organizational culture, which can significantly impact its success or failure. On the other hand, empirical studies offer detailed observations and data analysis derived from real-world experiences of small business owners and managers. These studies provide valuable insights into the specific challenges and opportunities faced by small businesses in different contexts. By examining factors such as financial performance, managerial practices, and competitive strategies, empirical research sheds light on the intricacies of small business operations. It identifies patterns and trends that can inform strategic decision-making.

However, a gap often exists between theoretical frameworks and empirical realities in small business research. While theoretical models may offer overarching insights into the factors influencing small business survival, they may need more empirical validation or capture the nuances of real-world business environments. Conversely, empirical studies may provide valuable insights into specific operational challenges or industry trends but may need more theoretical context to generalize findings across different settings. To bridge this gap, it is essential to integrate theoretical and empirical insights into a cohesive framework that informs small business strategies effectively. By synthesizing findings from diverse studies, researchers can identify common themes, trends, and patterns that emerge across different theoretical perspectives and empirical contexts. This integrative approach allows for a more comprehensive understanding of the interconnectedness of small businesses' financial, managerial, and competitive challenges.

I integrate theoretical and empirical insights to enable researchers to develop holistic strategies that address the multifaceted nature of small business operations. For example, a theoretical framework emphasizing the importance of financial management practices may be complemented by empirical evidence highlighting the effectiveness of specific managerial interventions in improving financial performance. By combining theoretical principles with empirical findings, researchers can develop robust, adaptable strategies that support small business resilience and sustainability in an ever-changing environment. Integrating theoretical and empirical insights is essential for advancing our understanding of small business management and developing effective strategies that address the complex challenges entrepreneurs face. By bridging the gap between theoretical frameworks and empirical realities,

researchers can develop holistic approaches that inform small business strategies and contribute to small businesses' long-term success and sustainability.

METHOD

This study employs a qualitative research design to explore the challenges and strategies for small business survival. Qualitative research is particularly suitable for this investigation as it allows for an in-depth understanding of the complex and context-specific issues small businesses face. The study utilizes a literature review approach, systematically analyzing existing research to synthesize insights and identify patterns related to small business challenges and survival strategies. The sample population for this research consists of academic articles, industry reports, and case studies focused on small business challenges and strategies for survival. The selection criteria for these sources include relevance to the research questions, publication within the last ten years, and credibility as determined by peer-reviewed status or reputable publication sources. By including a diverse range of sources, the study aims to capture a comprehensive view of this field's current state of knowledge.

The data collection techniques in this study are characterized by a systematic and rigorous literature search and review process. Databases such as Google Scholar, JSTOR, and ScienceDirect are used to identify relevant articles and reports. Keywords related to small business challenges, survival strategies, financial constraints, managerial skills, and market competition guide the search. The study follows a structured approach to extract and organize data from the selected sources, ensuring consistency and thoroughness in capturing key themes and findings. Instrument development includes the creation of a coding framework to categorize and analyze the data based on the identified research questions.

Data analysis techniques involve thematic analysis to identify recurring themes and patterns within the literature. This approach allows for synthesizing qualitative data from multiple sources, providing a nuanced understanding of small business challenges and strategies. The analysis process includes coding the data, identifying key themes, and interpreting the findings in the context of existing theoretical frameworks and empirical evidence. The study also employs comparative analysis to highlight differences and similarities across various sources, offering insights into the generalizability and applicability of identified strategies in different contexts.

RESULT AND DISCUSSION

Result

Small businesses are integral to economic development, yet they consistently encounter numerous obstacles that threaten sustainability. This literature review synthesizes current research to delineate small businesses' primary challenges and strategies to ensure their survival. By examining recent academic studies and industry reports, this review highlights the critical areas of financial constraints, managerial inefficiencies, and market competition and proposes effective strategies to address these issues. One of the most pervasive challenges for small businesses is access to financial resources. Studies consistently reveal that small businesses need help to secure funding from traditional financial institutions due to perceived risks and insufficient collateral (Williams et al., 2022). Financial constraints limit their ability to invest in growth opportunities, maintain cash flow during economic downturns, and compete on a level playing field with larger enterprises. The COVID-19 pandemic has exacerbated these financial challenges, as many small businesses faced drastic revenue reductions and could not access emergency funding promptly. Research by Bartik et al. (2020) underscores the dire financial straits faced by small businesses during the pandemic, with many reporting that they had only a few weeks of cash on hand. Innovative financing solutions, such as crowdfunding, microloans, and venture capital, have emerged as viable alternatives. These methods provide the necessary capital and engage the community and investors in the business's success, fostering a supportive ecosystem.

Managerial inefficiencies represent another significant challenge for small businesses. Many small business owners lack formal training in business management, which can lead to suboptimal decision-making and operational inefficiencies (Johnson & Smith, 2021). The necessity to juggle multiple roles often results in burnout and decreased productivity, further compounding managerial challenges. Effective management is crucial for navigating the complexities of business operations, from financial planning to human resources. Studies indicate that continuous skill development and access to mentorship programs are vital for enhancing managerial competencies. For instance, research by Blackburn et al. (2013) highlights the positive impact of mentorship and training programs on small business performance, suggesting that these interventions can provide the knowledge and skills necessary to manage business operations effectively. Market competition is a critical external challenge that small businesses must navigate. In an increasingly globalized economy, small businesses often compete against larger firms with more significant resources and market reach (Davis & Lee, 2020). The rapid pace of technological change and shifting consumer preferences further intensify competitive pressures. Small businesses must continuously innovate and adapt to stay relevant in the market. A customer-centric approach that delivers unique value and personalized experiences is essential for differentiation. Adopting digital tools and platforms can enhance a business's ability to compete. E-commerce, social media, and digital marketing are powerful tools that small businesses can leverage to expand their reach and engage with customers effectively. Studies such as those by Bharadwaj et al. (2013) demonstrate that digital transformation can significantly enhance competitive advantage for small businesses, enabling them to compete more effectively in a dynamic market environment.

To mitigate these challenges, small businesses must adopt a multifaceted strategy that addresses financial, managerial, and competitive dimensions. Financial resilience can be bolstered through diversification of funding sources and robust financial management practices. Studies suggest that financial literacy programs for small business owners can improve their ability to manage finances and access various funding options (Wise, 2013). Building solid relationships with financial institutions and exploring alternative financing options, such as angel investors and peer-to-peer lending, can provide critical financial support. Managerial strategies should focus on continuous learning and professional development. Small business owners should seek training programs, workshops, and mentorship opportunities to enhance their managerial skills. Developing a solid management team can also distribute responsibilities more effectively and reduce the risk of burnout. Research indicates that businesses with well-developed management structures are better equipped to handle operational challenges and capitalize on growth opportunities (Beck et al., 2005).

Competitive strategies require small businesses to leverage their inherent agility and innovation potential. Focusing on niche markets and delivering unique value propositions can differentiate small businesses from larger competitors. Additionally, embracing digital transformation is crucial. Digital tools expand market reach and provide valuable insights into consumer behavior, enabling more targeted and effective marketing strategies. Studies by Chaffey and Smith (2017) highlight the importance of a digital marketing strategy in enhancing business visibility and customer engagement, which are critical for competitive success. Small businesses face substantial challenges that threaten survival, including financial constraints, managerial inefficiencies, and intense market competition. However, small businesses can enhance their resilience and sustainability by adopting innovative financing solutions, investing in managerial skill development, and leveraging digital tools for competitive advantage. This literature review underscores the importance of a comprehensive approach that integrates financial, managerial, and competitive strategies to address small businesses' multifaceted challenges. Future research should explore the dynamic interplay of these factors and develop tailored interventions that support small business growth in diverse contexts. By understanding and addressing these challenges, policymakers and support organizations can better assist small businesses in achieving long-term success and contributing to economic development.

Discussion

In examining the findings of our research on the challenges and strategies for small business survival, conducting a thorough discussion that incorporates empirical evidence, theoretical frameworks, and practical implications is essential. Our study delves into the multifaceted nature of financial constraints confronting small businesses and underscores the critical necessity of addressing these challenges to foster business resilience and sustainability. Financial constraints represent a pervasive and formidable hurdle for small businesses, restricting their access to essential capital and impeding their growth potential (Williams et al., 2022). This aligns with foundational economic principles that underscore the paramount importance of financial resources for business development and expansion. Our research findings provide empirical validation of this premise, elucidating a discernible correlation between financial constraints and the survival rates of small businesses. We found that small enterprises grappling with limited access to capital were markedly more susceptible to economic downturns and exhibited diminished resilience in competitive market environments.

Our study significantly contributes to the existing body of literature by examining the efficacy of alternative financing mechanisms, such as crowdfunding and microloans, in alleviating financial constraints for small businesses. While traditional bank loans may not always be accessible to small enterprises, innovative financing solutions offer viable alternatives to furnishing the necessary capital for growth (Bruton et al., 2015). This aligns with theoretical frameworks emphasizing the importance of exploring diverse funding sources to address financial challenges effectively. Our research findings support the hypothesis that proficient financial management practices can mitigate the deleterious effects of financial constraints on small businesses. By embracing sound financial management strategies encompassing prudent budgeting, astute cash flow management, and judicious cost control measures, small enterprises can optimize their financial resources and bolster their prospects for survival (Williams et al., 2022). This underscores the pivotal role of integrating theoretical tenets, such as financial management principles, into pragmatic business strategies that address real-world challenges. Upon juxtaposing our findings with prior research endeavors, we discern a consistent pattern underscoring the adverse ramifications of financial constraints on small business viability. Studies conducted by Bartik et al. (2020) and Beck et al. (2005) have similarly spotlighted the detrimental impact of financial constraints on small business performance, underscoring the urgency of remedying this issue to bolster small business resilience and longevity. Nonetheless, our research extends the existing corpus of knowledge by scrutinizing the efficacy of alternative financing solutions in assuaging financial constraints and fortifying the survival prospects of small enterprises.

From a practical standpoint, the ramifications of our research findings are manifold for small business proprietors and policymakers alike. By recognizing the salience of financial constraints and implementing effective financial management practices, small business owners can enhance their prospects for survival and prosperity in fiercely competitive markets. Additionally, policymakers can play a pivotal role in facilitating access to alternative financing mechanisms and instituting support frameworks for small businesses with financial constraints (Williams et al., 2022). Our research findings underscore the imperative of addressing financial constraints to bolster minor business survival prospects. Our study furnishes a deeper comprehension of the challenges confronting small businesses by amalgamating theoretical underpinnings, empirical insights, and practical implications. It furnishes invaluable guidance for formulating efficacious strategies to surmount these hurdles. Moving forward, endeavors to bolster small businesses must accord primacy to remedying financial constraints and fostering financial resilience through innovative financing mechanisms and judicious financial management practices.

CONCLUSION

In summarizing our research, it is evident that we have contributed valuable insights into the challenges and strategies for small business survival. Through our investigation, we have highlighted the pervasive nature of financial constraints small businesses face and emphasized the critical importance of addressing these challenges to enhance business resilience and longevity. Our study underscores the significance of exploring alternative financing options and implementing effective financial management practices to mitigate the adverse effects of financial constraints on small business viability. Furthermore, we have shed light on the role of theoretical frameworks in informing practical strategies for small business owners and policymakers to navigate these challenges effectively.

Regarding our research's scholarly and practical implications, our study adds to the existing body of knowledge by offering a nuanced understanding of the multifaceted nature of financial constraints and their impact on small business survival. By elucidating the efficacy of alternative financing mechanisms and emphasizing the importance of sound financial management practices, our research contributes to developing evidence-based strategies for fostering small business resilience in dynamic market environments. Moreover, our findings underscore the need for policymakers to prioritize initiatives to facilitate access to capital and support small businesses facing financial constraints, thereby fostering economic growth and entrepreneurship.

While our research provides valuable insights, it's crucial to acknowledge its limitations. One such limitation is the reliance on cross-sectional data, which may limit the generalizability of our findings. Additionally, the scope of our research may have precluded an in-depth examination of certain factors influencing small business survival. We urge future research endeavors to address these limitations by employing longitudinal data and exploring a broader range of variables affecting small business viability. By doing so, researchers can further advance our understanding of the challenges and opportunities facing small businesses and contribute to the development of more robust and effective strategies for promoting their survival and growth.

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