

# **SUSTAINABILITY OF SMALL, MICRO AND MEDIUM ENTERPRISES: SUPPORT BY ELECTRICITY SECTOR AND GOVERNMENT**

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## ***Abstract***

*This paper examines how Small, Micro and Medium Enterprises (SMMEs) can be sustained through information-sharing to fully realise their potential and therefore remain in business. The research is based on structured-questionnaire responses of the managers from the Kenya Power and Lighting Company (KPLC) and responses of SMMEs that are fully dependent on electricity for their day-day operation. The purpose of this research is to establish how the government and its stakeholders, here represented by KPLC, can support these ventures to enhance their contribution to the national economy through employment creation and poverty reduction. Despite this noble contribution, SMMEs face high rate of failure. Many of them may lack relevant, adequate and current information, training in management skills, role models, mentorship, etc, factors which are critical to their sustainability. These factors would not only empower them but also enable them to effectively and efficiently attain their full potential. How can the government involve its stakeholders like KPLC to empower these entities through information sharing? This research suggests private-public-partnership (PPP) and collaborated problem-solving as some of the ways through which SMMEs can be supported and hence sustained. The research concludes that if the SMMEs are given correct, current, relevant and timely information as regards electricity, they are likely to cut down their expenditure on electricity and thus, be able to improve on their profitability.*

**Key Words: SMMEs, Government, KPLC, information-sharing.**

## **1 INTRODUCTION**

Small, Micro and Medium Enterprises (SMMEs) have, for a long time been associated with positive contribution to a country's economic well-being in terms of employment creation and poverty alleviation. However, despite this critical contribution, not enough has been done to enable these entities take this contribution to a higher level. One such area that seems to be inefficiently addressed is the availability of adequate, current, timely and relevant information. This may result in poor running and eventually failure of SMMEs. Many of them are run by owner-managers who lack management information, skills and experience. This is illustrated by Bowen, Morara and Mureithi (2009) who note that SMMEs are faced with the challenge of poor management. Olawale and Garwe (2010) note that some of the obstacles to the growth of SMEs' include lack of experience on part of the business founder and his or her unfamiliarity of with industry as well as lack of business skills

Many SMMEs do not survive to maturity. Bruwer (2010) reveals that South Africa alone has a failure rate of between 70 and 80 percent and that most of those starting collapse within three months of creation. Bruwer further observes that 80 percent of all small enterprises collapse in their first five years of commencement. Bowen, Morara and Mureithi (2009) reveal that in Kenya three out five SMMEs fail within the first few months of implementation. Development Policy Research Unit Working paper 06/107 (2006) notes that, many SMMEs start-ups do not go beyond five years and a lesser number develops into full firms. These failures could be prevented if deliberate measures to support SMMEs are

put in place. The current research argues that one such measure is information sharing between the SMMEs and those whose products and or services they consume as well as those who consume SMMEs' products and services. Another measure would be enhanced government support. In South Africa, Olawale and Garwe (2010) rank insufficient government support at position 5 of the obstacles that hinder the growth of new SMEs.

### 1.1 RESEARCH OBJECTIVE

Knowledge is power. There are various ways through which the government and its stakeholders can empower SMMEs. These ventures need a lot of information which is a vital component for their sustainability. Information such as how to efficiently use and manage and run their ventures in relation to electricity consumption is critical to those SMMEs that rely on electricity. Ease of access to adequate correct, current, relevant and timely information would boost SMMEs' sustainability, especially so in this era of information exploitation. DST 2007 of South Africa Report notes that for the last decade, there has been a growing recognition that knowledge and technology have assumed a very critical position in the economic development of countries. The Report emphasises that knowledge and technology have joined labour and capital as vital factors of production. It is thus necessary to research on how the various factors that contribute to technology can be embraced to boost production. Electricity is one such factor and information sharing on electricity then becomes vital.

Eberhard (2010) argues that the electricity sector needs to empower stakeholders through information sharing and also through transparency. Sioshansi (2010) reinforces this by noting that it has been empirically proved that consumer awareness has in the past been able to reduce electricity consumption by as much as 10 percent of the cost of electricity. How easy is it for electricity consumers to adequately and timely access information provided for them by KPLC? A lot of useful information about electricity and the company itself is stored on the companies' websites which may mean an extra cost for the consumers to gain accessibility. Hanser (2010) contends that the electricity companies need to disseminate information to consumers, arguing that this would make the consumers to decide how much and when to use electricity. How effective and efficient has KPLC been able to disseminate its information to their consumers?

The current research, therefore, seeks to answer the following questions; Can the government in collaboration with its stakeholders, -KPLC for the case of the current research- support and help sustain SMMEs, through information sharing? What channels are used by KPLC to disseminate information to their consumers? Which is the most appropriate channel through which to disseminate the information that SMMEs require from KPLC? What other better channels can this information be disseminated?

## 2 THEORETICAL FRAME-WORK AND LITERATURE REVIEW

In the following section, the paper briefly presents the importance of SMMEs and the specific and the general information needs from KPLC.

### 2.1 IMPORTANCE OF SMALL, MICRO AND MEDIUM ENTERPRISES

Many researchers and scholars have hailed the importance of SMMEs and this can not be over emphasized. For example, Arianoff (2010) notes that in Belgium, SMEs account for well over 70 percent of the GDP and that the profitability of SMEs is much higher than

that of the large companies. Commenting on the situation in Sub-Saharan Africa, Potts (2010) notes that SMMEs sector was used by government and policy makers to provide for the urban poor in terms of employment. Potts adds that this saves the government the trouble of caring about the urban poor. Kenya Economic Report (2009) reveals that in Kenya, MSEs produce 77 percent of the total jobs while Kenya Association of Manufacturers (KAM) (2009) observes that in Kenya the SMMEs contribute about 85 percent level of employment. Presenting the case of Europe, Lukacs (2005) observes that SMMEs, are essential since they have the capability to provide what large companies or large business ventures are unable to offer. The current research postulates that the fact that the products and services that these entities produce find consumers means that their products and services satisfy certain needs.

Governments and or non-governmental organizations (NGOs) have done a lot to help sustain SMMEs with the main reason of enhancing employment opportunities and alleviating extreme poverty. Africa Report, an online publication on the support and guidance of entrepreneurs in Africa [<sup>1</sup>] lists many international NGOs that support small businesses in Africa. Bruwer (2010) contends that governments worldwide have tended to support SMMEs by providing enabling environments such as creating financial help and enabling organizations to give advice to these entities in order to enhance their sustainability.

Beck, Demirguc-Kunt and Levine (2005) argue that government support for SMMEs is necessary because these ventures help countries to exploit social-based benefits that accrue from competition and entrepreneurship that are brought about by SMMEs. The support can come in form of availing information, training, assisting transfer of production technology for sustainability as well as through capacity building and monitoring of SMMEs' effectiveness. Akintoye (2008) explains that in Nigeria, the government has the responsibility of ensuring that SMMEs have a stable environment especially macro-environment by providing certain infrastructure. Electricity is part and parcel of this infrastructure. The Kenya Government has attempted to support SMMEs in various ways, for example the introduction of an affirmative policy in favour of SMMEs as far as public procurement is concerned (Kenya Economic Report, 2009). The current research believes that other than the government, its stakeholders, like KPLC, have the capability and capacity to support SMMEs to remain become self-sustaining. This study aims at establishing how KPLC can enhance support for SMMEs through information-sharing.

## 2.2 SMMEs INFORMATION NEEDS

There is a wide range of general and specific information that SMMEs need in the course of their operation that is suitable for their sustainability. Wanjohi (2009) and the Kenya Association of Manufacturers (KAM) (2009) note that one of the major challenges that SMEs face in the course of doing business in Kenya is inadequate business information. Others include: lack of and/or inadequate managerial training and education and skills, lack of access to credit both for start up and expansion of the business, unfavourable national policy and regulatory environment. Similarly, Document of World Bank (2004) notes that limited access to information is one of the major problems that SMMEs

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<sup>1</sup> [www.africareport.com/.../international-non-governmental-organizations-that-can-support-your-business/](http://www.africareport.com/.../international-non-governmental-organizations-that-can-support-your-business/)

encounter. Others are; unfavourable business policy environment and unfavourable taxation regime, inhibitive legal and regulatory environments, limited access to markets and limited access to financial services, inadequate access to skills and technology, inadequate business skills, limited access to infrastructure, limited linkages with large enterprises, gender inequality and entry barriers (whether formal and/or informal) and health and safety in workplaces and HIV/AIDS.

The revelation of the information needs of SMMEs validates the value for an empirical research into information sharing between different businesses entities that share certain goals and objectives. Chiware (2008) categorises SMMEs information needs into 8; financial, marketing, training, information on sources of raw materials, information on production and technical services, information on policy issues, information on legal services and lastly information on regulatory framework and standards for the SMME sector. This is information that would ensure the implementation, growth, development and survival of SMMEs. However, for each of these categories, there are specific detail areas of each information need. The nature and specificity of the information required will be dictated by the purpose for which it is sought at any one given time. The current research is interested in examining the information needs of SMMEs, in as far as their reliance on electricity is concerned.

### 2.2.1 SMMEs AND ELECTRICITY INFORMATION NEEDS

SMMEs require a lot of information about their suppliers and consumers to enhance their sustainability. KPLC is a suppliers of electricity to SMMEs that rely on it. Such information as pertains to the efficient use of electricity in specific areas like lighting and use on office equipment is necessary for these entities. SMMEs need to access information about rates and tariffs [<sup>2</sup>] as these have direct impact on their level of profitability. Equally important to SMMEs is information about KPLC's power interruption schedules [<sup>3</sup>]. In addition, there are company contacts as well as instructions of what to do in case of emergency that requires KPLC's attention [<sup>4</sup>]. All this information and much more is found on the website of KPLC. It remains unknown if this valuable information reaches all the consumers in good time and in desirable quality and quantity, so as to be useful. Department of Science and Technology (DST) of South Africa 2007 Report notes that economic growth is boosted by investment in the right mix of information stocks and information infrastructure. Such information as the combination of inputs, processes of production and outputs of SMMEs may be necessary. The current research concludes that one of the main inputs for many service and manufacturing SMMEs is electricity and information sharing between them is vital.

SMMEs that venture into energy generation need information that would enable them to conserve the environment. Several SMMEs have attempted to generate energy from alternative sources. Another example of such an entity is a project referred to as SCODE [<sup>5</sup>] which has developed over 500 units dependent on bio-gas all over Kenya. SCODE is also expanding the use of solar powered lanterns an initiative that could be supported by the government and KPLC which would not only see this venture become sustained but also generate more employment opportunities. Wolde-Rufael (2006) notes that Sub-

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2 <http://www.kplc.co.ke/index.php?id=45>

3 <http://www.kplc.co.ke/index.php?id=44>

4 <http://www.kplc.co.ke/index.php?id=27>, <http://www.kplc.co.ke/index.php?id=118>

5 <http://www.gvepinternational.org/en/business/ngo-social-business>

Saharan Africa needs to have supply of electricity expanded in order to reduce dependence on fuel from vegetation, like use of bio-mass which causes environmental degradation through deforestation and desertification. This is important information, which when discussed with SMMEs that are engrossed in initiating energy production ventures could help save humanity through environmental conservation. Collaboration between the government, the electricity sector and SMMEs could see to it that environmental degradation is drastically reduced by helping such SMMEs related ventures to develop modern-clean and green means of generating electricity. There are many other areas through which these three entities (and several others) could unite in solving some of the many problems that Kenya is faced with.

### 2.3 INFORMATION SHARING FOR PROBLEM-SOLVING

For a long time, governments and NGOs have given considerable support to SMMEs. The 2009 Kenya Economic Report (2009) discloses that through the Sessional Paper No. 2 of 2005 the Kenya Government introduced an affirmative policy action of reserving at least 25 percent of all government procurements to the MSE sector. That sounded a good move towards enhancement of growth, development and the sustainability of SMMEs. Nevertheless, the Report reveals that, by the time the Report was being published, this good promise had not been delivered. The Report emphasises that, for it to be meaningful, the affirmative policy needs legislative backing or guidelines, as is witnessed in other countries such as South Africa, Brazil and Peru.

There is no golden rule as to who should help SMMEs. No one entity- an individual, an institution or a government- can support and sustain the start-up, implementation, survival, growth and development of SMMEs. The current research argues that collaborated effort between the government and its stakeholders would be a viable solution and each entity that has the capacity and capability can make direct or indirect contribution towards the well-being of the SMMEs. A lot of information about electricity is stored on KPLC's website. Access to correct, current, relevant and timely information through the Internet may be at an extra cost for SMMEs. Can government affiliated organizations, like the electricity and telecommunication sectors, help support SMMEs? For example, can the telecommunication sector be part of this collaboration to provide SMMEs with subsidised internet connectivity?

Apart from availing the information required by SMMEs, governments have various other ways through which they can help sustain SMMEs. ILO 2009 Report to the G20 Leaders' Summit, explains that SMEs cater for the majority of employment in most economies. The Report adds that it is worth-while to target them for support especially in times of economic recess. The Report notes that one way through which they can be helped is using chances available in public procurement for they are disadvantaged by the tendering procedures that favour large organizations.

The current research suggests that there is likelihood to find another solution to the problem of SMMEs' sustainability in the strong synergy inherent in collaboration. Such collaboration can be developed through Private-Public-Partnership (PPP) and also through the government collaborating with its stakeholders and the non-governmental organizations (NGOs). In the current study, we look at how sustainability can be enhanced through accessibility to the information that SMMEs require.

### 2.3.1 PRIVATE-PUBLIC-PARTNERSHIP

Problem solving can be difficult. Many people hold the view that privatization has the solution to inefficiency. However, Jamasb, Mota, Newberry and Politt, (2005) observe that matters concerned with privatization and competition are not clear in relation to relative private efficiency and publicly-owned natural monopolies. Pessoa (2008) proposes a public-private-partnership (PPP) approach to solving the problem of efficiency in public sectors. Pessoa argues that due to scarcity of funds and also because private participation alone is equally problematic in as far as provision of basic services is concerned, there is need to exploit the synergy inherent in PPP. Pessoa adds that the use of Official Development Aid (ODA), which has its routes in the developed countries and which draws part of its finances from the public, could be used by both the private and public sectors to bring about enhanced efficiency and quality. It could also be used to enhance profitability and reduce risks in the public sector utilities. Pessoa (2008) argues that if the traditional role and contractual relationship between the public and private sectors are modified, the resultant factor would highly benefit the public sector services. He argues that a PPP would require a change in the roles and attitudes of both private and public organizations. He adds that these organizations need to concentrate on supervision and regulatory functions

Both the government, the NGOs and the private sector have done a lot in contributing to the sustainability of SNNs. The government therefore needs to invite government affiliated groups to help boost SMMs. The collaboration between the government and its stakeholders would form a new perspective to PPP.

### 2.3.2 COLLABORATIVE PROBLEM-SOLVING

The synergy envisaged in the PPP is expected to bring about the best from the public and the private sectors in order to enhance the attainment of efficiency and improved quality in services delivery to the citizen-consumer. This research contends that such a partnership would act as a control measure to any negative factors that may arise if either of the two is working independent of the other. This research thus forges a relatively new form of collaboration between the government, KPLC and SMMs in an attempt to alleviate the problem of unemployment and to an extent, poverty. As discussed in some detail below, each of these three entities is involved in different types and levels of problem solving and some of the problems converge. This collaboration may not be restricted to the three entities, since there is room for the expansion of this concept of collaboration. (Figure 1 below illustrates this clearly).

A good example of collaborative problem-solving is in finding a solution to the problem of environmental degradation necessitated by the search of cheaper source of energy. Some SMMs have taken to generate cheaper sources of energy that may have a negative impact on the environment. Mugo and Gathui (2010) contend that bio-mass energy contributes 68% of Kenya's national energy fuel. Alice Owano, an education and development specialist [6] notes that bio-gas energy remains untapped, yet it has a lot of market in both rural and urban Kenya. Appropriate Government policy and legislation and positive political will could foresee the expansion of bio-mass and bio-gas projects into large SMMs. Mugo and Gathui (2010) note that the absence of these factors has hindered the generation, growth and development and use of bio-mass in Kenya as a

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6 <http://www.capitalfm.co.ke/news/Commentary/Kenya-has-immense-biogas-potential-6251.html>

source of energy. The use of bio-mas does not only provide energy, but it would also be a hygienic means of disposal of sewerage, thereby conserving the environment.

This research argues that collaboration between the government, the electricity sector and SMMEs can reduce environmental degradation which may be as a result of excessive use of vegetation to produce bio-mas. Increasing reliance on bio-gas and configuring the best form of use of bio-mass is something that should be seriously thought about. The result of this is enhanced clean energy and green environment.

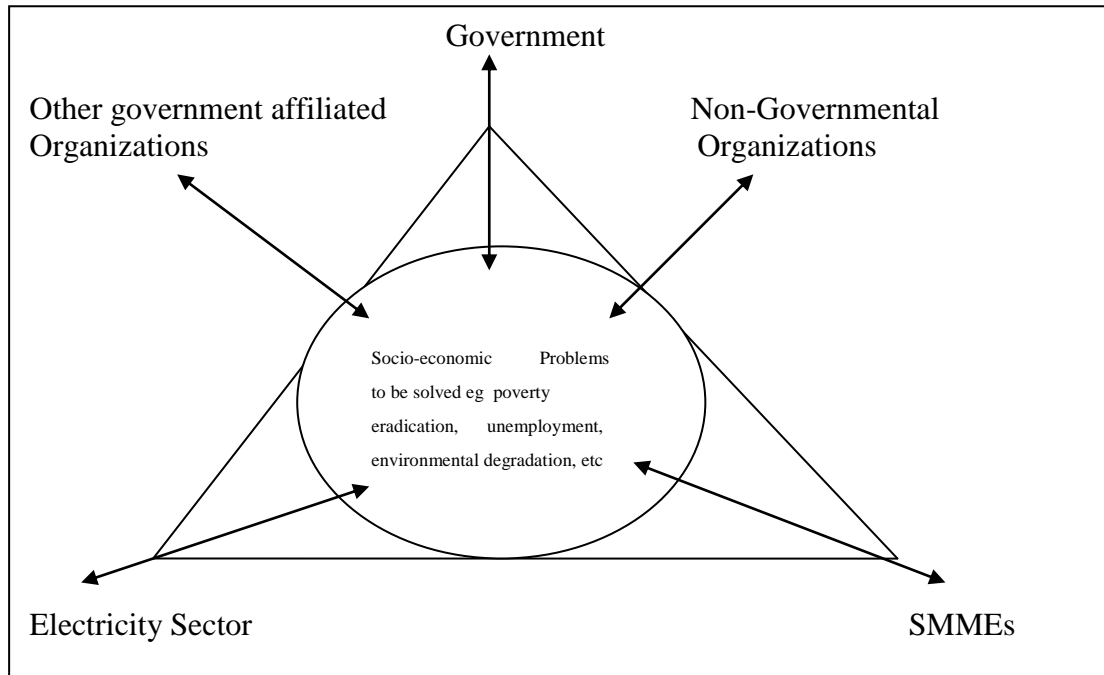


Fig. 1-Collaborative inter-organization problem-solving (shared responsibility in problem-solving), adapted from Langley and Rogers (2005) Standard Problem Solving Theory

Another illustration of enhancement environmental conservation through SMMEs is found in the generation of bio-gas from human sewer by Umande-Trust It is an SMME which serves “Mukuru” slum in Nairobi, Kenya. This venture helps to supplement the use electric power generated by KPLC. Support from KPLC would see such ventures generate more bio-gas to help ease the demand for electricity, which has been constantly on the rise. Technical expertise and desired information for the expansion and management of these kinds of SMMEs initiatives is highly needed. KPLC is capable and has the capacity to offer such information thereby contributing to their sustainability and to the general environmental sustainability.

### 2.2.3 EXPECTED IMPACT OF COLLABORATIVE PROBLEM-SOLVING

The research at hand assumes a Collaborative Inter-organizational Problem-solving Model to help solve the problems implied in electricity consumer complaints. This model will also give room for supporting SMMEs as a special category of electricity consumers. Both KPLC and SMMEs electricity provider and a segment of electricity consumers respectively, have to be committed to the problem-solving collaboration for the impact to be positive. Pessoa (2008) clearly implies that political will is very critical in the implementation aspect of reforms in any given country. It is therefore, critical that the government be committed. Pessoa notes that political will must favour implementation of

public-private-partnership, so is the situation in the Collaborative Inter-organizational Problem-solving implementation.

KPLC has for a long time been engrossed in continuous search for efficiency and this can be equated to problem-solving at an organizational level. This is evidenced by the many reforms KPLC has undertaken over the years, which include amendment of the electricity act, privation of generation through use of IPPs, establishment of an independent regulatory body, among others (Karekezi, and Kimani 2005). There is no clear cut between SMMEs and entrepreneurship. Hsieh, Nickerson and Zenger (2007) observe that the entrepreneurs are constantly engrossed in finding and making good use of opportunities that come their way. The three researchers emphasise that the entrepreneur's critical task "*...is to efficiently govern the process of discovering opportunities...*" SMMEs also seek efficiency in their operations therefore there is a lot in common between SMMEs and entrepreneurs.

Hsieh et al (2007) argue that for an entrepreneur to be effective, he or she has to identify valuable problems which while solving them, results in value creation and strive to find an effective way to arrive at a solution. This can also be said of successful SMMEs. Whereas KPLC and SMMEs aim at efficiency and therefore, profitability as their main objectives they are able to make certain contributions to their specific countries. As such, their respective governments need to support them to ensue that these contributions are made maximally. This research argues that one such area where governments need to offer their support include dissemination of required information between its stakeholders, like KPLC, and the SMMEs.

The following section discusses two theories the entrepreneurial and the problem-solving theories on which this argument of this research are based.

#### 2.4 PROBLEM-SOLVING NATURE OF ELECTRICITY SECTOR AND SMMEs

Problem-solving is an inherent aspect of life from the individual, to the firm, to the whole country and to the whole world. In this research, both the electricity sector and SMMEs are seen as being used by the government in an attempt to solve social and economic problems. KPLC and SMMEs operate in contrasting business environments: monopolistic business and perfect competitive environments, respectively. The two groups aim at qualitative or quantitative forms of profitability. At the same time they have to be mindful of the environment in which they operate. Idea generation, Implementation, growth and development and survival of SMMEs is vital and requires external help and encouragement. Between the KPLC and SMMEs, is the government, which has concern for and well-being of both groups. The government has a duty to all its citizens, while KPLC and SMMEs serve the citizens. All firms in a country aim at providing for the people and so the government needs to bring all these firms to a level where they can fully exploit their potential to achieve this objective.

The current research has adapted two main theories to enhance the understanding of the collaboration between the government, its stakeholders and SMMEs. These are the Standard Problem-Solving Theory developed by Langley and Rogers (2005) and the Entrepreneurial Theory advanced by Hsieh, Nickerson and Zenger (2007) which are discussed below. The Standard Problem-Solving Theory is modified to suit the objectives of this paper. Langley and Rogers explain that the Standard Problem-Solving Theory focuses on how humans respond to problems when they encounter them. The current

research modifies this theory by mapping out on how organizations should respond to problems as they encounter them, not as single entities, but as units of a whole. There are three groups of organizations involved in this research, each establishing ways of solving problems; the government, the electricity sector and SMMEs. All the three may have different or similar their objectives towards the problem-solving.

### **3. DATA COLLECTION AND ANALYSIS**

Two sets of highly structured questionnaires were used to collect the data- one for the SMMEs and another for the management at KPLC. The researcher sought to know to what extent SMMEs share information with KPLC, what means of communication are used at present and whether there are other means of communication preferred.

The SMMEs interviewed are those who are registered and have been in business between 2000 and 2009. Both the SMMEs and the managers were randomly sampled. The research targeted 200 respondents and 112 SMMEs questionnaires were received back, giving a percentage of 56 responses. The researcher targeted 50 managers but 33 questionnaires were received, giving a percentage response of 66%.

Once the data was coded, it was analysed using and presented in descriptive statistics; percentages, frequencies, mean, tables. Data analysis was done in relation to the research questions to be answered. The statistical package for social science (SPSS) was used in data analysis. Statistical tools such as frequencies, means, percentage, etc were used to carry out the data analysis. After editing the questionnaires, data was categorized and coded into related variables for ease of analysis using descriptive statistics.

Of 112 respondents 60.7% were male and 39.3% female. This tentatively shows that men are more risk takers than women in engaging in entrepreneurial ventures here characterized by the SMMEs. The frequencies of sampled SMMEs are indicated in Table 4. Majority of SMMEs captured were registered before 2000 (53%), followed closely by those registered between 2000 and 2003 (46 %). A further 8% and 5% were registered between 2004 and 2006 and 2007 and 2009, respectively.

The second category of respondents was the management of KPLC. The researcher targeted 50 respondents. A total of 33 questionnaires were received back which gave a 66% response- 60.6% male and 39.4% female. This also indicates something about gender disparity in employment at the management level in KPLC. One respondent (3%) attained a diploma qualification the highest level of academic qualification, 9 (27.3%), 16(48.5%) and 7(21.2%) attained a first degree, a master's degree and a PhD, respectively. In addition, majority of respondents and therefore management staff (13) fell in the age bracket of 36-40years (39.4%). The rest were as follows; Between 25-30 years were 2 (6.1%), between 31-35years were 7 (21.2%), between 41-45 years were 7 (21.2%), between 46-50 years were 2 (6.1%) and above 50 years were 2 (6.1%). All the managers interviewed have worked for KPLC for a period more than 15 years; 12 (29.3%) between 11-15 years while 21 (51%).

#### **4.1 RESPONSES FROM SMMEs**

##### **4.1.1 Adequacy of information from KPLC**

The respondents were asked to respond to the statement, "The electricity company shares adequate information on proper use of power". The responses were based on a 4-scale

likert (1=Strongly disagree, 2= Disagree, 3=Agree and 4=Strongly agree). The responses were as follows: missing variable= 1 (0.9 %), Strongly disagree=3 (2.7%), Disagree=35 (31.3%), Agree=67 (59.8%) and Strongly agree=6 (5.4%). The results (see table 1 below) indicated a mean of 2.6607 and a standard deviation of 0.665. This shows that to a larger extent there is adequate information flowing from KPLC to the consumers (SMMEs).

#### 4.1.2 Mode of Communication between KPLC and SMMEs

First the researcher sought to know from the SMMEs, which modes of communication were mostly used by KPLC to communicate to them. The following means were obtained for each mode of communication; print media = 4.29, electronic media = 4.55, company employee = 2.71, company newsletter 2.40 and mobile phone = 1.00. This indicates that according to SMMEs the most used mode of communication by KPLC is electronic media, followed by the print, company employees, company newsletter and mobile phone in that order of frequency.

The respondents were asked to rate the most preferred mode of communication by ranking modes of communication using a 5-point likert scale: 5=most preferred, 4=more preferred, 3=Less preferred, 2=Least preferred and 1= Not preferred at all. Print media was leading with 61 (54.5%) respondents as the most preferred mode of communication followed by use of company newsletter as the more preferred with 31 (27.7%) respondents. The next in order was the use electronic media which were ranked third with a 18 (16.1%) respondents. Few comments that followed this response include insufficiency of the gadget to handle expansive data, could only be used to remind due date for the bill and that the information could not be kept in the phone for long.

Some of the favourable responses for print media and company newsletter include the ability to make future reference to the document and the information could be easily scrutinized for clarity. From the content analysed it was cleared that the print media and Newsletters were preferred since future reference to the information was possible.

Table 1: Responses from SMMEs on preferred mode on information delivery

Mode of Communication	Most preferred	More preferred	Less preferred	Least preferred	Not preferred at all	Mean
Print media	61 (54.5%)	17(15.2%)	34 (30.4%)	0	0	4.24
Electronic	18(16.1%)	34(30.4%)	48 (42.9%)	12 (10.7%)	0	3.52
Company employee	0	3(2.7%)	0	60 (53.6%)	49 (43.8%)	1.6
Company newsletter	31(27.7%)	60(53.6%)	21 (18.8%)	0	0	4.09
Mobile phone	0	0	9 (8.0%)	43 (38.4%)	60 (53.6%)	1.55

#### 4.1.3 Support for SMMEs

The researcher sought to know the perception of SMMEs on whether the electricity company has the capability to help SMMEs to grow, using a 4-point likert; 1=Strongly disagree, 2=Disagree, 3=Agree and 4=Strongly agree. The responses were as follows; Disagree=3 (2.7%), Agree=45 (40.2%) and Strongly agree=64 (57.1%). It had a mean of 3.55 and a significant standard deviation of 0.552, indicating that many SMMEs believe that KPLC has the capability to support them.

Other responses from SMMEs were as follows; All the SMMEs agreed that electricity had helped in the efficient running of the business with 86 (76.8%) and 23 (23.2%) stating they strongly agreed and agreed, respectively. 81 (72.3%) disagreed that they

could run their business without electricity, showing a strong reliance on this scarce commodity (See table 2 below).

Table 2: Perception of SMMEs on purported help that KPLC can offer SMMEs

	Strongly agree	Agree	Disagree	Strongly disagree	Mean	Std Deviation
Electricity has helped me to efficiently run my business	86(76.8%)	26(23.2%)	0	0	3.464	0.424
I can easily run my business without electricity	5 (4.5%)	8 (7.1%)	81 (72.3%)	17 (15.2%)	1.91	0.664
I can easily start another business without relying on electricity	0	6 (5.4%)	71 (63.4%)	35 (31.3%)	1.74	0.549

#### 4.2 RESPONSES FROM KPLC MANAGERS

The Managers were asked to indicate the possibility of doing the following for SMMEs; provide Free-Basic-Electricity (FBE), offer training for SMMEs on efficient use of electricity, supply SMMEs with energy saving implements, take responsibility to ensure success of SMMEs and support SMMEs who have electricity generation ventures. The researcher also sought to know the possibility of using different modes of communication to the consumers.

The results in table 3 below indicate that the managers agree that it is indeed possible to support SMMEs in the various ways outlined in the statements. It is only the supply of FBE that seemed a difficult task since none of the managers consented that there is a very high or a high possibility to do so. They indicated that there is low and very low possibility of providing free basic electricity to SMMEs. Use of both mobile phones and company newsletter are hailed. From the content data, it was gathered that the mobile phone was preferred due to its timely delivery of the information, but it was feared that bulky information and storage of the information can not be done on the phone. However, several of those who saw a very low possibility (11=33.3%) of use company newsletter cited increased cost for the company. The cost would either be shared between the electricity company and the consumers or fully shouldered by the consumer.

Table 3: Response from KPLC on the possibility of supporting SMMEs.

Possibility of offering SMMEs the following:	Very High Possibility	High Possibility	Low Possibility	Very Low Possibility	Mean	Std Deviation
Free-Basic-Electricity	0	0	20 (60.6%)	13 (39.4)	1.61	0.496
Training	18 (54.5%)	15 (45.5%)	0	0	3.546	0.506
Energy saving implements	0	10 (30.3%)	19 (57.6%)	4 (12.1%)	2.182	0.635
Support energy generating ventures	14 (42.4%)	15 (45.5%)	4 (12.2%)	0	3.303	0.684
Awarding tenders	3 (9.1%)	11 (33.3%)	17 (51.5%)	2 (6.1%)	2.455	0.754
Continuous electricity	12 (36.4%)	15 (45.5%)	5 (15.2%)	1 (3.0%)	3.152	0.796
Possibility to communicate to consumers through:						
Mobile phones	19(57.6%)	11(33.3%)	3(9.1%)	0	3.485	0.667
Company newsletter	7(21.2%)	15(45.5%)	11(33.3%)	0	2.879	0.740

In addition, the researcher sought to know from the managers, the impact of the company sharing information with consumers on the company and on the consumers. Impact of information sharing on the company scored as follows; high positive impact=17 (51.5%) and positive impact=16 (48.5%) and the impact on consumers had the following responses; High positive impact=9 (27.3%) and Positive impact=18 (54.5%) (See table 3 below) and Negative impact=6 (18.2%). The respondents with negative impact gave no explanation, however those indicating high positive impact and positive impact noted that

information sharing enabled the consumers to channel their grievances to the company and this enhanced their search for better ways of supplying electricity.

Support for SMMEs can assume wider perspectives. Other forms of support that could yield more information include training of SMMEs, donation or subsidised energy saving implements, awarding them tenders and the supply of continuous electricity. This support could also come in form of creation of information centres within certain radii of the SMMEs (which can be accessed by other electricity consumers). It is only the supply of Free Basic Electricity that seems a difficult form of support for SMMEs. The support is meant to put SMMEs on their feet and once they are self-sustaining, KPLC (any form of support) can redirect its to other SMMEs.

#### **4 CONCLUSION**

This paper argues that once SMMEs have been sustained to maturity, they need to design ways through which they could support other SMMEs to maturity through collaborative problem-solving approach. In this way, more and more SMMEs with viable projects will be sustained. Collaboration between the government, its stakeholders and the SMMEs can enhance the support and therefore the sustainability of SMMEs. The support could range from the basic levels such as information sharing, to mentorship, training, financial, technological support, among others.

This paper proposes that KPLC and other government affiliated organizations should segment their markets and see how best to service each of the segments. The paper also proposes that there should be a special relationship between the SMMEs and the government and the governments' stakeholders especially where costs are involved, so as to enhance the immense contribution of this sector to the country and its economy. This should be done at the idea generation, implementation and growth stages. Once the ventures mature, they are left on their own. They could also be charged with the responsibility of helping "younger" SMMEs, not only in information sharing but also in terms of training and mentorship. This would involve SMMEs in the collaborative problem-solving from a different angle.

Further to this study, research needs to be carried to establish the extent to which governments of developing economies have contributed to the sustainability of SMMEs. What more can they do for SMMEs so that they can tremendously reduce the rampant problem of unemployment as well as help alleviate poverty in these countries?

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