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Industry Best Practices Contributing to Small Business Success

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Timothy J. Giardino

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Walden University
2016

Abstract

Industry Best Practices Contributing to Small Business Success

by

Timothy J. Giardino

MBA, Baker College, 2012

BS, Embry-Riddle Aeronautical University, 2009

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

August 2016

Abstract

Small business owners generate jobs within the local community, but half of new business owners often fail to sustain operations for the first five years. The purpose of this qualitative descriptive study was to explore strategies that small business owners in central Texas used to sustain their businesses beyond the first 5 years. Schumpeter's theory of economic development grounded the study. Data collection included semistructured face-to-face interviews with a purposeful sample of 20 small business owners due to their success in creating strategies resulting in sustaining their businesses beyond 5 years in a postrecession business environment. All interpretations from the interview data included member checking to validate the credibility of the findings. Using the van Kamm method for thematic analysis, four themes emerged that included conducting business near federal and state organizations, having a business mentor, improving competitive positioning by focusing on improving both the quality of goods and services as well as innovating the customer experience, and adapting to rapidly changing economic conditions and destabilizing events with optimism and perseverance. Of these, the two most successful strategies entrepreneurs employed to improve survivability was conducting business near federal and state organizations with concentrated levels of workforce employees for sustained levels of returning business, as well as having one or more business mentors as an external source of entrepreneurial mentorship or information. Social change implications for small business owners include the potential to provide new strategies for small business sustainability, reductions in local unemployment rates, and improved community-based networks.

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Dedication

I would like to dedicate and thank my wife and daughters for providing me with the support and motivation to become a lifelong learner. I would not be here without your love and encouragement. I also dedicate this work to all the small business owners who participated on behalf of their kindred spirits across the globe.

Acknowledgments

I want to acknowledge my committee chair, Dr. Julie Ducharme, who has been a constant source of inspiration throughout this challenging process. Thank you for your never-ending support and dedication to excellence over the years. I also want to acknowledge the rest of my doctoral team. It is humbling to be surrounded by such talent.

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Section 1: Foundation of the Study

Between December 2007 and June 2009, the American economy indicated a significant downward economic trend, commonly referred to as the *Great Recession* (U.S. Census Bureau, 2011). During this period, the number of small business firm deaths as well as related job destruction rates increased significantly. American small businesses remain a critical element of the U.S. economic recovery and often exist on the leading edge of risk-taking, entrepreneurship, and economic growth (U.S. Bureau of Economic Analysis, 2014). The challenge that small business owners continue to face in the United States is a sustained high failure rate. In this research, the aim was to compile the primary survivability factors identified in studies before the 2007 recession and to accrue new lessons learned from postrecession research.

Background of the Problem

The Office of Advocacy of the U.S. Small Business Administration (SBA) defined small businesses as independent companies with fewer than 500 employees (U.S. SBA, 2012c). Table 1 includes the six types of small business categorized by the SBA (2012a).

As noted in Table 1, the six business types are not mutually exclusive; however, the three main business categories are mutually exclusive. First, nonemployer businesses were those that did not have employees or payroll. Next, self-employment represented those whose principal occupation was business ownership. Finally, sole proprietorships were businesses owned and operated by a single individual without distinction of neither financial liability protection nor tax differentiation between the business and the owner (U.S. SBA, 2013).

Table 1

Small Business Shares

Business type	Share (%)
Home-based businesses	52.0
Franchise	2.0
Sole proprietor	73.2
Corporation	19.5
Employer business	21.5
Nonemployer (business without employees)	78.5

Note. These categories are not mutually exclusive.

Small business contributions to the U.S. economy date as far back as the 1700s (Rolfe, 2011). At the turn of the 21st century, American small businesses began to represent the vast majority of all employer firms. Since the mid-1900s, small businesses have accounted for more than half of all U.S. sales, have employed more than half of the American workforce, and have created over 60% of all new jobs (Neumark, Wall, & Junfu, 2011; Yallapragada & Bhuiyan, 2011). These statistics quantify small business contributions to the U.S. economy and underscore their significance to stimulating the market back into equilibrium.

From 2000 to 2010, the recorded number of business startups closely corresponded to the number of business deaths, which means that for every new business started, an existing business terminated (U.S. SBA, 2012c). Small business startups dropped 12% between 2007 and 2010 because of the *Great Recession*, in which small business death rates increased beyond birthrates (U.S. SBA, 2012c). Small business failures and contracted birthrates were costly and disruptive to a number of firm stakeholders, which included owners, investors, and surrounding communities (Lussier & Halabi, 2010).

Problem Statement

Nearly 80% of all small business failures occur in the first year; approximately 70% occur in the second year; and only half survive the first 5 years of operation (U.S. SBA, 2012b). American small businesses have represented over 99% of all employer firms, accounted for 54% of all U.S. sales, employed 55% of the American workforce, and created more than 60% of all new jobs since the 1970s (Neumark et al., 2011; Yallapragada & Bhuiyan, 2011). The general business problem is small business survivability rates within the first 5 years of operation remain low. The specific business problem is that small business owners lack strategies for surviving the first 5 years of operation in the postrecession business environment.

Purpose Statement

The purpose of this descriptive study was to explore strategies that improved small business survivability beyond the first 5 years of operation in a postrecession business environment. I conducted semistructured interviews with 20 small business owners in Central Texas. The target audience for this study was entrepreneurs who demonstrated small business survivability beyond 5 years. The implications for positive social change included reductions in unemployment rates, homelessness, and stress or health-related problems associated with being unemployed. Business impacts may include the potential for increasing survivability rates of small businesses, thereby increasing jobs, sales and tax revenue, future small business entrepreneurship.

Nature of the Study

The three potential approaches to research included qualitative, quantitative, and mixed methods; of those, qualitative and quantitative research approaches were the most common approaches found in many DBA research projects (Miller & Cameron, 2011). Quantitative researchers typically examine relationships between variables via surveys and experiments. Quantitative research and design constraints requires a large sample and test hypotheses (Basnal & Corley, 2012). This design constraint would not have been representative of the purpose of the study. Miller and Cameron suggested that mixed method researchers combine qualitative and quantitative research techniques into a single study (2011). Under the assertion that a quantitative research methodology would not have been appropriate this early in the research of postrecession business environments, a mixed-method approach would similarly not have been valid for the purposes of this study. Exploratory research must have had first identified which strategies contributed to small business success in a postrecession environment before researchers could quantify and test those strategies on a larger scale. Qualitative researchers seek to capture lived experiences and to empower others to improve their lives (Gair, 2012). Qualitative researchers do this by collecting data from interviews, observations, and documents to conduct inductive data analysis (Kisely & Kendall, 2011). Due to the lack of information contained within the body of knowledge and given the variations in business owners' experiences of surviving in an unstable economy, an exploratory approach was most prudent.

As subdivisions of the qualitative method, ethnography, grounded theory, case study, and descriptive designs were available as research strategies. Ethnography is a way of describing cultural behavior (Cruz, 2013), grounded theory is a method used for theory development (Corley, 2015), case studies focus on a particular participant or small group (Tsang, 2013), and descriptive studies comprehensively summarize specific events experienced by individuals or groups of individuals (Lambert & Lambert, 2012). Each of these designs permitted data collection via interviews, observation, and document review. However, these phenomena were not cultural behaviors as studied via ethnography, specific to a particular participant or small group as studied via case studies, or required to develop a new theory as facilitated via grounded theory. Although each design possessed its own unique advantages, a descriptive design was the most prudent strategy to apply to this research because of the esoteric nature of individually-lived experiences and the need to deliver a straight forward description of the phenomenon under review (Lambert & Lambert, 2012).

Research Question

The central question that guided this research was as follows: What strategies do small business owners use to survive beyond the first 5 years in a postrecession business environment?

Interview Questions

The list of open-ended interview questions that addressed the research question included the following:

1. What is your training, experience, and educational background?
2. How did you acquire financing to start your business?
3. What was the planning process you applied during your first 5 years of business?
4. What was the economic environment when you first started the business?
5. Were there any external sources of information or mentorship you applied to developing your business during the first 5 years?
6. Why did you start your business?
7. How did your business evolve during and after the *Great Recession*?
8. What factors do you believe enabled your business to continue operations for more than 5 years?

Conceptual Framework

Schumpeter's (1934) theory of economic development grounded the conceptual framework relating to this qualitative study. A review of the existing body of knowledge focused on entrepreneurial theories allowed me to identify concepts, approaches, and advancements in entrepreneurial models that supported the current study. Schumpeter focused on a circular flow of economic life in equilibrium and entrepreneurial innovation as a source of creative destruction. Creative destruction referred to a cyclic process in which pioneering entrepreneurs created innovative and unique techniques to operate a successful business within a given market. Other entrepreneurs copy the successful model, which increases supply and decreases profit. In turn, the pioneering entrepreneurs create new innovative methods, which destabilize equilibrium, and noninnovative entrepreneurs copy once again. I considered economic development (i.e., economic evolution), a unique process created by the economic system itself; for that reason, I was interested in searching for causes from within the economic system (Becker, Knudsen, & Swedberg, 2012). Under a macroeconomic lens, Schumpeter proposed that entrepreneurs were continuously destroying economic equilibrium by introducing disruptive innovations, which caused existing processes of economic affairs to lose their position.

Proponents of Schumpeter's theory suggested that new contributions by entrepreneurs differentiated them from nonentrepreneurs. This distinction of the two types may be based on the characteristics of entrepreneurs as "energetic types who do not merely adapt to changing circumstances, but could push through new combinations against resistance" (Becker et al., 2012, p. 924). Within this context, successful entrepreneurs made favorable business decisions that facilitated the firm's economic development to the change experienced in the economic environment.

The goal of the present research was to identify successful entrepreneurs who innovated their way through the 2007-2009 economic downturn and determine which values or characteristics contributed the most to the organization's ability to develop. The theory of economic development was the most useful conceptual lens for framing this research question. The purpose of undertaking such research was to collect valuable data and convert it into practical information, which may be presented to business owners as knowledge and perhaps applied in organizations in the future. The findings of this research were useful and instructive to business owners to ensure a more successful development of their organizations.

Operational Definitions

Entrepreneur: An entrepreneur is someone who bears the risk of buying resources at certain prices and offering goods or services at uncertain prices (Szeman, 2014).

Evolutionary economics: Evolutionary economics refers to self-transformation of an economic system over time via firm replication or imitation of efficacious characteristics (Breslin, 2011).

Small business: A small business is an independent company with fewer than 500 employees (U.S. SBA, 2012c).

Successful business owner: A successful business owner is someone who achieved at least three of the following criteria: (a) profitability, (b) growth or expansion of the business, (c) innovation, (d) firm survival/continuity, (e) utility or usefulness, (f) personal satisfaction, (g) satisfied stakeholders (employees and customers), (h) work-life balance, (i) public recognition, or (j) contributing back to society (Gorgievski, Ascalon, & Stephan, 2011).

Assumptions, Limitations, and Delimitations

Assumptions

Assumptions are reasonable generalizations or expectations that researchers believe to be true without empirical evidence (Trafimow, 2012). I based this study on two assumptions, which proved to be true. The first was that a qualitative research method was the most practical and useful framework to research the phenomenon. The second assumption was that Central Texas was a sufficiently large geographical area to locate participants representative of the entire population under study.

Limitations

Brutus, Aguinis, and Wassmer (2013) suggested that authors must describe the shortcomings of a study as well as the implications of those limitations for both the interpretation of the research and the general area under study. Limitations to research include any elements that potentially restrict or constrain the methodology or conclusions of a study (Miles, 2013). The first limitation was the sample size associated with descriptive study designs. A small sample size may not be representative of the entire group under study and may not produce valid results as they apply to the group. To mitigate that risk, this study included 20 participants, selected via maximum variation and criterion strategies, which ensured a broad enough representation from the selected criteria. The second limitation was the geographical location in which the organizations operated. The research participants were owners of qualifying businesses located within Central Texas, which may not provide results germane to locations outside the sampled region. The final limitation was the assumption that all participants would answer questions honestly.

Delimitations

Delimitations refer to research restrictions related to the scope of a study (Sandelowski, 2011). The first delimitation was the sample used for the study, which the SBA’s definition limited to what qualified as a small business. To qualify, the research population included only owners of organizations with less than 500 employees. The second delimitation was the defined success of the business owner. For this research, the small business owner had to meet three of 10 success criteria: (a) profitability, (b) growth or expansion of the business, (c) innovation, (d) firm survival/continuity, (e) utility or usefulness, (f) personal satisfaction, (g) satisfied stakeholders (employees and customers), (h) work-life balance, (i) public recognition, or (j) contributing back to society (Gorgievski et al., 2011).

Significance of the Study

Contribution to Business Practice

Beginning in 2008, small business failures exceeded the number of startups for the first time in nearly a decade, but the true problem was startup rates fell below 3% for the first time since keeping records and remained at that level well into 2011 (U.S. SBA, 2012c). Small businesses represent more than 99% of all employer firms in the United States; the damaging consequences of sustained high failure rates on owners, investors, local communities, and the U.S. economy are axiomatic.

I explored strategies that small business owners believed were necessary for small businesses to survive beyond the first 5 years of operation in a postrecession business environment. I employed a descriptive research design to emphasize the individually lived experiences of 20 small business owners who were successful entrepreneurs, as defined by the delineations contained within this study. The aim of this research was to understand which strategies might contribute to the success of small businesses by helping owners make more informed business decisions and increasing survivability rates.

Implications for Social Change

In this study, I introduced new information into the existing body of knowledge addressing entrepreneurship sustainability. This data may lead to a positive social change in the form of increased viability among small businesses beyond the 5-year mark, which would contribute to increased job sustainability, sales revenue, and future small business entrepreneurship. The increased viability of small businesses, in turn, might have a positive impact on surrounding communities as well as local, state, and national economies.

A Review of the Professional and Academic Literature

In this literature review and study, I researched topics related to the success and failure of small business with the intent of developing a working list of subjects from which to identify gaps within the existing body of knowledge. Small businesses were independent companies with fewer than 500 employees, which included home-based, franchise, sole proprietor, corporation, employer, and nonemployer businesses (U.S. SBA, 2012c). Since the start of the *Great Recession*, an increasing number of individuals started new businesses because they had lost their job, and economists expect this trend to continue. Increased joblessness contributed to individuals starting new businesses (U.S. SBA, 2012c), the trend economists expected to continue because of the substantial loss of American jobs that would likely not regenerate after the *Great Recession's* economic realignment (Valadez, 2011). Scholars developed several theories answering why businesses failed during the *Great Recession*; however, no universally accepted theory gained consensus (Lussier & Halabi, 2010). Narrative research on the subject indicated that researchers of business failure traditionally focused on either financial ratio data or critical managerial variables (Lussier, 1995).

Foundational works on the subject of small business success-failure rates, such as Lussier's (1995) business success versus failure prediction model, set the basis for contemporary success versus failure prediction models, which continued to evolve as modern U.S. business environments grew into global markets. Philip (2011) suggested that the lack of planning and strategy, poor implementation, and acceptance of high risk contributed to small business failures. Cebula (2011) discussed how the lack of education, training, and required business skill sets led to the inevitable failure of a business. Consequently, the costs associated with business failure go well beyond just financial losses and tend to disrupt social, psychological, and interrelationship conditions (Ucbasaran, Shepherd, Lockett, & Lyon, 2013). With the expansion of a global economy, compounded by the rise of electronic businesses, additional research about entrepreneurial strategies that contribute to the success of small businesses might help owners and managers make more informed business decisions and increasing survivability rates (Chang, Chang, Ho, Yen, & Chiang, 2011).

The purpose of the literature review was to avoid any unintentional duplication of existing research and to identify a business matter that would contribute valuable information to the existing body of knowledge. The sources of information I cited most frequently for this literature review were peer-reviewed scholarly journal articles (also known as refereed), scholarly journal articles that were not refereed, and academic books relating to topics and key words related to small businesses. I conducted searches within several databases, such as ABI/INFORM, Business Source Complete, EBSCOhost, ProQuest, SAGE Journals, Emerald, and ERIC. I used several primary search terms, which included *Great Recession, small business success, small business failure, small business sustainability, small business survivability*, and *prediction models*.

Secondary search terms included *small business success versus failure* and *small business recession*. I conducted a third line of searching for small business statistics on the U.S. SBA website, www.sba.gov, and Google Scholar. The results of these searches contributed to the data presented in this literature review. Of the aforementioned sources, 12 were scholarly journal articles (11 < 5 years; 1 > 5 years), and 108 were scholarly journal articles that were peer-reviewed or from government sources (93 < 5 years; 15 > 5 years). Ninety percent of the material used in this literature review was peer-reviewed, and 87% of the total material used was published within the past 5 years.

I based this research on three generally accepted premises. The first was that small businesses are the most significant source of job creation within the United States (Neumark et al., 2011; U.S. SBA, 2014). The second was that statistical perceptions of small business success remain low (Gartner & Liao, 2012) and that jobs lost during the *Great Recession* would not likely regenerate after the economy returned to postrecession equilibrium (Valadez, 2011). The third was no single theory explained why small businesses failed because of the *Great Recession* (Lussier & Halabi, 2010). Based on these premises, I explored which strategies owners believed were most important to small business survivability beyond 5 years in a postrecession business environment.

This exploration occurred within the geographical context of Central Texas's business environment. I conducted the study using qualitative, descriptive interviews of successful small business owners who operated their qualifying small business within Central Texas for a minimum of 5 years and possessed direct experience in successfully surviving the *Great Recession*, from 2007 to 2009 (U.S. Census Bureau, 2011). Texas was the geographic location for this study because of its continued performance above the national average, both during and after the *Great Recession*.

Many quantifiable and well-documented examples justifying Texas as the appropriate location for this study existed. In 2008, Texas recorded a 2.0% increase in real Gross State Product while the national real Gross Domestic Product (GDP) growth average was only 0.7% (U.S. SBA, 2009). Even more significantly, in 2008, the SBA (2009) also recorded Texas having a 2.1% increase in private sector employment while a 0.7% decrease existed everywhere else, nationwide. By 2012, as economic recovery efforts continued across the United States, economies grew at an average of 2.5% per year at the national level (U.S. SBA, 2014).

At the same time, the economy of Texas grew at 4.8%, which was nearly twice as fast as the national average (U.S. Bureau of Economic Analysis, 2013). By December 2012, Texas's 6.1% unemployment rate was well below the national average unemployment rate of 7.8% (U.S. Bureau of Labor Statistics, 2013). Last, in 2015, the U.S. Bureau of Economic Analysis ranked Texas as the nation's highest state exporter for the 13th consecutive year in a row. The report listed Texas exporting more than $289B in 2014, which was approximately 18% of the United States' total export revenue of $1.6T, despite a $505B international trade deficit. The next largest revenue generated from state exports came from California at $174B, which was nearly 40% less than what Texas exported. Many macrolevel elements likely contributed to the state's success throughout this period.

An investment into renewable energies, such as wind energy projects, created thousands of sustainable jobs and stimulated economies within local communities and statewide regions alike (Slattery, Lantz, & Johnson, 2011). These wind energy projects placed the state into an industry leadership position within nonhydro renewable energy production across the nation, despite formidable competition posed by traditional electricity providers (Zarnikau, 2011). Technological developments within the natural gas industry allowed Texas businesses to cultivate unconventional gas reservoirs, which created a surge in employment and economic gains (Weber, 2012). Weber also noted that employment and income gains resulting from such technological advancements in the natural gas industry were not isolated to Texas but also existed in Colorado and Wyoming.

Other research contained evidence of the positive impact of investments on information technology (IT) in the 1990s, which fundamentally changed regional economics within Texas State (Tu & Sui, 2011). Such investments set the conditions for creating wealthy and economically diverse cities, such as Austin, Texas. Whereas other wealthy Texas cities flourished within the oil and gas industry, Austin's technological economy is effectively poised for long-term, sustainable growth. City and corporate leadership capitalized upon existing cultural economy policies and planning efforts within the metropolis to grow further and sustain the city's economy (Grodach, 2012). Texas typically serves as the model for economic success because of its absence of state income taxes, which Rickman (2013) noted was the source of strong employment and population growth.

Similar tax policies relevant to Texas-based businesses attracted many globally recognized companies. These included public companies, such as Exxon Mobil Corp. (Revenue: ~$408B), Phillips 66 (Revenue: ~$166B), Valero Energy Corp. (Revenue: ~$138B), and AT&T (Revenue: ~$129B); private companies, such as Dell Inc. (Revenue: ~$57B), H.E.B. Grocery Co. (Revenue: ~$20B), Michaels Stores, Inc. (Revenue: ~$10B), and Gulf States Toyota, Inc. (Revenue: ~$7B); and corporate subsidiaries, such as Shell Oil Co. (Revenue: ~$234B), McLane Co. (Revenue: ~$46B), Schlumberger Ltd. (Revenue: ~$45B), and 7-Eleven, Inc. (Revenue: ~$23B; Office of the Governor - Economic Development and Tourism, 2014). Last, despite the positive economic data, some researchers suggested that Texas's unique proximity to Mexico (international trade and immigration), land and lending policies designed to maintain low housing prices, and abundant natural resources may not provide an economic model all states can capitalize upon (McNichol & Johnson, 2012).

Based on the aforementioned information and topics, I divided the following literature review into several major sections. The first two sections concerned (a) the theory of economic development and (b) the *Great Recession*. The next two contained a discussion of (c) perspectives on causation and (d) success and sustainability. The last two sections were (e) success versus failure and (f) prediction models.

Theory of Economic Development

I chose Schumpeter's (1934) theory of economic development to ground the conceptual framework of this qualitative study. Schumpeter originally published his theory in 1912, but publishers did not translate his work into English until 1934. Schumpeter incorporated several different schools of thought to develop this economic theory; however, the central theme arguably came from Marx's volume series of Capital. Within the series, Marx presented the concept of perpetual innovation leading to improved competitive advantages, which ensured that successful firms continued to operate while innovative competition would drive unsuccessful firms out of the market. This concept appeared to be at the heart of Schumpeter's view of economic development as an evolutionary process. Using the same theoretical lens, Schumpeter proposed that entrepreneurs were continuously destroying economic equilibrium by introducing disruptive innovations, which caused changes in the economic status quo. The economic environment was continuously evolving new processes from mechanisms operating within it.

Evolutionary processes contain three basic mechanisms that include variation, selection, and retention (Becker et al., 2012). In Schumpeter's theory, the entrepreneur embodies the variation mechanism, which spurs innovation. Next, selection mechanisms, which exist both within the organization and in the environment for which the organization operates, will select the newer, more efficient process as a part of creative destruction. Finally, retention arguably falls within the social structure of energetic and static-hedonic types (Becker et al., 2012).

The theory of economic development, at its core, is a generalized principle of innovation and imitation as cyclic forms of adaptation to evolutionary processes within the economic environment (Knudsen, 2002). Accordingly, the author theorized that variations existed that made some entrepreneurs better suited to prosper than others within a particular economic environment. The entrepreneurs who developed successful innovations (variations), which increased the firm's probability of survival, would continue to operate in prosperity. As these firms continued to be successful, similar firms (e.g., same industry and organizational structure) would imitate the positive variations (e.g., innovation of products, services, operational efficiencies, and business strategies), which led to market equilibrium until innovative entrepreneurs would once again disrupt the balance and restart the innovation-imitation cycle. Some debate existed among researchers about the relative importance of explaining firm imitation at the individual-level, group level, and organizational level (Hodgson, 2013b); however, most researchers agreed that a cultural evolution would exist within the organization that would be inherent to the adaptation process (Vanberg, 2014).

This evolutionary organizational culture of economic development is important to small business survivability. Even generalized, the word evolution has several meanings within different contexts and remains imprecisely defined when used to describe business processes (Hodgson, 2013a). Some researchers characterized it as incremental changes in organized complexity within economic systems (Foster & Metcalfe, 2012).

Within this theoretical framework, the evolution and growth process for innovative entrepreneurs would share a similar model, in which incremental changes in innovative processes would serve as the framework for organizational adaptation to economic environments. In this allegorical model, economic development would exist at the macrolevel with the firm representing the evolutionary vehicle (that which carries or contains the innovative variation for disrupting economic environments), whereas a development of innovative, entrepreneurial traits would occur at the microlevel (within the firm) for the entrepreneurs (Galor, 2012). The microlevel would conceptualize how innovations manifest from within the firm but become visible to other entrepreneurs through firm performance.

Levit, Hossfeld, and Witt (2011) supported the idea that a theory of economic development was appropriate to explain how firms adapted to changing economic conditions, not as a one size fits all principle, but rather as a metatheory with notable differences from evolutionary biological origins. The authors argued that the economic version would be distinctive because of artificial interventions of human intelligence, creativity, intentionality, and business acumen. Appropriately, a generalized concept of evolution served as a principle of the theory of economic development. Vanberg (2014) described this concept of evolutionary selection as organizational trial and error, in which entrepreneurs applied a variation of processes or techniques designed to introduce disruptive innovations into the market. Vanberg suggested that firms discovering successful processes or techniques continued and firms that followed either replicated or imitated those efficacious qualities for their prospective survival. Conversely, organizations that were unable to adapt would conceptually expire, and those unproductive features would expire with them as well (Gayon, 2011).

Another important consideration of the theory of economic development related to another concept, known as evolutionary economic geography. Boschma and Frenken (2011) described evolutionary economic geography as a study of the independent development of regions, which were composed of unique firms, industries, networks, and cities. Although similar overarching themes existed at the macro and microlevels of economics for different regions, evolutionary economic geography described the entry, growth, decline, and exit of firms within their locational context and behavior (Boschma & Frenken, 2011). This concept grounded the study further as it applied to the Central Texas region.

The theory of economic development also applied another important concept known as evolutionary welfare economics. Evolutionary welfare economics, albeit a novel concept, was quite relevant to many trends found at the macrolevel within the United States economy since the early 2000s. Evolutionary welfare economics was a procedural, systems-based view in which purposeful interference in the destructive consequences of an evolutionary economy via macrolevel policy was the chief purpose (Schubert, 2012). Schubert noted that, within the context of purposeful interference, welfare referred to well-being, and a subsequent policy of intervention into self-defeating behavior patterns that might have evolved in response to changing environmental conditions. The concept of evolutionary welfare economics helped ground the study insofar as it applies to the U.S. government’s response to the 2007-2009 economic disorder.

Economic development theories garnered their fair share of criticism. Many researchers argued that evolutionary analogies within economics were not appropriate comparisons (Levit et al., 2011). Some suggested making such comparisons was also antithetical because, within economic development, informed human behavior served as the mechanism for innovation and imitation, which was deliberate and calculated, rather than occurring naturally (Hodgson, 2002). Other critics maintained that evolution within economics was inappropriate because the core replicator-interactor distinction found in biological examples did not exist within an analogous economic context (Breslin, 2011). Finally, researchers noted that economic evolution theories were unable to accommodate cooperation, altruism, and group selection within and among firms (Pelikan, 2011).

Evolutionary economic geography provoked further critical debate. Critics argued that researchers should focus less on developing an evolutionary economic geography theory, and more on an evolution in economic geography (Martin & Sunley, 2014). Martin and Sunley suggested that, at its current level of development, evolutionary economic geography might be too narrowly focused to differentiate itself from other economic geography theories. This argument coincided with similar critiques against organizational ecology and evolutionary concepts of firm or employer/employee development (Dollimore, 2013). The premise of these arguments conflicted with the core principles in both evolutionary welfare and geographic theories, which, in an organizational ecology context, would have otherwise explained evolutionary concepts that described the diversity within organizational structures.

Schumpeter's (1934) theory of economic development remained robust enough to serve as the conceptual framework for this literature review and study. In principle, economic development, regarding to the cyclic innovation and passing of information, through either replication or imitation, was the most valuable concept related to the present study. Accordingly, the self-transformation of an economic system over time via innovation-imitation of efficacious characteristics defined evolutionary economics within the context of this study to provide a universal frame of reference (Breslin, 2011). The theory of economic development, as a conceptual framework, applied to each of the following sections.

The Great Recession

Scholars, economists, and political activists have long recognized the importance of small businesses to the U.S. economy. Within the conceptual framework of this study, the *Great Recession* served as an instrument of significant change in the existing business environment to which firms were forced to adapt. In accordance with the theory of economic development principles, small businesses whose leaders successfully developed innovative processes and techniques were selected to continue, while those that did not acclimate to the new business environment did not continue (Breslin, 2011). The goal I set for this study was to explore strategies considered necessary to improve small business survivability beyond five years of operation within Central Texas in a postrecession business environment, so they may be replicated or passed on to existing and future firms. Evolutionary economic geography and evolutionary welfare economics are addressed throughout the following sections.

Categorically, small businesses serve as a major source of U.S. job creation, innovation, and economic growth. Despite these realities, small business owners experience one of the lowest survivability rates of all employer firms, especially when operating within declining economies; although researchers must be forthcoming when distinguishing between firm closure and firm failure (Headd, 2010). The United States experienced two separate recessions since 1999 (Osgood, Opp, & Bernotsky, 2012). According to the authors, the first lasted from March to November 2001. The 2007 – 2009 economic downturn, commonly referred to as the *Great Recession*, lasted approximately from 2007 to 2009, and many scholars and economists considered it the worst recession since the 1930s (Chowdhury, 2011; Reid, Carroll, & Ye, 2013; Walden, 2012).

Most consequences of a weak economy are well understood; however, much of the existing body of work addressing the *Great Recession's* causes and consequences highlights triggers within the financial sector, programs devised by investors, and federal-level policies (Gillespie, 2013). One must note that before the start of the recession, an estimated $2.5 trillion of state and local debt existed, which amounted to 17% of the U.S. GDP and accounted for nearly 80% of all annual revenue collected at the state and local governments across the country (Fisher & Wassmer, 2014). As the *Great Recession* concluded in the United States and economic recovery began, nearly 40% of all states reported unemployment rates at or above 10% (U.S. Bureau of Labor Statistics, 2012).

Small business death rates exceeded birth rates while startup rates also dropped below 3% for the first time in documented small business history (U.S. SBA, 2012c).

Last, as the U.S. economy started its recovery in 2009, nearly $11 trillion in American household wealth was lost (Financial Crisis Inquiry Commission, 2011), more than 10 million middle-class Americans dropped below the poverty line, and 6 million fell into deep poverty (Center on Budget and Policy Priorities, 2011). Many of the aforementioned effects of recession were exacerbated by increased costs in food and gas prices, which slowed down the economic recovery process (Guarria, 2011).

Joblessness credited to the abovementioned issues placed extreme financial stress upon federal-state support programs, which provided approximately 26 to 99 weeks of financial benefits to unemployed individuals who qualified (Nicholson, Needels, & Hock, 2014). This evolutionary welfare economic response to the *Great Recession* by the U.S. government in the legislative context created a sequence of unemployment benefits that consisted of an unemployment compensation (UC) program, an emergency unemployment compensation (EUC), and an extended benefit (EB) program that contributed to stabilizing the economy. Although several exemptions for each program existed, most states provided up to 26 weeks of compensation under the UC program, up to an additional 47 weeks under EUC, and up to an extra 20 weeks under EB (Whittaker & Isaacs, 2014). The debate regarding the effectiveness of the legislation will endure as relevant data continues to be gathered and analyzed by researchers.

This macrolevel response, in the form of legislative action by the U.S. government fell well within the context of evolutionary welfare economics. Specifically, the U.S. government took creative, evolutionary steps via economic policy to improve the welfare of American citizens (Schubert, 2012). The government's purposeful intervention into natural evolutionary economic processes, which might have otherwise served as an incentive against market failures, may theoretically improve welfare at the micro-level, but at the cost of developing unnaturally inefficient and prolonged economic disorder at the macrolevel. Consequently, researchers continued to analyze the systemic implications of such intervention. Much of the academic literature focused on resiliency and how individuals and households bounced back from such economic adversity (Harrison, 2012).

Perspectives on Causation

Numerous scholars produced theories grounded in quantitative, qualitative, and mixed methods research debating causes, which may have contributed to the severity of the *Great Recession*. Woodall suggested that the catastrophe was precipitated by America’s ethereal culture, which appears intrinsically driven to excess by an insatiable consumer society, led by ethically lax marketers, and molded into a self-reinforcing cycle of credit-dependence (2011). Giroux (2011) supported the concept of market fundamentalism and the rise of anti-intellectualism within American education fostering a politically economic environment that accelerated effects of the *Great Recession*. Some theorized that behavioral economics, built upon an evolutionary foundation, produced negative behavioral anomalies within cultural and genetic evolution (Burnham, 2013). Universally, most researchers agreed that the expansion of privately held debt, particularly that within mortgaged-backed securities (MBS), was the chief cause of the recession (Martin & Martin, 2011; Tatom, 2013).

In addition to the elements that caused the economic downturn, some researchers highlighted both the enabling and constraining performance effects of general regulatory influences on small business performance (Kitching, Hart, & Wilson, 2013). Katkov (2012) presented specific examples of regulatory-influenced firm performance through the federal government's economic policy shift from Keynesian demand support economics to neo-liberal supply support. Schubert (2012) suggested that innovation, even in the form of public policy, was a double-edged sword: on one side, it involved the creation and on the other, destruction. Many of these policy-based initiatives emphasized evolutionary economic welfare in the form of manmade artificial influences acting within an economy of natural selection.

Others argued that problems within residential and commercial property markets prevented local governments from collecting important revenue from property taxes that would normally help hedge against catastrophic losses during economic instability (Warner & Zheng, 2013). Some posited that the subsequent lending crisis affecting small businesses was to blame (Bates, Lofstrom, & Servon, 2011; Chowdhury, 2011). Still others advanced the theory that the stock market crash of 2008 was the single most important element contributing to the depth of the *Great Recession* (Farmer, 2012).

Regardless of the recession's causes, small businesses are especially vulnerable during such economic volatility, chiefly because of their limited size and access to resources. This scarcity of access to resources underlies the competitive natural selection process, whereby those small businesses that adapt to either gain access to resources or minimize their need to consume them, in theory, would be naturally selected to survive.

Sloth and Whitta-Jacobsen (2011) saw such struggles as creative destruction, for which economic development restored an evolutionary equilibrium within the newly created economic environment.

While larger firms have more flexibility to adjust to such drastic market shifts, smaller firm business operations rely heavily on community bank lending and local disposable income (Prasad, Tata, & Guo, 2012). This reliance became exasperated for small businesses when state-level governments shifted their efforts into regionalism; consequently, sub-state asset-mapping encouraged state leadership to focus their efforts on sections that could capitalize on existing physical, social, intellectual, and human assets (Renault, 2012). These assets were co-located with larger firms, so small businesses both within and outside of these zones did not benefit from this type of strategy.

Government's regionalism policy highlighted unique and natural processes that existed within an evolving economy. Within an evolutionary economic geography perspective, firm clusters form large, self-reproducing groups that adapt to changes in the business environment as new, more efficient firms entering the cluster while less efficient firms exit (Boschma & Frenken, 2011). In the present example, innovative policy shifts and evolutionary economic welfare disrupted adaptive processes within regional clusters that may have otherwise truncated the length of time require for the cluster to adapt to the new economic environment.

The *Great Recession* did not affect all states equally, which is consistent with the theory of evolutionary economic geography. According to Boschma and Frenken (2011), "spatial evolution of firm-specific routines develops along geographically localized lineage structure, in which successful routines have a higher chance not only to survive, but also to be transferred to other local firms" (p. 3). Within this context, the authors suggested that economic business environment might encourage the economic evolution of firms via selective transmission of successful processes with the concurrent dismissal of inefficient processes. Arguably, determining those successful processes and applying them to more small businesses within the local region may increase the economic development rate and reduce the disparity between success and failure (Vanberg, 2014).

Many significant cities in Texas such as Dallas and Austin did not enter into the recession until the first quarter of 2009, while others experienced the recession from its inception in 2007 (Reid et al., 2013). This delay occurred despite the fact Texas lost an aggregated estimate of more than 300,000 jobs between 2007 and 2009, which equated to a loss of less than 3% for the entire state (Connaughton & Madsen, 2012). What further illustrated the inequity between statewide effects of recession is that the two states with the largest job growth recorded from 2000 to the end of the *Great Recession* in 2009 were Texas and Arizona. Even with more than 300,000 jobs lost over the duration of the 2007-2009 recession, Texas reported adding more than 680,000 jobs from 2000-2009 (accounting for a 7.16% increase of its December 2000 employment level) whereas Arizona, the number two state, only reported 112,000 jobs gained over the same time frame at a much smaller percentage (Connaughton & Madsen, 2012).

Success and Sustainability

For a discussion of the success of a small business owner, a clear definition of *success* was necessary to provide contextual understanding. Gorgievski et al. (2011) provided an oversimplified definition of entrepreneurial success as “the acquisition of wealth, recognition, and growth” (p. 3). Other authors followed with a much more detailed definition that identified ten criteria of which a business owner had to achieve at least three to be considered successful. The criteria included profitability, growth, or expansion of the business, innovation, firm survival or continuity, utility or usefulness, personal satisfaction, satisfied stakeholders (employees and customers), work-life balance, public recognition, and contributing back to society (Gorgievski et al., 2011). Within that context, researchers provided many theories, focusing on what would allow small business owners to remain successful during economic volatility. These researchers subscribed to evolutionary theories, such as natural selection of entrepreneurial traits. Although the authors of both of the following success theories did not explicitly subscribe to evolutionary theories, the conceptual processes found within them fell directly in line with the theory of economic development and the corresponding theories of evolutionary economic geography, natural selection of entrepreneurial traits, and evolutionary welfare economics.

Matthews, Stowe, and Jenkins presented a 10-step code of performance based on which entrepreneurs could build excellence, known as the Ten Commandments for Entrepreneurial Excellence (2011). Within the commandments, the authors suggested that entrepreneurs had to (a) know themselves (strengths and weaknesses), (b) develop creativity, innovation, and knowledge of their industry, (c) select the right opportunity, (d) plan to succeed, (e) maximize revenues with an entrepreneurial marketing system, (f) control costs, (g) turn profits into cash flow, (h) minimize risk in all areas of the business, (i) grow the firm profitably to create value, and (j) harvest value through an exit plan. Other researchers suggested that a superior nine-factor model for small business success included adequate financing, qualified personnel, operational efficacies, production efficiencies, marketing, sales, customer service, knowledge management, and business administration (Yallapragada & Bhuiyan, 2011). Cebula (2011) supported the premise of both of these theories and argued that lack of education, training, and required business skill sets led to the inevitable failure of a business.

These concepts embodied the theory of economic development at the macrolevel and natural selection of entrepreneurship theory at the micro-level, in which selection and rejection processes isolated successful characteristics replicated and passed on to adapt to the existing economic, environmental conditions. In both cases, the researchers listed positive replicators that contained institutional (genetic) information that preserved the successes of economic evolution (Pelikan, 2011). Effective economic evolution would exist when organizations successfully copied the others adapted routines (Hodgson, 2013a).

Stoelhorst and Richerson (2013) proposed 10 principles, coalesced into three main groups, which supported a naturalistic theory grounded by biological, behavioral, and social sciences that explained economic organization. The three groups included (a) universal principles of human organization, (b) implications for modern organizations, and (c) moral problems of human organization. In the first group of principles, the authors identified humans as (a) social animals with cooperative dispositions, (b) cognizant of the existing advantages associated with large-scale cooperation, (c) able to display a universal mix of cooperative and uncooperative dispositions, and (d) aware of universal mechanisms that could sustain such cooperation (Stoelhorst & Richerson, 2013).

In the second group, the authors argued that (e) cultural evolution, in the form of local and contested norms, sustained organizational cooperation, (f) cultural 'work-around' existed within organizations to sustain large-scale cooperation, (g) channeling within-group competition in ways that enhance between-group competition increased organizational success, and (h) specific cooperative equilibriums were contingent upon historic and cultural variables. Last, Stoelhorst and Richerson (2013) stated that (i) organizations were susceptible to leadership exploitation and (j) within-group cooperation had a positive correlation to between-group hostility. The authors believed that the cultural evolution within these organizations would serve as the catalyst to select cultural norms that would be in line with organizational success and sustainability.

When discussing sustainability, researchers suggested that small business owners could insulate their businesses by developing social capital through their supply chains (Prasad et al., 2012). The authors proposed the concept of social capital, which included three dimensions: structural, relational, and cognitive. Others supported this theory and suggested that such supply chain relationships could encourage the growth of small firms (Woldesenbet, Ram, & Jones, 2011). Samujh (2011) argued that small businesses needed to focus on surviving before sustaining, which included fostering community-based networks because many owners did not have a formal education in business or engage with external support agencies. These collaborative networks were especially valuable among small family businesses (Spriggs, Yu, Deeds, & Sorenson, 2012).

These collaborative community-based networks would serve as a knowledge bank of experience and lessons learned, from which other small businesses could learn (Cheikhrouhou, Pouly, Huber, & Beeler, 2012). Additionally, Nadim and Lussier (2010) supported the community-based network via research presenting the local community as a larger system that goes beyond traditional stakeholder definitions and functions as a source of competitive advantage. These concepts aligned with the fundamental tenets of evolutionary economic geography, which researchers Boschma and Frenken supported.

Some researchers further insisted that sustainability could only exist under a harmonious amalgamation of environmental, social, and economic spheres (Huang & Yang, 2014). Others suggested that effective human resource management (HRM) practices were essential, particularly those that related to benefits and financial rewards, as they predicted employees' happiness and correlational work performance (Wickramasinghe & Perera, 2012). Wickramasinghe and Perera further implied that HRM could either cause or solve production and performance issues that would further exasperate or improve organizational performance while operating within an unstable economy. Barbero, Casillas, and Feldman (2011) opposed, indicating that the theory of HRM as a source of organizational survival did not have an influence upon the use of a market expansion strategy, which Barbero et al. (2011) considered a strategic component of survivability; therefore, HRM was much less important than marketing and financial capabilities.

Success Versus Failure

Historically, only 20% of small businesses survive the first year, while only about 30% survive the second year (U.S. SBA, 2012b). The existing body of research has been dedicated to studying the success and failure of small businesses. Akin to concepts found within the theory of economic development, the overarching theme across the literature was that high-quality products and services were not enough for a business to survive within a global market (Tontini, Picolo, & Silveira, 2014), especially for organizations that relied heavily on web-based applications to conduct business operations (Simmons, Armstrong, & Durkin, 2011). Chang et al. (2011) supported a similar position about virtual organizations and believed that with the expansion of a global economy, entrepreneurs had to face traditional economic challenges along with those unique to e-businesses. This was particularly relevant to organizations that operated primarily within e-marketplaces for e-support or e-services (Rosenzweig, Laseter, & Roth, 2011). Additional research on the entrepreneurial strategies that contributed to the success of small businesses might help owners and managers make more informed business decisions to increase survivability rates (Chang et al., 2011).

According to Vanberg (2014), adaptation to technological changes within the business environment, especially the use of habits, tools, and methods of efficiency, was important to the natural selection of firms operating within modern times. The clear starting point for any potential entrepreneur was to conduct research before committing

(Robinson, 2011) and consider which market entry strategy was most appropriate (Funabashi, 2013). Apart from strategic planning (Spee & Jarzabkowski, 2011), modern marketing (Jones & Rowley, 2011), innovative technologies (Peltier, Zhao, & Schibrowsky, 2012; Philip, 2011), inventory management (Ranganatham, 2011) and social network considerations (Indrupati & Henari, 2012), a catalogue of owner-centric organizational aspects existed.

To describe the connection between individual and entrepreneurship, Jyothi and Kamalanabhan (2010) suggested that the need for achievement and independence associated with becoming a small business owner were some of the main reasons why entrepreneurs started their own businesses. Despite having the catalyst for starting, small business owners encountered unique challenges that larger enterprises might not. Muciimi (2014) discussed nuances associated with succession planning within small family businesses vice large organizations. Another researcher presented evidence that the success rate of businesses started by older entrepreneurs was higher than of those started by younger entrepreneurs (Logan, 2014). Some researchers presented gender and cultural phenomena found within small business ownership from around the world that highlighted significant cross-cultural differences; however, few differences existed between male and female owner abilities irrespective to each culture (Lerner & Malach-Pines, 2011).

This theory was supported by similar research indicating that both male and female small business owners performed equally well on extrinsic measures, while females rated higher in satisfaction related to business success and work-life balance

(Weber & Geneste, 2014). Despite ability-equality between genders, several social, gendered scripts existed that constrained female owners more than their male counterparts (Loscocco & Bird, 2012). This theory appeared valid within the United States, where, statistically, nearly twice as many men-owned small businesses existed than those owned by women (U.S. SBA, 2014).

Other researchers found that small business leaders who lacked management and business skills contributed to small business failures (McFarland & McConnell, 2012), but acknowledged that entrepreneurial core competencies could be learned, refined, and developed (Elmuti, Khoury, & Omran, 2012; Lans, Verstegen, & Mulder, 2011). Njaramba and Ngugi (2014) insisted that small business owners lacking the business skills should obtain external service providers to meet the associated needs and subsequently embed that knowledge into their organizations for the long-term. Herbane suggested that small business leaders were unprepared for crisis threats, crisis responses, and crisis effects (2010). Lindgren (2012) asserted that the most important element for small businesses to survive global markets and financial crises was visionary, effective, and sustainable leadership. Giroux (2009) previously supported this relationship by identifying internal management deficiencies as a leading cause of small business bankruptcies in North America. Other authors suggested that psychological ownership was the most important leadership component of small business owners, precisely because it demonstrated a positive correlation with employee attitudes and behaviors that fostered organizational success (Bernhard & O’Driscoll, 2011).

With regard to critical inter-organizational dynamics, Atamian and VanZante (2010) proposed that continuing education was the most important consideration for small business success. The authors proposed an overarching dichotomy of skills split between line (operating) activities and support (staff) activities, which demonstrated a positive correlation between higher levels of continued education and business success. From a strategic point of view, Raynor (2011) posited that small businesses that delivered disruptive innovation into the marketplace had the highest potential for survival whereas Tolstoy (2014) suggested differentiation was as important. Disruption, in the form of environmental turbulence and its effect on entrepreneurial orientation (EO), was also a consideration for organizational survivability in the marketplace (Wong, 2014). Some researchers even postulated that Maslow's (1943) theory of human motivation played a significant role in small business success, citing the organization's collective quest to satisfy physiological, financial, security, recognition, relationship, and self-actualization needs (Stoll & Ha-Brookshire, 2012).

Prediction Models

U.S. small businesses are a critical element of the U.S. economic recovery, and often exist on the leading edge of risk-taking, entrepreneurship, and economic growth (U.S. Bureau of Economic Analysis, 2014). The existing research contained both quantitative and qualitative studies on models that might forecast the success or failure of a business. Much of the existing body of knowledge contained empirical studies that focused primarily on organizational financial ratio data, which included bankruptcy prediction models (Baixauli & Modica-Milo, 2010) as well as business failure prediction models (Lin, Liang, & Chen, 2011).

Financial ratios accounted for the vast majority of bankruptcy prediction analysis models, also referred to as quantitative bankruptcy prediction variables, within modern research. According to Aruldoss, Travis, and Venkatesan (2015), the 10 most commonly used financial ratios included:

- Working capital to total assets,
- Equity to sales
- Retained earnings to total assets,
- Sales to current assets,
- Earnings before interest and taxes to total assets,
- Cash to total assets,
- Current assets to current liabilities,
- Sales to total assets,
- Net profit before taxes to current liabilities, and
- Net income to total assets.

Despite the importance of financial ratio data to a business's success or failure rate, that singular dataset cannot account for other variables that exist within nearly every business that influenced long-term success or failure. Modern researchers continue to evolve failure prediction models based on financial data alone; however, the same research highlights the significant role that nonfinancial variables played in forecasting firm performance (Astebro & Winter, 2012).

Aruldoss et al. (2015) suggested that the top 10 nonfinancial, or qualitative, bankruptcy prediction variables included (a) delivery parameters, (b) industry risk, (c) firm default parameters, (d) financial flexibility, (e) reorganization parameters, (f) operating risk, (g) competitiveness differentiation parameters, (h) delivery parameters, (i) common business performance analysis limits, and (j) management risk.

For each of these qualitative parameters, specific sub-parameters existed. The number of sub-parameters varied widely, depending on which variable was considered. For example, delivery parameters only included transaction duration and Internet banking, while management risk included ability and competence of management, stability of management, relationship between the management and owner, human resource management, growth process and business performance, and short and long term business planning, achievement, and feasibility (Martin et al., 2013).

In addition to these qualitative variables, other effective new-age nonfinancial models also existed. Some applied case-based reasoning (Li & Sun, 2013), Ant-Miner algorithms (Martin, Lakshmi, & Venkatesan, 2013), and even longitudinal nascent entrepreneurship approaches (Kessler, Korunka, Frank, & Lueger, 2012), but because of limited viability testing for such models, I found it more prudent to consider well-established and tested prediction models for the purpose of this study. Foundational work on the subject began with Lussier's (1995) nonfinancial success versus failure prediction model. Within this model, the researcher sustained the capital component contained within previous models; however, the study also contained 14 other noncapital variables thought to influence firm performance. These noncapital variables included (a) record keeping, (b) industry experience, (c) management experience, (d) planning, (e) professional advisors, (f) education, (g) staffing, (h) product/service timing, (i) age of owner, (j) partners, (k) whether the owner's parents owned a business, (l) if the owner was a minority, (m) marketing skills, and (n) economic timing (Lussier, 1995). Of the 15 variables in the 1995 study, capital and management experience provided the largest contradiction with the previous literature. The researcher concluded with a success versus failure prediction accuracy of 70% under this model.

Researchers applied the same success/failure (S/F) model within Eastern Europe to verify its validity and found that the aforementioned human resource considerations, which served as predictors of success and failure within U.S. firms, provided equally accurate predictions in the European model (Lussier & Pfeifer, 2001). Researchers studying S/F models within modern small and medium-sized enterprises (SMEs) in Singapore applied Lussier's (1995) model and found that the model produced a prediction accuracy level of 85% among the SMEs sample (Teng, Bhatia, & Anwar, 2011). Teng et al. (2011) concluded that the four most important elements that contributed to the success or failure of SMEs in Singapore were (a) high-quality staff members, (b) timing associated with introducing well-developed goods and products, (c) the quality of relationships between the organization and its customers, and (d) existence of high-quality managers with good leadership skills. Last researchers tested Lussier's (1995) original 15-variable business success versus failure prediction model in Chile, which produced identical results, thereby solidifying the model's efficacy within North America (Lussier, 1995), South America (Lussier & Halabi, 2010), Central Eastern

Europe (Lussier & Pfeifer, 2001), and Asia (Teng et al., 2011). Researchers will likely continue to study and improve upon S/F prediction models in the future because of their inherent value. These models are not limited only to prospective entrepreneurial use. Investors, consultants, lending organizations, suppliers, teachers, and those involved with creating public policy may also benefit from their use.

Transition and Summary

The existing body of knowledge included success and failure dynamics, but no consensus existed because the business environment was vast and complex. Section 1 included a foundation for exploring strategies helpful to small business owners in a postrecession business environment. Existing themes addressed in the literature were: (a) the *Great Recession* permanently altered the way in which small businesses had to operate to survive, (b) a universal set of critical factors for small business survival in a postrecession business environment did not exist, and (c) success versus failure predictive models relied heavily upon quantitative modeling that did little to address nonfinancial considerations that contributed to small business success or failure.

Section 2 includes an introduction to the project by describing the purpose of the study, the role of the researcher, describing the target sample, and the research method and design. I also discussed ethical considerations, how data was collected, and how reliability and validity of the study was ensured. After a summary of Section 2, a synopsis of Section 3 transitioned the study into the next component of research.

Section 2: The Project

This section includes an explanation of the research purpose, methodology, and process. The purpose of this study was to improve small business success by providing qualitative insights from successful small business owners that contributed to an organization's sustainability beyond the first 5 years of operation. At present, nearly 80% of all small businesses fail in the first year; 70% fail in the second year; and only half survive the first 5 years of operation (U.S. SBA, 2012a).

Purpose Statement

The purpose of this descriptive study was to explore strategies that improved small business survivability beyond the first 5 years of operation in a postrecession business environment. I conducted semistructured interviews with 20 small business owners in Central Texas. The target audience for this study was entrepreneurs who demonstrated small business survivability beyond 5 years. The implications for positive social change included reductions in unemployment rates, homelessness, and stress or health-related problems associated with being unemployed. Business impacts may include the potential for increasing survivability rates of small businesses, thereby increasing jobs, sales and tax revenue, future small business entrepreneurship.

Role of the Researcher

Regardless of the methodological approach, the role of the qualitative researcher is to engage objectively and ethically advance scholarly exploration (Bansal & Corley, 2011). Inherently, instrumentation rigor and bias management are two of the most challenging elements for qualitative researchers (Chenail, 2011). While conducting qualitative studies, researchers are the instrument for qualitative analysis and must remain detached from the data to prevent bias while clearly articulating a connection between data and theory (Tufford & Newman, 2012). For this study, I assumed an unbiased position as a qualitative observer and analyst by following the *Belmont Report* (1979) protocols.

The *Belmont Report* (1979) contained three general principles for research that involved human subjects. It included (a) boundaries between practice and research, (b) basic ethical principles that addressed respect, beneficence, and justice, and (c) applications of informed consent, assessment of risk and benefits, and selection of subjects (U.S. Department of Health & Human Services, 1979). Each of these principles are addressed throughout Section 2 in detail.

To ensure transparency, I did not have any direct experiences with the topic of small business failure in a postrecession business environment. As a business consultant and mentor, I worked with small business owners of successful organizations; however, to avoid any perceived conflict of interest, I excluded from the sample any successful business owners that I might have had an apparent relationship with, either directly or indirectly. Further, I bracketed any personally preconceived notions related to the subject via (a) "writing memos during data collection and analysis, (b) engaging in interviews with an outside source to uncover any unknown biases, and (c) maintaining a journal to sustain a reflective record throughout the research process" (Tufford & Newman, 2012, p. 86). These techniques were integrated into semistructured interviews that contained open-ended questions (Campbell, Quincy, Osserman, & Pedersen, 2013). Walden

University's IRB approval number for this study is 09-01-15-0371184 and it expires on August 31, 2016.

Participants

To identify participants for the study, I visited several Central Texas county clerks to request an active small business Assumed Name List. These lists included current Central Texas small businesses that dated back 10 years. Listed within the Assumed Business Name documents were the business name and the date the owner filed the name. An initial review of one list revealed nearly 500 pages containing approximately 25,000 active small businesses in the Bell County area alone.

These lists were public information, and no costs were associated with accessing each. I randomly selected 20 small business owners from the lists who met the definitions of small business and successful, as defined within this study. A small business is an independent company with fewer than 500 employees (U.S. SBA, 2012c). A successful business owner is someone who achieved at least three of the following criteria: (a) profitability, (b) growth or expansion of the business, (c) innovation, (d) firm survival/continuity, (e) utility or usefulness, (f) personal satisfaction, (g) satisfied stakeholders (employees and customers), (h) work-life balance, (i) public recognition, or (j) contributing back to society (Gorgievski, Ascalon, & Stephan, 2011). For the purposes of this research, this category included small business owners who started their business before 2009 and claimed less than 500 employees. To avoid potential bias from name recognition, I applied maximum variation and criterion strategies from the qualifying small businesses within Central Texas. In-depth descriptions for each of these strategies are listed in the population and sampling section of this study.

After selecting the first 20 businesses, a simple Internet search was sufficient to acquire the requisite contact information for each of the 20 randomly selected businesses. I contacted each business via telephone or email to request a 30-minute meeting with the small business owner to introduce myself as well as the context of my study. In this meeting, I established a rapport with the intent of fostering a working relationship with and assessing the potential participant. Concurrently, I described the processes associated with semistructured interviewing, opened-ended questions, participants' rights, and the importance of reflexive dialogs in discussing lived experiences (Corlett, 2013). According to Mitchell and Hobson (2011), some participants who had experience with research projects may have different perspectives than those who have not. These perspectives might have had an effect on information provided by the researcher, awareness of rights expressed in ethical guidance, and reasons for volunteering for such research (Mitchell & Hobson, 2011).

If the small business owner was interested in participating after our first contact, I set up a subsequent interview, and provided the owner with both the interview questions found in Appendix A and the requisite informed consent documentation. I answered as many of the participant's questions before each interview to increase his or her comfort level with the process, which alleviated potential fear of the unknown. If the participant presented questions that I could not answer or was interested in learning more about the informed consent processes, I presented them with contact information for Walden University's Institutional Review Board (Underhill, 2014).

Research Method and Design

The qualitative study consisted of a descriptive approach designed to understand which strategies were considered most necessary for small business owners to remain in operation beyond the first 5 years of operation in a postrecession business environment within Central Texas. Conducting a descriptive study was important to gain insights from the unique perspectives of small business owners who successfully accomplished this feat. I focused on the owners who started their business before 2009 and claimed less than 500 employees.

Research Method

The three potential approaches to research included qualitative, quantitative, and mixed methods; of those, qualitative and quantitative research approaches were the most common approaches found in many DBA research projects (Miller & Cameron, 2011). Quantitative researchers typically examine relationships between variables via surveys and experiments. Quantitative research and design constraints requires a large sample and test hypotheses (Basnal & Corley, 2012). This design constraint would not have been representative of the purpose of the study. Exploratory research must have had first identified which strategies contributed to small business success in a postrecession environment before researchers could quantify and test those strategies on a larger scale. Based on the conclusion of the 2007 to 2009 recession, this research was exploratory, collecting rare experiences that offered answers to the questions contained within this study.

Researchers who apply qualitative inquiry remain inductively open to the unknown while exploring intricate social relationships and perspectives (Kaczynksi, Salmona, & Smith, 2014). Qualitative researchers seek to capture lived experiences, be emotionally engaged, and empower others to improve their lives (Gair, 2012). They do this by collecting data from interviews, observations, and documents to conduct inductive data analysis (Kisely & Kendall, 2011).

Mixed method researchers combine qualitative and quantitative research techniques into a single study. Under the assertion that a quantitative research methodology would not have been appropriate this early in the research of postrecession business environments, a mixed-method approach would similarly not have been valid for the purposes of this study. Finally, constraints pertaining to time and scope also impeded the application of mixed-methods under the current assumptions, limitations, and delimitations.

Research Design

Sandelowski and Barroso (2003) suggested that a research design involves process development that focuses on formulating interview questions, which allows scholars to seek out answers to research questions in a universally unbiased manner. Further, the authors suggested that qualitative research is challenging because of the emergent nature of qualitative research design. Based on a gap in the literature, which provided little information on the strategies of small business owners who led their companies to operate successfully beyond the historically high 5-year failure threshold, and given the variations in business owners' experiences on the matter, an exploratory approach was most prudent (Kisely & Kendall, 2011).

Ethnography, grounded theory, case study, and descriptive study approaches were available as research strategies under the qualitative method. Ethnography is a way of describing cultural behavior (Cruz, 2013), grounded theory is a method used for theory development (Corley, 2015), case studies focus on a particular participant or small group (Tsang, 2013), and descriptive studies comprehensively summarize specific events experienced by individuals or groups of individuals (Lambert & Lambert, 2012). Each of these designs permitted data collection via interviews, observation, and document review. However, these phenomena were not cultural behaviors as studied via ethnography, specific to a particular participant or small group as studied via case studies, or required to develop a new theory as facilitated via grounded theory. Although each design possessed its own unique advantages, a descriptive design was the most prudent strategy to apply to this research because of the esoteric nature of individually-lived experiences and the need to deliver a straight forward description of the phenomenon under review (Lambert & Lambert, 2012). Accordingly, I used the modified van Kaam method to facilitate a descriptive study approach (Moustakas, 1994).

Although descriptive research dates back to the 20th century, which originated from psychological and philosophical roots, its application by modern scholars has become commonplace since the turn of the 21st century (Petty, Thompson, & Stew, 2012). Researchers who apply the descriptive method collect descriptive data from subjects with the purpose of understanding the individual's unique lived experiences (Anosike, Ehrich, & Ahmed, 2012). These experiences, summated into relevant descriptive data, provide researchers the requisite information to uncover the quintessence of the phenomenon (Petty et al., 2012). According to Lambert and Lambert (2012), the goal of a descriptive study is to comprehensively summarize specific events experienced by individuals or groups of individuals.

Like other qualitative methods, a descriptive approach allowed for the concurrent gathering and analyzing of data, which added to the depth and quality of the data analysis (Vaismoradi, Turunen, & Bondas, 2013). I ensured the appropriate depth and breadth of information was reached by measuring data saturation. Once participant answers stopped generating new information or became repetitive, I knew that I achieved the appropriate level of data saturation. Appropriateness and adequacy of data was reached within the original sample, so I did not continue to sample additional participants, as the collected data contained the appropriate depth and breadth of information required to achieve validity.

Population and Sampling

To collect data that contributed answers to the central question of this qualitative descriptive study, I interviewed small business owners who possessed experiences relating directly to the central question presented in this study. To reduce bias and improve validity, I employed nonprobability, purposive sampling via maximum variation, and criterion sampling. Researchers use maximum variation sampling to achieve representativeness within the selection while criterion sampling is a form of purposeful sampling that researchers apply to target special or unique cases (Teddlie & Yu, 2007).

The three eligibility criteria for potential participants included that they must have been (a) successful business owners, (b) led companies that remained in operation for 5 consecutive years, and (c) small businesses with less than 500 employees. To ensure an appropriate depth of inquiry and validity, I sampled a minimum of 20 qualifying participants. Using a metric of 20 participants increased the probability of reaching the appropriate level of data saturation, which meant no new data were generated from increasing the sample (O'Reilly & Parker, 2013).

I validated data saturation by reviewing the collected data for redundancy and richness of information. Once participant answers did not generate new information or became repetitive, I knew that I achieved saturation. This model satisfied Walden University's DBA policy, which mandated a minimum of 20 participants for qualitative studies, but ensured that the researcher achieved data saturation. (Laureate Education, Inc., 2013).

Ethical Research

Haahr, Norlyk, and Hall (2014) suggested that qualitative researchers conduct studies guided by ethical principles such as justice, beneficence, nonmaleficence, respect for human rights, and respect for confidentiality (p. 10). Wester (2011) supported these principles while highlighting the importance of conclusion and social validity. With regard to conclusion validity, the author suggested that the way in which a researcher presents the findings and conclusions of a study must be correct and accurate. To do otherwise would be a violation of ethical research standards. Wester also suggested that conducting research that requires participants' time and energy would be unethical when the research does not lead to outcomes improving the profession or society.

The goal I set for this qualitative, descriptive study was to conduct open-ended interviews with a minimum of 20 participants qualified to provide answers directly informing the overarching research question of which strategies small business owners believed were necessary for small businesses to survive beyond the first 5 years of operation in a postrecession business environment. As per Walden University ethical guidelines and standards, I was transparent with assumptions, limitations, and delimitations contained within the study. I clearly listed any bias that existed and the processes by which I hedged against any perception of personal bias or the like.

The biases I identified were perceived conflicts of interest with small business that I might have had an apparent relationship with, either directly or indirectly, and any subjective experiences I had during my time as a small business consultant. I mitigated any potential biases by excluding any successful business owners that I was familiar with and bracketed any personally conceived notions related to the subject. Finally, I wrote memos during data collection and maintain a journal as a reflective record throughout the research process.

I selected the topic of small business survivability, which I considered worthy of researching and openly listed the research questions used to elicit answers in a just, nonmaleficent manner that was also considerate and respectful of human rights. I submitted a presentation of findings in which I listed the aggregated data collected while still protecting participant confidentiality as described in the data collection section of this study. These measures increased both the conclusion and social validity exemplary of ethical studies (Haahr et al., 2014; Wester, 2011).

As a part of the ethical research process, I educated each participant on the informed consent process and associated forms. I clearly defined the purpose of the study with associated procedures, discussed the approximate duration of commitment, presented some sample questions, and explained the voluntary nature of being a participant. To alleviate any apprehension about becoming a research participant, I explicitly listed participant rights, any minor risks associated with being interviewed, and reiterated that the program was strictly voluntary and each participant had the right to change his or her mind and stop at any time throughout the research or interview process. I allowed and encouraged participants to withdraw from the study at any given time and for any given reason via email, telephone, or even in person, if necessary. To maintain an unbiased and transparent research position, the only incentive for individuals participating in this study was the knowledge that their contributions may help other small business owners become successful.

I expected privacy concerns to be the most sensitive topic for all participants. I explained that I developed a coding system and destroyed all existing personally identifiable information related to individuals, groups, or organizations after the data were categorized and analyzed the data. I also provided samples of the participant and organizational consent forms. Finally, I safeguarded all raw research data within a fireproof safe in my home to which I alone had access. I securely maintained all records and plan to do so for at least 5 years after study completion.

Data Collection Instruments

Houghton, Casey, Shaw, and Murphy (2013) claimed that researchers considered the credibility, dependability, confirmability, and transferability as metrics used to measure rigor in qualitative work. The authors suggested that credibility referred to the trustworthy manner in which researchers conducted studies, whereas dependability referred to the stability of the presented data. In the case of the present study, I applied member checking to achieve credibility and dependability. Houghton et al. proposed that confirmability referred to the neutrality and accuracy of the presented data, and transferability referred to how well the research findings transferred to a similar context while still maintaining the meanings and conclusions from the original study.

Qualitative researchers used face-to-face interviews, observations, and document reviews to collect data (Petty et al., 2012). Damianakis and Woodford (2012) confirmed this assertion and explained further that qualitative researchers used these data collection techniques to understand different perspectives on a given issue from several individuals possessing unique insights on the subject of small business survivability. Within the context of data collection techniques, I served as the primary instrument for data collection.

I enhanced the reliability and validity of the data collection via member checking. Member checking provided the participant an opportunity to evaluate the paraphrased descriptions of their interviews to ensure that the data accurately reflected their viewpoints (Yilmaz, 2013). For the purpose of this study, a pilot test was neither practical nor necessary. Interview questions for this study were listed in Appendix A.

Data Collection Technique

The objective of qualitative researchers was to explore the lived experiences of those connected to a particular phenomenon (Petty et al., 2012). The interview data consisted of written notes and digitally recorded material from an iPhone 6 smartphone app named SpeakWrite, which required transcription for verification and analysis. To supplement the digital recordings, I observed the participants' body language and behavior during the interview and recorded my observations in a field journal. Conducting interviews had long served as an effective data collection technique for qualitative research and was applied via structured, semistructured, or unstructured formats (Campbell et al., 2013; Moustakas, 1994). This descriptive study included the semistructured interviews of 20 successful small business owners with the intent of exploring strategies they believed were most helpful to their businesses in remaining viable past the first 5 years via qualitative questions.

Structured interview questions generally limited participant responses by eliciting short responses whereas participants of semistructured interview questioning generally offered open-ended answers (Campbell et al., 2013). Researchers used structured interviews to increase instrument standardization and reliability. The challenge with structured interviews was that qualitative researchers exploring a phenomenon could not deviate from the scripted questions if they uncover a theme during a specific interview that was worth exploring to inform conditions within a particular phenomenon.

Unstructured interviews were found less frequently among modern qualitative studies; those were characterized by their lack of predefined theoretical framework, hypotheses, or set questions about the social phenomenon under investigation (Zhang & Wildermuth, 2009). Ethnographers mostly used unstructured interviews and took on the form of conversations, rather than traditional interviews (Leech, 2002). This technique was not considered appropriate for the purpose of this study.

Accordingly, I applied a semistructured interview approach, where I combined the benefits of structured and unstructured models, which provided a high-level of instrument standardization and reliability; however, it also allowed for greater flexibility to investigate any themes uncovered during a specific interview that were worth exploring to inform conditions within a particular phenomenon. Most interviews occurred face-to-face at the entrepreneur's business location.

In this study, I offered the option of member checking to participants for enhancing the reliability and validity of the data collection process. I emailed copies of the synthesis to each participant for review, which we did over the phone, and no changes were made except for adding contextual notes to my field journal that were incorporated in my analysis of the data. Historically, in qualitative research, transcription was a tedious and time-consuming activity in the data analysis process (Markle, West, & Rich, 2011). I used an iPhone 6 smartphone app called SpeakWrite as an audio recording device to document each conversation and conducted written notes as a backup for the audio recording to support the data collection process. Written notes mostly consisted of major themes associated with each participant's answers as well as any observations of note for participant body language or behaviors. For audio recordings, I hired a professional transcription service provided by the smartphone app creator and personally transcribed each interview via computer-assisted qualitative data analysis software (CAQDAS).

Many CAQDAS options existed for qualitative research, such as MAXQDA, ATLAS.ti, NVivo, HyperResearch, Studiocode, and Tams Analyzer. To determine which program I should use for the study, I carefully reviewed Stanford University's (2014) staff review and comparison for multiple qualitative analysis programs. Based on the Stanford staff comparison, I used NVivo for Mac version 10.2.0 to import the audio files, play them at a speed slow enough to accurately transcribe, and saved the transcripts into a digital format. I also retained the transcript service offered through the iPhone app SpeakWrite, which allowed for recorded interviews of any length as well as audio upload from the app or to an email address for transcription.

The purpose of member checking, or respondent validation, was to allow participants the opportunity to review the interpretation of their interview and offer feedback regarding whether the analysis reflected their own experiences for validation. The results were offered for one business day to provide feedback, either in person or via e-mail, which was considered a good practice for member checking (Koelsch, 2013). For those that participated, I developed and presented a synthesis of my interpretations of their responses to ensure that I captured the meaning of their answers. We discussed the results over the phone and I took contextual notes in my field journal that I used as a part of my analysis of the data. The objective of the review was to validate whether the findings reflected their own experiences. Using this technique increased data validation and reliability for the results of those interviews.

Data Organization Technique

I assigned a pseudonym to each participant to provide study confidentiality, participant privacy, and data organization (Guenther, 2009). Upon study completion, I digitized all data, which included field journal notes, and transferred it to a password-protected data storage medium. Researchers are solely responsible for the collection, retrieval, and storage of data both during and after the research period (Thomson, Petty, Ramage, & Moore, 2011). Accordingly, I safeguarded all digitized and hardcopy data within a fireproof safe located within my home to which I alone had access. I planned to confidentially shred research documents and compact disks (CDs) as well as securely erase electronic study records and data storage devices no earlier than 5 years after the completion of this study. For transparency, I wrote a two-page summary of the study results to distribute to study participants after the approval of this study.

Over a period of several months, I conducted face-to-face and telephonic interviews with 20 qualifying participants to inform this study. I used a smartphone app as an audio recording device to document each conversation, which included time, date, and duration, as well as conducted written notes in a research log to record location and further reveal emerging themes, as well as important outlines discovered during the interview process. Mulcahy (2012) recommended qualitative researchers transcribe interview recordings as soon as possible following the interview. I used a professional transcription service to produce a digital script immediately after the interview, as well as personally transcribed each interview to ensure accuracy.

Data Analysis

In my qualitative, descriptive study, I used a number of open-ended interview questions designed to inform the principal research question. For the purpose of this study, the central question was: Which strategies do small business owners use to survive beyond the first 5 years in a postrecession business environment? These questions were written in a manner to ascertain a better understanding of each participant's experiences within the context of this study. I applied descriptive content and thematic analysis, which required a low level of interpretation while identifying, analyzing, and reporting the themes within the data (Vaismoradi, Turunen, & Bondas, 2013).

A common practice for researchers who conducted qualitative studies was to apply codes to interview transcripts to organize data and improve reliability (Campbell et al., 2013). Hoover and Koerber (2011) recommended applying codes to all transcribed interviews, field notes, and document reviews for organizing and analyzing the data. To accomplish this, I used NVivo software to assist in my analysis of data collected from this study. I chose the program NVivo based on Stanford University's (2014) staff comparison for qualitative analysis software advantages. I used NVivo queries automatically to code data based on concepts and ideas into specific nodes. I conducted a manual review of the raw data to code as a backup for any content not identified by the NVivo software and assigned that data to new or existing nodes, as appropriate. Four main themes emerged from the research findings that I correlated to the conceptual framework and existing literature, such as resiliency, evolutionary economic geography, and competitive positioning, which included new research published during the development of this study. I accomplished this by extracting data from the interviews and organized that data by key themes. I processed and presented the results once the data was completely coded and analyzed completely.

After using NVivo to identify themes and codes, I applied Moustakas's (1994) modified van Kaam method to organize and analyze the data. I did this by (a) considering every quote related to the phenomenon (i.e., horizonalization), (b) using horizontalized statements to list units of meaning, (c) organizing these units into themes, (d) defining qualities of the experience via individual textural description, and (e) integrating the textural descriptions into meaning (Moustakas, 1994). At the end of each day of interviewing, I wrote in a reflective journal to record personal notes, comments, and afterthoughts to supplement each audio record of the interview (Cowan, 2014), which mostly consisted of major themes associated with each participant's answers as well as any observations of note for participant body language or behaviors that informed theme development or response integrity assessment.

Reliability and Validity

Hannes, Lockwood, and Pearson (2010) suggested that seven quality dimensions existed to identify high-quality qualitative studies: evaluation of researcher bias, validity, reliability, significance of the research project, clarity and coherence of research reports, ethics, and the use of appropriate and rigorous methods. Reliability and validity are terms traditionally associated with quantitative studies. Researchers incorporated similar metrics within qualitative studies over the decades to measure rigor within the qualitative inquiry. Trustworthiness within qualitative paradigms referred to credibility, transferability, dependability, and confirmability (Morse, Barrett, Mayan, Olson, & Spiers, 2002). I offered member checking to ensure credibility and dependability.

Reliability

In qualitative research, reliability referred to the degree one researcher could replicate another researcher's quality of results within a similar context (Thomas & Magilvy, 2011). Three types of reliability were commonly found among most studies: stability, accuracy, and reproducibility (Campbell et al., 2013). Campbell et al. stated that stability referred to whether codes changed over time; accuracy existed when a highly reliable coding standard was developed to which other coding schemes were compared against, and reproducibility meant that other coders would code the data the same way.

Reliability was increased by maintaining consistency in the delivery of interview questions to each of the 20 participants, which ensured stability in the data collection instrument over time (Dibley, 2011). Data collection stability included reading each question verbatim and in the same order for each interview. For accuracy, I used an iPhone 6 dictation app as a recording device along with written notes to capture major themes to participant answers while conducting the interviews. I personally transcribed each interview verbatim and used a professional transcription service as a quality assurance measure. To address dependability and credibility, an interview protocol was followed throughout the research process and interviewees who were interested in member checking reviewed the interpretation of their answers to ensure the analysis captured the meaning of their statements. Following these processes increased accuracy in content, as well as context.

Validity

Similar to reliability, qualitative validity was slightly different from what was found among traditional quantitative studies. In qualitative inquiry, validity referred to the researcher's selection of an appropriate research method and design for a given question (Thomas & Magilvy, 2011). Hannes et al. (2010) proposed five types of qualitative validity: descriptive, interpretive (internal), theoretical, transferability (external), and evaluative. The authors further suggested that descriptive validity focused on data collection and representation of facts; interpretive validity focused on the meaning of recorded behaviors, events, or experiences of people engaged with them, and theoretical validity explicitly addressed theoretical constructions and frameworks used by researcher to apply information drawn from their projects. Hannes et al. stated that transferability referred to the degree that the process used by one researcher could lead to similar results within a related context, and evaluative validity focused on the degree to which the topic under study was legitimate or justified for research purposes.

To attain these five types of qualitative validity, I applied member checking after data collection (descriptive validity), added codes to identify recurring or common themes found throughout the sample population (interpretive validity), and correlated these themes to the conceptual framework for understanding (theoretical validity). Specific details of the research situation and methods were reported so other researchers could judge how comparable a transfer of the results would be within a similar context (transferability), and orally defended the justification for conducting such research to demonstrate its legitimately and need (evaluative validity). Confirmability was achieved through a confirmability audit by participants, who reviewed the interpretations of their collected data. This audit confirmed that the findings of the study were shaped by the participant's responses, rather than researcher bias (Petty et al., 2012).

The appropriate depth and breadth of information was reached by measuring data saturation. Once participant answers stopped generating new information and became repetitive, the appropriate level of data saturation was reached. If appropriateness and adequacy of data had not been reached within the original sample of 20, I intended to continue to sample additional participants until the collected data represented the appropriate depth and breadth of information required to achieve validity.

Transition and Summary

This section included the study topic, research method, design description and justification, the role of researchers in qualitative studies, how the participants were chosen, and the importance of such a study. 20 successful small business owners within Central Texas participated in the research to explore which strategies they believed were the most important for small business survival in a postrecession business environment. This data contributed important information to the existing body of knowledge and had implications for positive social change.

Section 3 is composed of several important culminating subsections, which included a study overview, a presentation of relevant findings from the qualitative inquiry into the aforementioned phenomenon, and a discussion of the applicability of the findings with respect to the professional practice of business. In addition, the results of the research generated knowledge to fill a gap in the literature that small business owners, individuals, communities, organizations, institutions, cultures, or societies might use to address problems. Implications for social change and recommendations for actions and further study were presented, as well as reflections about the research process and possible personal biases or preconceived ideas and values. I noted the possible effects on the participants or the situation, and the way in which the study changed my thinking, based on the final results.

Section 3: Application to Professional Practice and Implications for Change

This section contains a brief overview of the study, presentation of the findings, applications to professional practice, implications for social change, recommendations for action, recommendations for further study, reflections, and a summary with study conclusions.

Introduction

The purpose of this qualitative study was to explore strategies considered necessary to improve small business survivability beyond the first 5 years of operation. From 2000 to 2010, the recorded number of business startups closely corresponded to the number of business deaths, which meant that for every new business started, an existing business terminated (U.S. SBA, 2012c). Small business startups dropped 12% between 2007 and 2010 because of the *Great Recession*, in which small business death rates increased beyond birthrates for the first time in recorded history (U.S. SBA, 2012c).

Eight open-ended questions were developed to interview 20 successful small business owners within Central Texas to explore which strategies, based upon their individual experiences, were necessary for small business survivability beyond the first 5 years of operation in a postrecession business environment. To supplement interview results, I observed the participants' body language and behavior during each interview for any nonverbal signals, which I recorded in a field journal. I also offered member checking to ensure the credibility of the findings as well as improve dependability.

Pseudonyms were assigned to each participant for confidentiality, using P1 through P20, which ensured no personally identifiable data existed within the findings.

Data saturation occurred once participant answers stopped generating new information and became repetitive. I used NVivo software to assist in automatically coding data based upon words and phrases into specific nodes. A manual review of the raw data was applied to code as a backup for any content not identified by the NVivo software and assigned that data to new or existing nodes, as appropriate. The software organized the compilation of interview data by key themes. The remaining sections include a presentation of the findings, how they apply to professional practice, implications for social change, recommendations for action and further study, reflections, and summary and study conclusions.

Presentation of the Findings

The central question that guided this research was the following: Which strategies do successful small business owners use to survive beyond the first 5 years in a postrecession business environment? To answer it, I used semistructured interviews with 20 successful small business owners, as defined by this study, as well as document analysis from secondary sources. Participants included 13 males and seven females who successfully operated their businesses for more than 5 years either before and during or during and after the *Great Recession*.

Interview Question 1

The purpose of the first question was to establish a relative baseline by which to measure participants' entrepreneurial history. Each participant reported a unique path toward entrepreneurship via training, experience, and education. All participants answered this question. Table 2 lists the distribution among participants for this question.

Table 2

Interview Question 1 Distribution

Category name	Number of participants
Less than high school	2
High school	3
Some college	3
Associate's degree	2
Undergraduate degree	7
Graduate degree or higher	3

Note. Each entry represents one participant.

Interview Question 2

The purpose of the second question was to explore financial considerations related to participants' small business success. The majority of participants reported they acquired financing through personal funding or via partnership (both through family and professional means). All participants answered this question. Table 3 lists the distribution among participants for this question.

Table 3

Interview Question 2 Distribution

Category name	Number of participants
Partnership - Professional	4
Partnership - Family	1
Self-Funded	11
Lease - Franchise	3
Loan - Bank	1

Note. Each entry represents one participant.

Interview Question 3

The purpose of the third question was to explore planning considerations related to participants' small business success. Many participants reported they had not used a formal or structured business plan or planning process during their first 5 years of business. All participants answered this question. Table 4 lists the distribution among participants for this question.

Table 4

Interview Question 3 Distribution

Category name	Number of participants
Least-cost business plan	3
Emulating business plan	5
No structured plan	7
Franchisee	5

Note. Each entry represents one participant.

Interview Question 4

The purpose of the fourth question was to establish the economic environment among participants. The majority of participants reported they started their businesses before the *Great Recession*; however, that did not imply economic conditions were *good* or *optimal* for business. All participants answered this question. Table 5 lists the distribution among participants for this question.

Table 5

Interview Question 4 Distribution

Category name	Number of participants
Before Great Recession	15
During Great Recession	5

Note. Each entry represents one participant.

Interview Question 5

The purpose of the fifth question was to explore business mentor or coach support considerations related to participants' small business success. The majority of participants reported they relied upon a mentor during the first 5 years of business, before and during the *Great Recession*. All participants answered this question. Table 6 lists the distribution among participants for this question.

Table 6

Interview Question 5 Distribution

Category name	Number of participants
Research	4
Mentorship	12
Training	4

Note. Each entry represents one participant.

Interview Question 6

The purpose of the sixth question was to explore participants' motivational considerations related to the foundation of their small businesses. All participants answered this question. Table 7 lists the distribution among participants for this question.

Table 7

Interview Question 6 Distribution

Category name	Number of participants
Earning potential	5
Independence	7
Passion	8

Note. Each entry represents one participant.

Interview Question 7

The purpose of the seventh question was to explore business decision factors related to participants' small business success. All participants answered this question. Table 8 lists the distribution among participants for this question.

Table 8

Interview Question 7 Distribution

Category name	Number of participants
Change in strategy	7
No change necessary	10
Downsize/Lean operations	3

Note. Each entry represents one participant.

Interview Question 8

The purpose of the eighth question was to explore any remaining considerations related to participants' small business success not captured in previous questions. All participants answered this question. Table 9 lists the distribution among participants for this question.

Table 9

Interview Question 8 Distribution

Category name	Number of participants
Altruism	3
Resilience	6
Relationships	5
Quality	6

Note. Each entry represents one participant.

In summary, participants reported being (a) 65% male, (b) 35% female, (c) 75% began their businesses prior to the *Great Recession*, (d) 55% were self-funded, (e) 50% held an undergraduate degree or higher, (f) 35% did not use a structured business plan, (g) 60% had business mentors, (h) 40% cited passion as why they became entrepreneurs, (i) 50% did not require a change in business strategy during the *Great Recession*, and (j) 30% reported quality or resilience as the most important factors that led to their success beyond 5 years.

Themes

While conducting qualitative studies, researchers must remain detached from the data to prevent bias while clearly articulating a connection between data and theory

(Tufford & Newman, 2012). Further, Kaczynksi et al. (2014) suggested that those who apply qualitative inquiry must remain inductively open to the unknown while exploring intricate social relationships and perspectives. Upon completion of this study, four major themes emerged through inductive analysis (Kisely & Kendall, 2011). I developed these themes through an analysis of interview data and secondary documentation as well as ensured data saturation by reviewing the collected data for redundancy and richness of information. After conducting 20 interviews, participant answers did not generate new information; therefore, the collected data contained the appropriate depth and breadth of information required to achieve validity (O'Reilly & Parker, 2013). These themes are listed in Table 10 and explained in detail below.

Table 10

Emergent Themes

Theme name	Description
Training	Formal and informal learning
Tutelage	Guidance and instruction
Perseverance	Resiliency and drive
Location	Economic zone

Note. These categories are not mutually exclusive.

These emergent themes were the most common found among participants as factors perceived as most important to their continued successful operation. Each theme provided contextual insight on phenomenon experienced by small business owners and factors that contributed to their survivability. I provide details on each theme in the following paragraphs.

Theme 1: Training

Cebula (2011) suggested a lack of education, training, and required business skill sets lead to the inevitable failure of a business. Training, as a thematic construct, referred to formal and informal training received by participants. All participants responded having either formal training, informal training, or a combination of both. P15 elaborated by saying, “I got out of the military in ’92 at 21 and decided I was going to take pretty much everything that the local community college had to offer.” The spectrum for participant education varied broadly, where 90% of participants graduated from high school or higher with only two reporting earning less than a high school degree. Exactly 50% of participants held a bachelor degree or greater. The most compelling observation was only 10% of participants reported earning a college degree that correlated to their specific industry, whereas the remaining 90% earned a degree in a course of study that did not relate to their respective industry or did not earn a degree at all. For P2, it was even more fascinating when he responded with "I went to school for 3 years and I went a year and a half to learn English. So I don't have much education, but I've been working in this industry since I could stand tall enough to do it." I found this compelling because industry-specific education was a predominate qualitative indicator for success among small business owners (Atamian & VanZante, 2010; Lussier, 1995; McFarland & McConnell, 2012; Njaramba & Ngugi, 2014).

McFarland and McConnell (2012) found that small business leaders who lacked management and business skills contributed to small business failures. At the time of their interview, participants who received a high school education (or less) began their careers at a very young age and built up decades of experience over time (Participants 1, 2, 3, 5, 8, 10, 11, and 13). Seventy-five percent of participants reported continued education independent of high school or college. This type of training and research was more aligned with their respective industries and appeared to cover areas of focus specific to the participants' interests or perceived weaknesses. Certifications represented a small portion of continued education, which consisted mostly of online resources related to their individual industry as well as general entrepreneurship.

Theme 2: Tutelage

Njaramba and Ngugi (2014) insisted that small business owners lacking business skills should obtain external expertise. Philip (2011) suggested that a lack of planning and strategy, poor implementation, and acceptance of high risk contributed to small business failure. Further, studies suggested best practices included conducting research and strategic planning before committing (Robinson, 2011; Spee & Jarzabkoski, 2011), as well as considering which market entry strategy was most appropriate for the entrepreneur (Funabashi, 2013). Tutelage, as a thematic construct, referred to guidance and instruction received by participants.

All participants responded having either guidance, instruction, or a combination of both. Sixty percent of participants reported having one or more business mentors as an external source of mentorship or information that contributed to their entrepreneurial success. P8 explained, “Our mentor kinda gave us a helping hand, worked with us, and he was always there for, you know, advice or just that pat on the back.” The remaining 40% of participants were equally split between training and research, which fell within theme 1. P9 responded by saying, “No, no mentor. I did a lot of Internet research. It’s actually been strictly self-taught. When I started this, there was nothing like it in town, so there was really nobody to go to seek advice.” The most compelling observation related to this theme was that a significant portion of those who sought out mentors also reported not having a structured plan during the first five years of business. I found this compelling because planning was another predominate qualitative indicator for success among small business owners (Funabashi, 2013; Philip, 2011; Robinson, 2011; Spee & Jarzabkoski, 2011), but mentorship was not.

Examples of tutelage existed primarily in the form of mentorship for most participants. For example, P6 reflected on her experience with formal mentorship as a member of a dealership's 20 group, who met with peers around the country on a quarterly basis to share best practices and recent innovations. P12 recalled reaching out to others on an individual level to anyone who was willing to speak with him and ended up building a network of entrepreneurial mentors who shared knowledge with him on a regular basis. P7 said that, when asked, people in his industry were more than willing to share what they do and how they do it in the spirit of mentorship. P3 attributed much of his success to two retired out-of-state mentors who routinely passed on templates and systems that led to his entrepreneurial sustainability.

Theme 3: Perseverance

Samujh (2011) argued that small businesses needed to focus on surviving before sustaining because many owners did not have a formal education in business or engage with external support agencies. Perseverance, as a thematic construct, referred to the resiliency and drive displayed by participants. When asked what factors participants believed enabled their businesses to continue operations for more than five years, 30% reported resiliency as the number one factor for their success. P12 explained, "If you can't survive the storm, why start at all? I started during the worst economic environment to demonstrate our survivability. It helped us build endurance . . . persistence through chaos. It all comes down to determination and dedication." Another 30% reported quality as the number one factor, which was captured in theme 4. P8 replied by saying, "The most important is quality and standing behind your work. Because if you don't get those return phone calls, what good did that one sale do?" Business and personal relationships were also one of the most important factors, with 25% of participants reporting relationships as number one. P16 answered with, "I developed a really strong relationship with the local chamber of commerce. The Executive Director there is really, really invested in figuring out what kind of buyer younger people are, what kind of worker young people are, you know, he was someone who actually really helped me understand." The most compelling observation related to this theme was a very low number of participants reported altruism as most important to their success, which seemed antithetical during a period of economic depression.

Examples of perseverance existed primarily in the form of resiliency and resourcefulness for most participants. For example, P1 discussed a time when the economy began to affect his business and he set a company goal to not let anyone go to save money. The way he accomplished this was by not rehiring any positions that turned over in order to keep the business running. P3 reflected upon the mistakes he learned from and became a seven-day net company, where he paid his bills every seven days (for over 18 years) in case he ever needed to scale down on perishable inventory, he could still meet regular market demand as well as the minimum inventory needed for emergency preparedness. P12 discussed how he was willing to risk anything to keep his business economically stable during the *Great Recession*, even use his house and private possessions as collateral to secure loans. Similarly, P7 explained, "There were years where I know other business people might have just folded up and filed bankruptcy and gotten a job and that thought had occurred to me. And I just couldn't do it. There were years when I was living off of a minimal amount of income . . . I'm talking poverty level income to keep this thing going. I would not let it go."

Theme 4: Location

Some researchers suggested high-quality products and services were not enough for a business to survive within a global market (Tontini et al., 2014). Other researchers suggested the independent development of regions had a significant impact on success and failure within economic zones, which were composed of unique firms, industries, networks, and cities (Boschma & Frenken, 2011). Location, as a thematic construct, referred to the economic zone in which entrepreneurs provided services.

Central Texas contained several strong economies that performed well during the *Great Recession*. As a part of this study, I sampled participants from two major business environments: Austin and Fort Hood areas. Although both economic areas performed above average from 2007 to 2009, data collected from study participants indicated that the two areas performed well for significantly different reasons. The most compelling difference reported between the two business environments was the Fort Hood area appeared to be artificially stable during the economic downturn due the amount of federally-funded employees and families that made up much of the local economy.

Many participants within the Fort Hood area reported little, to no impact or need to change strategies during the *Great Recession* due to a constant flow of new customers on a routine basis. P10 explained, “Lending around here wasn’t affected. They were giving loans pretty easily, especially because it was a military town. That had a lot to do with it. It was almost like a guarantee . . . if they were in the military that they were going to be approved, so I think that had a lot to do with the reason that we were able to maintain our level of production.” P9 stated, “I will be very frank about that, I’ve felt that it [the *Great Recession*] affected us very minimally. I think that had to do with the community because it's military."

While Fort Hood was Texas' leading single-site employer in the state due to federal job growth (U.S. Department of Housing and Urban Development, 2012), Austin was the largest single-site employer for state government. This was primarily because the city of Austin is the Texas state capital as well as the location for the main campus of the University of Texas system (U.S. Department of Housing and Urban Development, 2012). While Fort Hood's economic stabilization appeared to be federally influenced, Austin's economic stabilization appeared to be influenced by the state.

Examples of location existed primarily in the form of economic zones that were somewhat insulated from the effects of the *Great Recession* for most participants. For example, P7 recalled how their proximity to Fort Hood during the *Great Recession* actually provided one of the largest economic curves to date due to their ability to switch from property sales to property management. They explained that when lending was difficult, no one was buying, so everyone started to rent their homes and with the constant arrival of temporary federal employees (typically two to four years), there was no shortage of demand for rental properties (P7). P9 shared how the recession barely affected her, since pets still needed to be cared for (i.e., groomed or boarded) while military from Fort Hood went to the field to train or deploy. She explained that it was not necessarily considered a luxury, so even though they [consumers] may not be able to do it as often as usual, it still had to be done (P9). P11 described how Fort Hood was in a bubble and economic instability had very little effect on it over the past 40 years within his industry.

Applications to Professional Practice

In this study, I explored factors that small business owners perceived to be necessary for small businesses to survive beyond the first five years of operation in a postrecession business environment. I employed a descriptive research design to emphasize the individually lived experiences of 20 small business owners who were successful entrepreneurs, as defined by the delineations contained within this study. The aim of this research was to understand which factors contributed to the success of small businesses by helping owners make more informed business decisions and increasing survivability rates.

As a researcher, it was critical to identify the most successful factors that contributed to firm survivability and best practices for small business entrepreneurs, regardless of locality. The thematic insights into small business training, tutelage, perseverance, and location presented in this study was a culmination of decades' worth of entrepreneurial experience across 20 different small business owners within a multitude of various industries. Participants reported that product or service quality, personal and organizational resiliency, personal and organizational relationships, and altruism were the factors perceived to be the most important to small business survivability beyond the 5-year milestone.

Participants reported the importance of product or service quality as well as personal and organizational resilience; however, the most compelling theme that emerged from this research for current and future entrepreneurs to consider was the economic impact federal installations had on local economies. According to the National Conference of State Legislatures (2016), 420 different military posts existed within 47 states, the District of Columbia, Guam, and Puerto Rico. In Texas, military installations provided an economic impact of nearly $150B, which accounted for 6% of the entire state's economic activity (Texas Comptroller of Public Accounts, 2014). Further, the Texas Comptroller estimated that 15 Texas military posts employed more than 255,000 military and civilian personnel and Texas reported the highest retired military population within the United States (2014). Lastly, with regard to participants sampled from the Fort Hood area, seven surrounding cities were found to be in partnership to support the 41,000+ soldiers and 20,000+ civilians, which made it the largest single-site employer within the state (Texas Military Preparedness Commission, 2013).

Implications for Social Change

In this study, I introduced new information into the existing body of knowledge addressing entrepreneurship sustainability. The four themes that emerged from this study were (a) training, (b) tutelage, (c) perseverance, and (d) location. Of these, new information within the thematic construct *location* appeared to be the most valuable to new or current entrepreneurs. Specifically, the Fort Hood area appeared to be artificially stable during the economic downturn due the amount of federally-funded employees and families that made up much of the local economy. In many cases, businesses within specific industries appeared to thrive during the *Great Recession* (e.g., property management, personal insurance, and fitness). Many participants within the Fort Hood area reported little, to no impact or need to change strategies during the *Great Recession* due to a constant flow of new customers on a routine basis. This data could lead to a positive social change in the form of reductions in unemployment rates, homelessness, and stress or health-related problems associated with being unemployed. Business impacts may include the potential for increasing survivability rates of small businesses, thereby increasing jobs, sales and tax revenue, future small business entrepreneurship.

The increased viability of small business in turn might have a positive impact on surrounding communities as well as local, state, and national economies. According to Perry (2012), positive social impacts occurred when small business lifespans lasted beyond the 5-year milestone. The new information that emerged from this research may improve small business survivability through thematic exploration of how quality, resiliency, and location measure within their respective firms. These thematic constructs may lead to increased private sector job creation as well as community sales.

Recommendations for Action

Results of this study support three recommendations for small business owner consideration to increase survivability, profit, and sustainability. Both current and future small business entrepreneurs should consider the research and recommendations found within this study. Accordingly, the following recommendations were based upon findings within this study and may help small business owners implement practices and strategies that improve quality, resiliency, and location.

Small business owners should consider improving their competitive positions by focusing on improving both the quality of their services or goods as well as innovating the customer experience (Snyder, Witell, Gustafsson, Fombelle, & Kristensson, 2016). When asked what factors participants believed enabled their businesses to continue operations for more than five years, service quality tied with resiliency as the most commonly reported factor. Small business entrepreneurs should consider placing particular focus on identifying how various categories of service innovations interrelate within their service to product and service to process (Ostrom, Parasuraman, Bownen, Patricio, & Voss, 2015).

Small business entrepreneurs should consider improving their resilience in adapting to rapidly changing or harsh economic conditions and destabilizing events with optimism and perseverance (Ayala & Manzano, 2014). Resiliency tied as the most commonly reported factor that participants believed to be the most important factor that enabled their businesses to continue operations for more than five years. Some researchers suggested that an entrepreneur's ability to adapt to adversity was related to the individual's resources and their interaction with the environment (Windle, Bennert, & Noyes, 2011). Examples of perseverance existed primarily in the form of resiliency and resourcefulness for most participants. Small business entrepreneurs should consider placing particular focus on resourcefulness, hardiness, and optimism as distinct factors of entrepreneurial resilience (Manzano & Ayala, 2013).

Small business entrepreneurs should consider improving their company location relative to areas with higher probability of firm growth. Specifically, the Fort Hood area appeared to be artificially stable during the *Great Recession* due the amount of federally-funded employees and families that made up much of the local economy. Many participants within the Fort Hood area reported little, to no impact or need to change strategies during the *Great Recession* due to a constant flow of new customers on a routine basis. While Fort Hood was Texas' leading single-site employer in the state due to federal job growth, Austin was the largest single-site employer for state government, which was primarily because the city of Austin is the Texas state capital as well as the location for the main campus of the University of Texas system.

Independent of the positive economic impact of Texas military bases on small business survivability found within this research, other researchers found that metropolitan areas, industrial districts, and technological districts had a positive influence on the growth of firms relevant to the firm type (Giner, Santa, & Fuster, 2016). The researchers found that technological districts and large urban areas displayed a positive correlation with the probability of a company becoming a high-growth firm (Giner et al., 2016). Small business entrepreneurs should consider placing particular focus on their proximity to urban centers as research indicated that geographic proximity to urban centers increased a firm's capacity to innovate (Fernandes & Raposo, 2015).

The emergent themes found within this research support the positive implications for small business owners that follow them. Small business entrepreneurs should consider these factors as a start point to begin a new venture or improve a current venture. Future researchers may build upon these findings, which would continue to add more to the body of knowledge about small business survivability.

Recommendations for Further Research

I recommend two considerations for further study, based upon the results found within this research. The first recommendation for future research would be to conduct a similar study in a different economic environment. Technological districts and large urban areas absent of any type of military installation influences can be good opportunities for further study. The second recommendation for future research would be to conduct a quantitative study using the factors and themes found within this research to measure the extent to which the findings are applicable.

Reflections

The results of this study indicated that a qualitative, descriptive study was an effective method for exploring the most important to small factors leading to success beyond 5 years, as perceived by small business owners who survived the *Great Recession*. I limited personal biases and preconceived notions to the extent possible though various techniques. Hannes et al. (2010) suggested that seven quality dimensions existed to identify high-quality qualitative studies: (a) evaluation of researcher bias, (b) validity, (c) reliability, (d) significance of the research project, (e) clarity and coherence of research reports, (f) ethics, and (g) the use of appropriate and rigorous methods.

To reduce bias and improve validity, I followed the *Belmont Report* (1979) protocols. I also employed nonprobability, purposive sampling via maximum variation, and criterion sampling as well as used digital devices and technology to improve data reliability and validity. I identified and removed any potential biases by excluding them and bracketed any personally conceived notions related to the subject.

The most challenging part of the research process was mitigating participant apprehensiveness about recorded interviews and maintaining participant anonymity. This phenomenon caused seven potential participants from the original sample to decline participation, so I had to continue the sampling process until I reached data saturation with 20 willing participants. Despite the cultural differences between the Austin and Fort Hood areas, both locations presented similar challenges with regard to sampling participants who were comfortable with being part of the research process and agreeing to the terms found within the consent form. I was grateful to those who did participate and shared their experiences so others may benefit.

I encourage small business owners to familiarize themselves with the themes presented in this study and use this knowledge to improve the odds of remaining in operation for 5 years and beyond. Community leaders and stakeholders could use this information to shape policy at the local, state, and federal levels designed to increase small business sustainability and support. I plan to share the results of this study with those who participated in the research, Chambers of Commerce, and both for-profit and nonprofit organizations with the goal of disseminating this information as widely as possible.

Conclusion

The purpose of this qualitative study was to explore factors considered necessary to improve small business survivability beyond the first five years of operation. I sampled and interviewed 20 successful small business owners from Central Texas to collect data that informed the overarching research question. In summary, participants reported being

(a) 65% male, (b) 35% female, (c) 75% began their businesses prior to the *Great Recession*, (d) 55% were self-funded, (e) 50% held an undergraduate degree or higher, (f) 35% did not use a structured business plan, (g) 60% had business mentors, (h) 40% cited passion as why they became entrepreneurs, (i) 50% did not require a change in business strategy during the *Great Recession*, (j) and 30% reported quality or resilience as the most important factors that led to their success beyond 5 years.

Participants indicated that product or service quality, personal and organizational resiliency, and personal and organizational relationships were the factors perceived to be the most important to small business survivability beyond the 5-year milestone. Four themes emerged from this research: (a) training, (b) tutelage, (c) perseverance, and (d) location. The implications for positive social change were increased viability among small businesses beyond the five-year mark, which may contribute to increased job sustainability, sales revenue, and future small business entrepreneurship.

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Appendix A: Interview Questions

Questions asked will be:

1. What is your training, experience, and educational background?
2. How did you acquire financing to start your business?
3. What was the planning process you applied during your first 5 years of business?
4. What was the economic environment when you first started the business?
5. Were there any external sources of information or mentorship you applied to developing your business during the first 5 years?
6. Why did you start your business?
7. How did your business evolve during and after the *Great Recession*?
8. What factors do you believe enabled your business to continue operations for more than five years?