



Challenges Faced by Small Businesses in Kuwait

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External Factors affecting small Business Growth

- Crash of Stock market
- Iraq & Iran war
- Iraqi invasions of Kuwait
- Slow governmental treatment for compensations programme
- 15 years of non significant economic strategy guideline.



Internal obstacles faced by Small businesses

- Governmental Aspects
 - Government control & dominations 1961-2006
 - Non compliance in implementation and execution
 - Delay in execution decisions due to changing leaders (Industrial authorities)
 - Shortfall in services and logical effect on settlement for investments
 - Overcoming government interest over private sector interest
 - Weakness of communication within governmental and private sector
 - No integration within governmental economical units
 - No clear budget, plan and support for next (5-10) years



Internal obstacles....

- Economical Aspects
 - Businesses output; dependence on local marketing
 - Using local expertise to develop feasibility studies that lack global comprehensive view.
 - Inability to penetrate foreign market
 - Project feasibilities not responsive to market changes and demand on long term process.
 - No incentive for investments (Baby project)
 - No investment in technical expertise(educational system)



Internal obstacles....

- Lack of Standardization leading to:
 - Prevalent customs and habits
 - Official representatives discretion on selections method
 - Bureaucracy & approval became the accepted standards.
 - Absence of internal valuation control system
 - Absence of application of accountability principle
 - Less qualifying output
 - Non existence of reward & penalty program
 - Hamper growth of small enterprises to mid size



Incentive for small business

- Availability of Structures
 - Raw Material
 - Industry
 - Government



Legal and Corporate Structures for small businesses

- Succession Planning
 - 2nd and 3rd Generation Management
- Organizational Structures
 - Transformation from private to public holding company.



THANK YOU