

## **The Foundations of Project Success Work for Small and Medium Businesses Enterprises**

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### **Abstract**

This study aimed to detect the direct impact of the success factors of a project and, in addition to the identification of failure factors and try to avoid them by investors in such projects, the study adopted descriptive approach in the analysis of the study problem of many project failures, especially small and medium ones, as it has been relying on a range of previous studies in determining the success of the project factors, in addition to the identification of failure factors, the researcher sought to focus on the most comprehensive and influential and sensitivity factors on the success of the project, regardless of the nature of the project, and its specialty. The results of the study shows that the most fundamental success factors are the following: Sponsor satisfaction, business continuity, project team satisfaction, and Stakeholders satisfaction. Researchers recommend the need to adopt an independent success factors for each project according to its type.

**Keyword:** Success Factors, Project, Failure Factors, Small And Medium Enterprises (Smes).

### **Introduction**

Small and medium enterprises (SMEs) are representing an important place in the economies of developing countries, as are the vast majority of industrial facilities by about a year, but varied lineage and nature from country to country. However, most developing

countries have to spend huge money on the development of industries, especially heavy ones; and interest of the establishment of industrial vehicles and large factories, which accounted for a large share of industrial investments, the late eighties of the last century.

But with the beginning of this century, there has been a significant shift in the investment and began to interest SMEs in view of the income provided by the national income, which proved that most of the experiments and studies that have emerged in some communities, which highlighted the importance of SMEs and their contribution to effective participation in economic and social development, in addition to its active export activity through access to regional and international markets after becoming capable of delivering great products in terms of quality and price.

And thus is considered a cornerstone in the process of economic and social development, due to positive economic repercussions on the national economy in terms of its leading role in providing new job opportunities, and progressively increasing the size of the investment. Despite all this, these projects have not achieved the expected contribution of an actor as economic sector, where it faces a number of constraints.

### **The importance of study**

Businesses seeking to achieve performance efficient, high productivity and ensure continued business market, and all of these goals are expensive and need time and effort to prepare the study of the project, therefore, The projects vision must be clear when planning and preparation, based on scientific and professional informed basis and in accordance with the requirements of the standards establishment of projects today, so as to ensure the achievement of goals and objectives by the managements, and be able to face the challenges of globalization and major companies acquisition on business opportunities in the market. here are highlights for us the importance of the study through offering the most important factors to be taken into consideration to ensure the success of the projects and ensure their growth and development in the business market, according to the levels of performance and achievement of the tasks and duties, and to achieve efficiency and effectiveness in the quality of work, in addition to identify the most important challenges that may face these projects and lead to failure.

### **The objectives of Study**

This study aims to look for How to know the reasons for the success of projects and the most important challenges they face, in order to create and enhance the best decisions to start the project, and can be summed up the following objectives:

- (A) Identify the most important challenges facing businesses today.
- (B) Identify the most important indicators to ensure the success of the projects.
- (C) Identify the critical points of the project, which could lead to failure.
- (D) Provide a set of findings and recommendations that will enhance the success of businesses.

### **The Problem of study**

The small and medium enterprises is the most important factors of economic and social development of developing countries in the event of success, and usually these projects face some obstacles and challenges that may lead to failure, so we can determine

the problem of the study as follows:

What are the main factors that lead to the success of small and medium enterprises?

### **Type of study**

The researchers used a descriptive approach to achieve the objectives of the study, being the most appropriate approach, as has been the study data was collected through a variety of specially Study Group in management of successful projects, in addition to important studies that explain the most challenges facing businesses, as well as the reasons for failure of projects in small and medium enterprises.

### **Project success**

Both the (Jugdev and Muller, 2005) and (Bryde,2007) explain that the most important factors to the success of projects is:

1 - Project Resources, a major determinant for the success of the project, depending on availability and according to the criteria established in the project within the possibilities of physical and financial.

2- Criteria for success of the project, a set of criteria through which to judge the project to achieve its goals or failure in that. When success criteria are formally defined and then measured, project outcomes are improved and project resources are better utilized(Thomas & Ferná'ndez,2008)

But (Muller and Turner,2007) Within their search patterns on the managers of the entrepreneur projects, added the project manager and his role to success the project, and the types of the project, by focusing on the :

3- Attributes and characteristics of the project manager professional and personality, and depends on (the efficiency of the manager and his expertise in leadership).

4- The interest of the project manager to apply the criteria of success. Success criteria vary from one project to another, may be the criteria for success based on achievement of the Integrated certain stage in accordance with the standards of quality and within the specified period of time as standard laboratory or design decorations for the restaurant, while, the focus is to deliver prompt and diligent in the electronics industry as a rapid change and development, as the time element is an important criterion for this project. Many studies have focused on the diverse knowledge and personal leadership of the Project Manager, while the other focused on the strength of the relationship between the manager and his team through the power of communication, collaboration, and cohesiveness.

"Some project managers develop particular leadership behaviors in an attempt to improve the performance of a project. However, the lack of information regarding uncertain competitive advantage from leadership behaviors results in a manager's reluctance to adopt different leadership styles. Since the benefits of leadership behavior can be rather intangible, this has slowed or prevented the implementation of leadership theories. While research has centered on the benefits derived from the behaviors of leadership, relatively less has approached the associations among leadership style, teamwork, and project performance. Additionally" (Yang and etal, 2010:265) (Eriksson&Westerberg,2011).

5- Stakeholders and the complex relationship between their goals, there are many stakeholders of the project and shorten them (government agencies, public institutions, promoters, and clients). (Ho Yu& Rim Kwon,2010)

6- Factors of compatibility between the views of the client and the contractor for the success of the project its very important, through prior agreement about the basic requirements of

the project and all necessary measures to achieve the goals. As shown search results (David James Bryde a,\*; Lynne Robinson b,1, 2005) that contractors are focusing on reducing the cost of the project and also on the duration of completion within the time table of the decision, and also focus on implementing the requirements of other clients(Raymond & Bergeron,2008).

"The project management identifies two requirements for an effective client–contractor relationship. Firstly, contractor organizations must be customer- focused, in terms of understanding and fulfilling the client's needs as well as reaching their expectations. This customer-focus has been stated as a precursor to success. Secondly, client organizations must be focused on understanding and accommodating the expectations of all stakeholders in the supply chain, such as contractors, sub-contractors, suppliers and other team members, with “project stakeholders” defined as “people or organizations who have a vested interest in the environment, performance and/or outcome of the project. This focus on other stakeholders will create “win-win” situations through trust, openness, teamwork and shared goals " (David James Bryde a, Lynne Robinson 2005: 223).

7- Project sponsorship concept, we must specify the management practices associated with the project sponsored, "The concept of project sponsor is used to describe either an individual/person or a body/group with a particular role in a project environment. The UK-based Association of Management (APM) define a project sponsor as the individual/body, who is the primary risk taker, on whose behalf the project is undertaken [5] and the US-based Project Management Institute (PMI) describe the sponsor as the person/group that provides the financial resources, in cash or in-kind, for the project " (Bryde,2005: 801).

8- Project Planning, In the first stage of the life of the project must make efforts to identify the project goals and requirements to ensure its success and to achieve this by planning most appropriate, (Dvir &etal, 2002) There are three aspects of planning (functional specifications, technical specifications, and the processes, procedures of project management). To get the views to the success of the project assumes the adoption of (the end-user, project manager, and contractor). Results of the study suggest that the success of the project is not linked to the level of implementation of processes and procedures supported by modern computerized tools and training. On the other side, is linked to the success of the project with a positive investment in the requirements definition and development of technical specifications.

9- The relationship between what the ambition the client and the consultant of the project goals and the role of coordination between them.

"Successfully managing consultant-assisted projects requires that both clients and consultants work to ensure that they can achieve all of their objectives (separate and joint). There are two possible approaches: \_ By taking an agency theory perspective, align client and consultant objectives so that they are complementary \_ Making sure that client and consulting organizations pursue coordinated actions that favorably impact both their objectives" (Luo & Liberatore,2009:260).

10- Systems success "can be separated into three levels: technical development, deployment to the user and delivery of business benefits or treated as a four-dimensional construct consisting of the success of the development process, success of the use process, quality of the product, and impact on the organization. DeLone and McLean propose six major dimensions of systems success, which they refine to include: system quality, information quality, service quality, use, user satisfaction and net benefits"(Thomas&Ferna´ndez,2008:734) .

11- Project Type, "The subject projects were categorized according to eight data class variables: industry sector, total installed cost, owner regulation, initial site, team size, complexity, project typicality, and international involvement. In other words, project type was assessed by using these attributes. The projects were also examined by clustering them on the basis of differences in perceptions of the proposed teamwork dimensions"(Yang and etal,2010:263).

12- Trust and communication between individuals and within the project team, its include (The work groups, project team, and Trust communication) "A project team is a work group, but definitely not the other way round . A project team is set up to achieve specific objectives under constraints and within a given period of time. And Trust between individuals is either affect-based (emotional) or knowledge-based (the result of a cognitive process) and both can interfere . Affect-based trust could be considered in certain extent as being similar to "trust at first sight" while knowledge-based trust is built steadily on ongoing relations between the parties over time" (Diallo & Thuillier,2004:241).

Thus we see that communication on projects is linked to at least four emotions:

1. Trust.
2. Interest in the project.
3. The perception of progress.
4. Comfort and the need for control.(Turner& Mu" ller,2004:334)

13- IT-based information systems were deemed early on to be essential to project managers in support of their planning, organizing, control, reporting, and decision-making tasks. As defined by Cleland and King, the basic function of a PMIS was to provide managers with "essential information on the cost-time performance parameters of a project and on the interrelationship of these parameters". The nature and role of a PMIS within a project management system. (Raymond & Bergeron ,2007:214).

The quality of the Project management information systems (PMIS), the quality of the PMIS information output, the use of the PMIS, the individual impacts of the PMIS and the impacts of the PMIS its more important for project success. ( Raymond& Bergeron,2008:213)

14- Accurate Schedule

The schedule of completion of the project the most important tools of the success of projects, and should be characterized by schedule accuracy and modernity and avoid repeated change.( Dvir & etal,2003)

15- Handling with project risk, risk can divided in two types:

- a- Project risk, which defined as threats directly to the project, such as supplier, organizational, and resources Issues.
- b- Business risks those that may affect the delivery of the benefits to be gained from the project.

The process of managing risk begins with risk analysis, which is designed to pick up and gain detail on both business and project risks (Elkington & Smallman,2000)

### **Avoid the causes of Project failure**

According to (Mu" ller. & Turner,2010) (Pheng & Chuan,2006) (Yng Ling ,2004) (Eriksson & Westerberg,2011) (Raymond & Bergero,2008) (Fisher ,2011) There are many reasons leading to the failure of many small projects, especially in the beginning of the first phase of the project. Of these reasons the following:

1. The project started for the wrong reasons.

Many of the owners of large and medium projects have begun to work in small businesses, if the cause of the establishment of starting a small business is that you do not like waking up early every day commitment paid off or fixed place of business, Do you feel that your business will give you more time you spend with your family? If the answer is yes even if they were to ask one of these questions, know that this error is the beginning of any project and you have to think again. Following are the reasons that help to start right:

- You have a passion and love of what you will do and believe in it strongly, giving a huge effort in carrying on the researches about what you really want to produce or provide to create a service that would satisfy the need in the market.
- You are able to project what it takes effort from your body and mind to face the challenges and crises. Are often poor health and inability to cope in a cause of project failure.
- If you are learning from your mistakes and building your success on them for the next attempt, prepare to the success, because many studies have shown that the most successful have built their success on the errors that they have learned and benefited from.
- You have a design, and patience, and positive trend in your intake of things, and that drives you to face difficulties and overcome them, get ready for success.
- Loving independence and ready to assume responsibility and capable of giving and finding appropriate solutions, even if they were under pressure.
- Show the basic qualities to win the confidence of the public honesty, and integrity, and positive interaction with others. You can also deal with different types of people with all levels of social and cultural.

## 2- Poor Management

Many of the projects failed because of mismanagement (financial, technical, and lack of personal skills), as the experience of playing a prominent role in the management success of the project, in order to ensure the success of management must comply with the following:

- How to avoid and prevent fraud in the various aspects of project management such as production and financial management, Purchasing Department, sales management .. Etc.. Must also take precautions to prevent fraud fully in his project.
- Full attention to organization and planning and control in all activities and operations.
- Market research continuously, and customer data collection, the areas neglected by many of the owners of projects and lead to failure.
- Successful leadership that lead to the creation of a positive climate to encourage productivity and delegation of authority to follow up within the project work and direct employees.
- Skill of strategic thinking and decision-making capacity and realistic vision of things.
- The ability to change to face the future possibilities and adapt and achieve the desired development.

## 3- Capital is not enough

the project may fail to estimate the size of the capital required for the completion of the project and run it, causing the failure of the project before starting, and may be poor appreciation of the size of the revenue required to sustain the project another reason for failing.

## 4- Location

The location of the main reasons for the failure of projects. The Location also may be the reason of the success and sustainability of the project. There are points that must taken into consideration when selecting Location, including:

- Close to the clients.
- Easy to reach.
- Availability of infrastructure services.
- Security of the competitors.
- Provide a healthy environment clean non-polluting.

#### 5- Poor planning

May be one of the main reasons for a project failure is the poor planning, lacking information and comprehensive survey of the elements of the environment, which reflects the integrity of the proposed plan for success, according to that, your plan should include the following :

- Description of the project, vision and objectives and scientific keys to success.
- Determination of the needs of the workforce.
- The underlying problems that may occur and the proposed solutions.
- Analyzing the financial needs: budget, analysis of financial flows and the expected expenses .etc.
- Competition analysis and methods of response, marketing and advertising and promotion plan.

#### 6- Excessive expansion and rapid

A lot of managers and owners thinks that the rapid expansion achieves success, in fact the speed of the expansion project without an integrated study of the potential available may be a step toward failure. A lot of projects have gone bankrupt due to the rush to expand. The expansion is a must but necessary to be characterized by moderation and balance. We should study , research and analysis . we must have the willing to expand our project but within our business plan.

#### 7- The lack of a good site on the Internet

A good project site on the Internet have to show the characteristics of its products and its goals, vision and displays the progress and development of its works , achievements and services provided to customers by an attractive manner, this could avoid us , losing our customer

(Vestal,2005) added some factors as:

8- Lack of clarity or an integrated business strategy, or they contain many weaknesses.

9- Weakness of sponsor of the project and his unwillingness to continue or keep the sustainability of progress to complete the project. The fact that the sponsor provides us with the time and the effort needed to the search for the necessary financial resources to complete the project.

10- Weakness or lack of resources and seriousness of their rarity and the lack of alternative optimization in the event of force or could not be obtained.

11- Poor choice of team which doesn't match their specifications to the requirements of the team work required, and it's members lacking success of the project.

12- Lack of appropriate criteria achievement in order to assess the work done and the actual progress of the project at all stages of its life cycle.

13- Lack of flexibility in policies and processes for changing product specifications of goods and services, leading to a halt and failure of the project. And lacking the flexibility that enable

us to respond to rapid environmental changes and diverse.

14- Inability to enter the competition because of poor experience and retreat of capabilities of the project.

## **Results**

1- Basic criteria for the success of the project lies in the three considerations:

Project management, technical methods, business methods.

2- Sponsor satisfaction, business continuity, project team satisfaction, and Stakeholders satisfaction, are the main important factors to success the project.

3- Managing risks that may face the project in a scientific, rational and within the resources and capacity available, successful projects are based on a well-managed risk and most important for the forecasting face.

4- Consultants are interested in modern technology and development as they see it as a challenge for the project and its team and not as serious threat to the project. While managers and customers see it as a threat to success of the project

5- Effective communication across the boundaries of project teams requires good relationships between project managers and sponsors. This is achieved through balancing the social and technical contents during communications. This builds the high level of relational norms that impact communication frequency.( Mu"ller,2003)

6- Effective monitoring and feedback by the project manager and project team members; coordinating ability and commitment of project manager with top management and positive attitude of project manager. ( Iyer & Jha,2005)

7- Many of project managers develop particular leadership behaviors in an attempt to improve the performance of a project.

8- Study of the relationships between team work and leadership style and success factors being interrelated with each.

9- There is significant effect of the skills possessed by project manager regarding the management of the required improvements to the work of the team, and may be one of the most important is leadership skills.

10-The tenure of experience in the work environment can affect the level of optimism corroborating , flexibility and adaptation.

11- Communication is required to deal with the client's concerns associated with the principal-agent relationship between them and the project manager.

12- To achieve project success, project managers should ensure that the scope of works are not be flexible when tenders are invited or contractors are hired, to keep the project criteria.

13- Project manager leadership competency profiles differ from project to another in order to be successful.

14- It will be incompetent to judge a project's success merely according to the objective criteria (i.e. cost, time, and quality) . From that reason, it is imperative for building contractors to plan for the future, which often will include development of strategies and technologies that respond to current and future customer.

15- Project management information systems (PMIS) usually acquired by organizations as software packages are meant to provide managers with the assistance needed in decision-making supporting the planning, organizing, and controlling projects.

16- Projects are dynamic systems in which perceptions become "reality". They cannot be carried out efficiently without trust between key stakeholders.

17- Each project has private criteria of achievement and success, must be carefully formulated as an indicator to the success or failure of the project.

18- the lack of information regarding uncertain competitive advantage from leadership behaviors results in a manager's reluctance to adopt different leadership styles.

19- The correlations between the three composite measures of planning (Development of functional requirements; Development of technical specifications; and Implementation of project management processes and procedures) and the four measures of project success: three composites (Meeting planning goals; End-user benefits; and Contractor benefits) and the single item "Overall project success".

### **Recommendation**

Researchers sought to identify the most important factors determining the success of the projects without the type of project, has been the most important factors that must be checked for its importance in the success or failure of the project, so the researchers recommend the need to adopt an independent success factors for each project according to its type. Researchers recommends the small and medium entrepreneurs that there vision should be a consistent with the objectives of the project, after studying the factors to ensure its success, and the technology component and development one of the most important project success factors, and they need to active control for all the steps of the project, since the first stage down to the final stage. Finally, they need for coordination and cooperation between all parties (stakeholders) of the project within multiple stages to ensure avoid Failures

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