

WORKING CAPITAL MANAGEMENT: FOUNDATION OF STRATEGIC COMPETITIVENESS OF SMES IN RWANDA

Niyibizi Francois Xavier

Department of Management and Development studies,
Institut Polytechnique de Byumba (IPB)

Abstract

Inadequacy of working capital may lead the enterprise to insolvency and excessive working capital implies idle funds which earn no profit for the business. Managing the SMEs' working capital is a day to day activity that ensures that an enterprise has sufficient resources to continue its operation and avoid costly interruption. This study sought to examine the relationship between working capital management and strategic competitiveness of Small and medium sized enterprises taking reference to Urwibutso Enterprise. The study adopted purposive sampling and simple random sampling approaches to select the required respondents relying on their experience of knowledge about the functioning of the enterprise. The target population was thirty (30) respondents from Urwibutso enterprise who among others were the employees from different departments, management and clients who were chosen for the study. In this study the researcher used statistical techniques and qualitative techniques such as regression and correlation analysis with help of Ms Excel and Ms Word to clearly come up with the relationship between working capital management strategic competitiveness of small and medium enterprises. Urwibutso enterprise's choices about how to make and distribute its product as well as how to interact with its customers affected its strategic competitiveness as confirmed by 75.2% of the respondents. Consequently, the findings of the study were that, working capital management practices affect strategic competitiveness of small and medium sized enterprises in Rwanda, hence there was need for small scale enterprises to insist on strategies which aim at sourcing raw materials and to embrace efficient working capital by trying to build long term relationship with suppliers.

Keywords: Working capital management, strategic competitiveness, small and medium sized enterprises

Introduction

Both excessive and inadequate working capital are harmful to strategic competitiveness of small and medium sized enterprises, hence working capital needs to be maintained at a proper size.

A country's competitiveness is achieved through accumulation of individuals firms' strategic competitiveness in the global economy. Strategic competitiveness is achieved when a firm successfully formulates and implements a value creating strategies (Hitt et al 2005)

Strategic competitiveness of an SME requires effective financial management and among other things proper management of both-long-term and short-term funds; long-term funds are required to create production facilities through purchase of fixed assets such as land, plant and machinery, diversification and expansion of business, research and development, buildings, etc. Investment in these assets represent that part of industry's permanent financing. Funds are also needed for short time purpose for the procurement of raw materials, payment of wages and other day to day running expense. These funds are known as working capital. The requirements for working capital may vary from industry to industry depending upon its sales, scale of operation, terms of credit, production policy, seasonal variation, manufacturing process etc (Kakuru 2007)

The need to invest in working capital steams from the desire of any business to produce enough goods and services in a timely manner so as to meet market needs.

Working capital refers to the short-time capacity that enables the business to operate the long term assets on daily basis in order to produce desired goods and services (Kakuru 2007)

In the words of Khanka (2008) working capital is that amount which is required to carry out the day to day operation of an enterprise whether big or small. It may also be regarded as that portion of an enterprise's total capital which is employed in its short-term operations.

There are two concepts of working capital gross and net. Gross working capital refers to the firm's investment in current assets and net working capital refers to the difference between current assets and current liabilities. The two concepts of working capital gross and net are not exclusive, rather they have equal significance from the management view point (Pandey 2007).

Working capital refers to the firm's investment in short-term assets namely cash, receivables, short term securities, account receivables (debtors) and inventories in raw materials, work in progress and inventory in finished goods (Kitty 2006)

Working capital is the capital that managers can immediately put to work to generate the benefits of capital investment (Frank & Pamela, 2003).

The success of any business depends on how it manages its resources and most businesses crave for success and growth. These resources include working capital in form of cash and other current Assets, among others.

Financial performance levels exhibited in most enterprises especially in Urwibutso enterprise is not satisfactory. Despite the endeavor to maintain a good working capital by management, there continues to exist a declining level of working capital in form of inadequate cash inflow which cannot sustain daily cash needs of the farm. This in turn has led to inefficient client satisfaction in a way that a low level of working capital in form of cash receivables makes it difficult to meet short term debt obligations as well as operating expenses. Poor working capital particularly limited liquidity in the long run causes poor financial performance for the business as it cannot easily pay off creditors.

Therefore, it is upon this inefficiency that the researcher aims to examine the relationship between working capital management and strategic competitiveness of Small and Medium Sized enterprises taking reference to Urwibutso Enterprise.

Materials and Methods

The research involved a cross sectional survey using both qualitative and quantitative research centered around working capital management practices and strategic competitiveness on the other hand. Surveys were employed to obtain the information about preference, attitude and the practices of working capital management in Urwibutso Enterprise.

The study was carried out among the staff and customers of Urwibutso enterprise who were drawn from marketing, production, accounting department as well as the management of the enterprise under the study.

In this study the researcher used both purposive sampling and simple random sampling approaches to select the required respondents relying on their experience of knowledge about the functioning of the enterprise. The research encompassed a representation of a sample of thirty (30) respondents from Urwibutso enterprise who among others were the employees from different departments, management and clients who were chosen for the study.

Table 1: Sample Size

Department	No of Respondents
Marketing and distribution	7
Production	15
Clients	4
Accounts	2
Management	2
Total	30

Source: Primary Data, 2013

This study primary data were gathered from selected respondents by use of self administered questionnaires, interviews and secondary data were obtained from different books and reports of various authors and entities' officials.

Comprehensive self administered questionnaires were the main instrument in the study. These were designed to gather information and explore the key variables addressed to staff and management. Both open and closed ended questionnaires were used to let the respondents give their own opinion about the research problem.

Upon collecting data, several methods were used to process and analyze the data. All the data collected was checked for results on completion of the procedure, the questionnaires were handed over to the researcher. This was compiled, sorted, edited, classified and coded for efficient analysis.

To ease the interpretation of data, the study was analyzed using statistical techniques and qualitative techniques such as regression and correlation analysis with help of Ms Excel and Ms Word to clearly come up with the relationship between working capital management strategic competitiveness of small and medium enterprises.

Results

Findings on the various working capital management practices in Urwibutso Enterprise were considered and can be evidenced in the following paragraphs.

Communication of working capital management objectives

In the word of Kitty (2006), effective communication is the key to success in the business. The ability of individuals within the organization to communicate with each other and, in turn, of the entire organization to communicate its message to customers is vital. Often good things happen when you communicate; unfortunately, the opposite is also true when you don't.

Referring to the importance of effective communication to the success of an enterprise, views of the respondents were sought with regard the establishment and communication of objectives or value statement for working capital management; on this issue 60% of the respondents argued that mission statement were established to describe a firm's unique purpose and the scope of its management of working capital in terms of inventory, receivable and cash management. On the basis of this view, an effective working capital management objective is used to specify the customers to serve, to define the appropriate level of working capital that would maximize the value of the firm and how working capital can be financed. On the same

question 40% of the respondents stressed that they were not sure about the working capital management in Urwibutso enterprise.

The researcher's curiosity was also to know whether the formal mission or value statement has been communicated to working capital management staff. The respondents highlighted that the mission statement as well as the objectives on the enterprise about the working capital management has been communicated to all stakeholders of the Urwibutso enterprise and this was confirmed by 75% of the respondents while others rejected the assertion.

The researcher was interested in knowing whether a communication exists between management and those charged with production, marketing, distribution so that both have relevant information to fulfill their roles with respect to working capital management. The overwhelming majority of 95% said that a communication exists between management and line managers in order to allow them to improve the quality of their products, understand the major consideration that should be taken into account when deciding on the level of working capital as well as satisfaction of their customer. The remaining respondents 5% were of the view that some of the personnel do not have an effective and nonretributive method to communicate significant information or fraud to management that would affect working capital management.

On the question whether significant estimates, judgments, and changes are reported on a regular basis to those charged with management of working capital the respondents 90% contend that estimates, judgments and changes are reported in abide to know the amount of working capital that would maximize the value of the enterprise through the economic order quantity; the frequency at which orders should be placed the amount of credit facilities to be extended and the amount of cash to be hold at regular basis. Relying on finding it has been revealed that 10% of the respondents were on the view that significant improvements are still needed to avoid bad debt losses.

The researcher was interested to know also whether management and those charged with management briefed by working capital management personnel on a regular basis and before financial statements are released to the public. The respondents 76.5% propounded that this briefing exist and it includes a discussion of significant nonroutine events and transactions, selection and application of critical accounting policies, areas with unusual fluctuations, and other relevant significant issues and 23.5% assert that the briefing was not effective.

The effect of working capital management policy on strategic competitiveness of the enterprise was also a question asked to the respondents. On this concern 97% of the respondents contend that working

capital management policies of an enterprise have great effect on its strategic competitiveness especially when an enterprise formulates and implements successfully its profit, liquidity, maturity of payments, cost of capital and structural health goals related policies, satisfaction of all stakeholders also is a prerequisite since they may have enforceable claim on performance of the enterprise. Other 3% of the respondents were indifferent to the question.

Views on the formulation and implementation of the cash conversion cycle were sought to assess the level of collaboration between the Staff of Enterprise Urwibutso during the process of the purchase of inventory, the sale of goods on credit and the collection of accounts receivable. In a bid to answer the question all respondents confirmed that collaborations between production managers, Marketing officers, store keepers and accountants are at a higher level as they sit together during the establishment of purchase, production, marketing related strategies. An assessment is also carried out it focuses on the length of time between when the company makes payments and when it receives cash inflows.

During this research, data on cash management, receivable management and inventory management were collected.

Cash management

Cash is one of the components of the current assets of an enterprise; it is needed at all times to keep the business going. An enterprise should always keep sufficient cash for meeting its obligation cash collection should be sped up while cash disbursement is tightly controlled. As far as cash management is concerned the researcher wanted to know the process used by enterprise Urwibutso to speed up cash collection and 89.5% of the respondents said that to speed up collection of cash from the point of making sales to the point a client's cheque is received in business, accountants improve the efficiency of the internal process of preparing and dispatching customer's invoices, clients are motivated to settle their bills quickly through discounts offered to those who pay earlier. On the same question respondents said that arrangement are made in advance so that clients transfer automatically the funds from clients' account to the account of the enterprise, this was an opinion shared by 10.5% of the respondents, customers were reminded and informed about the amount payable and the time by which it should be paid.

The researcher asked the respondents whether Urwibutso enterprise possesses cash management policy and 55% of the respondents argued that the policy exist, it contains guidelines established by the enterprise to ensure that it has optimal cash balances at any time. 45% of the respondents stressed that instructions about cash receipt and cash disbursement are displayed to cashiers.

Are the various schemes of delaying cash disbursement in the enterprise used? This question was asked in bid to know cash disbursement are delayed as much as possible without hurting the image of the firm or defaulting the obligations of the enterprise. This question was answered by 67% who notified the researcher that the scheme involved to delay cash disbursement include the selection of geographical disbursement bank, suppliers' children are given scholarships and tuitions fees are deducted from the prices of raw material offered to the enterprise. To delay disbursement credit facilities were also taken by the enterprise. 33% of the respondents said that the process of delaying cash disbursement is no effective since some of the employees leave the company because of delayed payment of wage and corporate social responsibility is not effectively employed. Cash planning through budget was used to estimate cash receipts and cash disbursement.

Inventory management

A firm's operating cycle is made up of its inventory period and its receivable period. Inventory represents a significant investment for a firm. For a typical manufacturing operation, inventory will often exceed 15 percent of assets. For a retailer, inventory could represent 25 percent of the assets (Ross et al 2006).

The study tested whether the management of Urwibutso enterprise fully understands the objectives of inventory management and 77% confirmed that effective inventory management help ensuring a continuous supply of raw materials, maintain sufficient stock of raw materials in the period of short supply and anticipate price changes result of economic downturn and seasonal conditions. Others view objective of inventory management as they are kept to ensure the smooth sales operation.

In management of the inventory, the researcher was interested to know whether Urwibutso enterprise use any approaches to inventory management and 100% argued that approaches to inventory management such as just in time approach, ABC analysis, computerized inventory systems and inventory turnover ratios are used for effective inventory management control to help to solve the acute problem of liquidity and increase strategic competitiveness of the enterprise.

The study further tested whether the needs for enterprise Urwibutso to hold inventory is well understood by management of the company and 66% of the respondents argued that inventory are hold to facilitate smooth production, to meet unpredictable changes in supply and demand and other factors such as scarcity of input and natural factors like floods. 34% of the respondents said that they do not understand the need for the enterprise to

hold inventory because maintaining inventory involves tying up of the company's funds and holding costs.

Management of receivable

Receivable management is the process of making decisions relating to investment in debtors, certain investment in receivable is necessary to increase sales and profit of an enterprise. The respondents were asked the question to know the tools used by manager to monitor receivable and 92% argued that both telephone calls to customers and legal action against customers are used. According 8% of the respondents, the enterprise sent letters informing the customer of the past due status of the accounts.

The researcher asked whether the steps against which a clients must be evaluated in order to establish acceptable credit standard well followed and 67% of the respondents argued that to determine that the customer will meet his credit obligation the Urwibutso enterprise assesses the willingness of customers to settle their obligations, the prevailing economic and other factors such as social and political, which may affect customer's ability to pay and the assessment of the channels of communication with credit applicant. On the same question 33% of the respondents contend that clients are also evaluated through analyzes of their financial statement, previous experience with the clients, bank reference and amount of purpose of the credit.

Are rules and regulation as per defined in credit management policy effectively used? The respondents to question said that rules and regulations are effectively utilized in order to minimize the costs associated with trade credit while minimizing the benefit from it. The enterprise focus on the ways through which it recovers all its money from debtors, the period in which the debts remain outstanding and the ratio of uncollected receivables to the total receivable this was an opinion shared by 93% of the respondents. The views of 7% were like extending credit involves costs incurred at that time of collection, cost incurred in supervision and investigation of the receivable account and clerical works in checking the applicant and accounts. The respondents highlighted that investment in debtors is a matter of survival to the enterprise.

The researcher was also interested to know whether investment in debtors offers opportunities for growth to enterprise Urwibutso and 60% of the respondents view this investment as a paramount since the company used trade credit to expand sales, to counter the effect of competition, to build long-term relationship between buyers or as a reward for their loyalty. On the other hand 40% of the respondents said that even if trade credit can be useful for maintaining the market share in declining market but the enterprise incurred bad debt losses.

The relationship between Working Capital Management and strategic competitiveness of Enterprise Urwibutso.

Corr

		Working Capital Management	Financial Performance
Working Capital Management	Pearson Correlation	1	.752**
	Sig. (2-tailed)	.	.000
	N	30	30
Financial Performance	Pearson Correlation	.752**	1
	Sig. (2-tailed)	.000	.
	N	30	30

** . Correlation is significant at the 0.01 level (2-tailed).

From the table above, results showed that there is a strong positive relationship between Working Capital Management and strategic competitiveness of a firm at Pearson correlation coefficient $r=0.752$ implying that working capital management affects strategic competitiveness of an enterprise by 75.2% and 24.8% by other factors.

In reference to the views of the respondents, Enterprise Urwibutso's performance results into its ability to diversify its products, product differentiation where customers are perceiving both Agashya and Akabanga produced by the enterprise as unique, customer loyalty as well as its access to distribution channels however the firm's inability to source its inputs and the scarcity of inputs are likely to impact on operating performance of the enterprise. This is because its cost of production is likely to soar as a result in problems in procurement. Another factor pointed out were natural factors like floods and erosion which are frequently found in region where the enterprise is operating.

Discussion

Good communication is worth every minute it takes and every penny it costs Kitty (2006). This author argued that communication played a significant role in the success of Watson Wyatt consulting firm. The company enjoyed lower employees' turnover and a 30% increase in their stocks market value. Referring to the importance of effective communication to the success of Small and medium sized enterprises, 60% of the respondents argued that mission statement were established to describe a firm's unique purpose and the scope of its management of working capital in terms of receivable, inventory, and cash management and 40% of the respondents confirmed that they were not sure about the working capital management in Urwibutso enterprise.

In the word of Dess et al (2007) strategic objectives are used to operationalize the mission statement. That is they help to provide guidance on how an organization can fulfil or move towards the higher goals hierarchy mission and vision. As the results they intent to be more specific and cover more well defined time frame. The findings showed that the formal mission or value statement has been communicated to working capital management staff and 75% of the respondents confirmed that the mission of Urwibutso enterprise have been effectively communicated while 25% rejected the assertion.

Brigham & Houston (2009) argued that dramatic improvements in communications and computer technology have transformed the way Best Buy manages its inventories. Urwibutso enterprise should measure how long employees took to handle customers calls as well as handling customers' complaints.

The researcher found that a communication exists between management and those charged with production, marketing, distribution this was confirmed by the overwhelming majority of 95% who stressed that communication helped them to improve the quality of their products, as well as to understand the major consideration that should be taken into account when deciding on the level of working capital, satisfaction of their customer will result from effective communication they said. This is in line with Kitty (2006) who argued that communication is at the center of the focus on quality and customer needs.

This embraces the idea of Eugene and Michael (2008) who argued that the procedures for improving working capital management generally stem from experts in logistics, operations management, and information technology who often work with marketing people to develop better ways to deliver the firm's products. Also, engineers and production specialists work together to develop ways to speed up the manufacturing process and thus reduce the goods-in-process inventory.

The remaining respondents 5% were of the view that some of the personnel do not have an effective and nonretributive method to communicate significant information or fraud to management that would affect working capital management.

The study revealed that relevant estimates, judgments, and changes are to reported on a regular basis to those charged with management of working capital this was an opinion of 90% of the respondents. Through this information amount of working capital that would maximize the value of the enterprise is determined the same as the amount of cash to be hold at regular basis; 10% of the respondents were confirmed the need to improve communication process to avoid bad debt losses.

A great number of respondents, 97% contend that working capital management policy affects strategic competitiveness of the enterprise through formulation and implementation of policies aiming at profit maximization. Working capital management involves both setting working capital policy and carrying out that policy in day-to-day operations (Brigham & Houston, 2003)

The study found that formulation and implementation of the cash conversion cycle constitute the basis to effective working capital management and this presupposes collaboration between employees of the enterprises.

The management of short-term assets involves decisions related to cash, marketable securities, accounts receivable, and inventory (Fank & Pamela 2003)

Working capital management involves finding the optimal levels for cash, marketable securities, accounts receivable, and inventory and then financing that working capital for the least cost (Brigham & Houston, 2009). During this research, data on cash management, receivable management and inventory management were collected.

Ensuring that a company has adequate cash on hand to fund its operations and pay off its obligations is essential. It is important to put a system in place that enables the entrepreneur to properly monitor and manage both expected cash receipts (i.e., cash inflows) and payables (Steven 2009). The findings revealed that Urwibutso enterprise improved the efficiency of the internal process of preparing and dispatching customer's invoices and clients were motivated to settle their bills, this was confirmed by 89.5% but 10.5% , said that arrangement are made in advance so that clients transfer automatically the funds from clients' account to the account of the enterprise.

This comply with Frank and Pamela (2003) who wrote that there are several ways enterprises can use to speed up incoming cash namely ***Lockbox system***, a system where customers send their checks to post office boxes and banks pick up and begin processing these checks immediately. ***Selection of banks*** choosing banks that are well connected in the banking system, such as clearinghouse banks or correspondent banks can speed up the collection of checks. ***Check processing within the firm*** which means speed up processing of checks within the firm so that deposits are made quickly.

Propounded in the same domain, Eugene and Michael (2008) emphasized that the cash conversion cycle can be shortened (1) by reducing the inventory conversion period by processing and selling goods more quickly, (2) by reducing the receivables collection period by speeding up collections, or (3) by lengthening the payables deferral period by slowing

down the firm's own payments. To the extent that these actions can be taken without increasing costs or depressing sales, they should be carried out.

The results showed that Urwibutso enterprise uses various schemes to delay cash disbursement 67% of the respondents notified, that the scheme involved to delay cash disbursement include the selection of geographical disbursement bank, suppliers' children are given scholarships and tuitions fees are deducted from the prices of raw material offered to the enterprise. To delay disbursement credit facilities were also taken by the enterprise. This is in accordance with Frank and Pamela (2003) who have written that methods an enterprise can use to slow up the payment of cash may include; **Controlled disbursements** minimizing bank balances by depositing only what is needed to make immediate demands on the account. **Remote disbursement** which means paying what is owed with checks drawn on a bank that is not readily accessible to the payee, increasing the check processing float. Indeed, it was found that the process of delaying cash disbursement is not effective since some of the employees leave the company because of delayed payment of wage and corporate social responsibility is not effectively employed this was an opinion shared by 33% of the respondents.

Kakulu (2007) affirms that a firm should seek to match the cash receipts and disbursements so that there are not redundant surplus cash balances or potentially destabilizing cash deficits. Cash balances should be well managed to avoid having idle cash reserves or having cash deficit that cannot be covered easily.

A firm's operating cycle is made up of its inventory period and its receivable period. Inventory represents a significant investment for a firm. For a typical manufacturing operation, inventory will often exceed 15 percent of assets. For a retailer, inventory could represent 25 percent of the assets (Ross et al 2006).

The study found that the management of enterprise Urwibutso fully understands the objectives of inventory management and 77% while 23% view objective of inventory management as they are kept to ensure the smooth sales operation. The results showed also that Urwibutso enterprise uses various approaches to inventory management and 100% was confirmed by 100% of the respondents. In line with Pandey (2007), a firm needs an inventory system to efficiently manage its inventory.

The findings highlighted that the management of enterprise Urwibutso understands the needs to hold inventory, this was confirmed by 66% of the while 34% of the respondents said that maintaining inventory involves tying up of the company's funds. Relying on the views of the overwhelming investment in inventory ensures the continuity of the production and sales. This consistent with Gene (2003) who stressed that

inventory is buildups due to a planned new product introduction, preparation for a heavy selling season, or avoidance of an upcoming supplier price increase.

The results on receivable management showed that 92% of the respondents argued that both telephone calls to customers and legal action against customers are used. According 8% of the respondents, letters informing of the past due status of the accounts are sent to customers. This is consistent with the findings of Moti et al (2012) who found that high involvement of credit officers in formulating credit terms have significant relationship with loan performance.

It has been found that Urwibutso enterprise follows the required steps to evaluate clients, this is done in to establish acceptable credit standard as confirmed by 67% of the respondents. The enterprise assesses whether a clients will meet his credit obligation and his/her willingness to settle his/her obligations, the prevailing economic and other factors such as social and political are also assessed. 33% of the respondents contend that they are other factors which must be also taken into account.

According to Frank and Pamela (2003) a firm's credit and collection policies specify the terms of extending credit, deciding who gets credit, and procedures for collecting delinquent accounts. The findings revealed that rules and regulations are effectively utilized in Urwibutso enterprise. This was confirmed by 93% of the respondents while 7% argued that investment in receivables involves costs. The researcher found that investment in debtors offers opportunities for growth to enterprise Urwibutso, this was confirmed by 60% of the respondents and this meets Frank and Pamela (2003) ideas who argued that firms extend credit to customers to help stimulate sales. Extending credit is both a financial and a marketing decision. When a firm extends credit to its customers, it does so to encourage sales of its goods and services. 40% of the respondents said that trade credit involves bad debt losses.

The results portraits a strong positive relationship between Working Capital Management and strategic competitiveness of a firm at Pearson correlation coefficient $r=0.752$ implying that working capital management affects strategic competitiveness of an enterprise by 75.2% and 24.8% by other factors. As opined by Brigham & Houston (2009) Best Buy Company, a North America's largest consumer electronics retailer has performed extremely well over the past decade because of sound financial and operating practices, especially its working capital management. The Enterprise Urwibutso performed because of product differentiation strategies, its ability diversification strategies, customer loyalty as well as its access to distribution channels.

Conclusion

Working capital management is that company's capital which is used for purchasing raw materials and it is involved in paying current liabilities, current assets are very significant to operate long-term assets. This study revealed that communication of working capital management goals was very important to the strategic competitiveness of Urwibutso enterprise.

For effective working capital management, an enterprise will ensure that sufficient cash is available to meet day to day cash flow needs, pay creditors to ensure continued supplies of goods and services, the payment of wages and salaries when they fall due etc. Management of receivable is also a condition for the success in management of working capital, clients should be evaluated and monitored according to credit policy in order to establish acceptable credit standard this has been confirmed by 67% of the respondents who argued that the customer are supposed to be evaluated in order to assess whether their credit obligation will be met. The study revealed that when approaches to inventory management are effectively employed this may control to help to solve the problem of liquidity and increase strategic competitiveness of the enterprise this was confirmed by 100% of the respondents.

The results portray that performance of Urwibutso Enterprise was influenced by diversification of its product as well as differentiation of its product. It has been revealed also that both customer loyalty and the firm's access to the distribution channels were other ingredients to the success of the enterprise; this was confirmed by 72.5% of the respondents. Besides that, there is a strong positive relationship between working capital management and strategic competitiveness of the enterprise.

References:

- Brigham E. & Houston, F. J (2003) *Fundamental of financial management (10ed.)*: South-Western. CENGAGE Learning. United States.
- Brigham E. & Houston, F. J (2009) *Fundamental of financial management (12ed.)*: South-Western. CENGAGE Learning. United States.
- Dess, Lumpkin & Eisner (2007) *strategic management (3rd ed.)* The McGraw-hill Companies. New York.
- Eugene F. B & Michael C. E (2008) *Financial management: theory and practice (12 ed.)*: Thomson higher education: USA
- Frank, J.F. & Pamela, P. (2003) *Financial management and analysis (2nd ed.)*: John Wiley & Sons, Inc., Hoboken, New Jersey
- Gene Siciliano (2003) *Finance for non financial managers*: The McGraw-Hill Companies, New York
- Hitt, Ireland & Hoskisson (2005) *Strategic management: Competitiveness and Globalization, Concepts (6ed.)*: Thomson Corporation: USA

- Kakulu J (2007). *Finance decision and the Business*. Kampala. Fountain Publishers
- Khanka, SS (2008) *Entrepreneurial Development*: Chandy and company: New delhi
- Kitty, O., L (2006) *Business and Administrative communication (7th ed.)*: MacGraw-Hill, Irwin New York.
- Moti, O, Justo & Nebat (2012) *Effectiveness of credit management system on loan performance*: Empirical evidence from Microfinance sector in Kenya in International journal of business, Humanities, and Technology, Vol 2 No 6 p 99
- Pandey, I., M. (2007). *Financial management (9th ed.)*. New Delhi: VIKAS Publishing House.
- Ross, Westerfield & Jordan (2006). *Fundamental of corporate finance (7th)* The McGraw hill Companies, in. New York.
- Steven R. (2009) *Entrepreneurial finance: Finance and Business strategies for the serious entrepreneur (2nd ed.)*: The McGraw-Hill Companies, Inc: New York