

# Determinants of Business Success (An Exploratory Study)

Ali Muslim Bin Aqeel (Corresponding Author)

Department of Management Science,  
Army Public College of Management & Sciences, Rawalpindi, Pakistan.

Email: [alimuslimbinaqeel@hotmail.com](mailto:alimuslimbinaqeel@hotmail.com)

Ali Naseer Awan

Department of Management Science,  
Army Public College of Management & Sciences, Rawalpindi, Pakistan

Email: [maliknali@hotmail.com](mailto:maliknali@hotmail.com)

Adnan Riaz

Department of Business Administration,  
Allama Iqbal Open University, Islamabad, Pakistan.

Email: [adnanriaz.aiou@gmail.com](mailto:adnanriaz.aiou@gmail.com)

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## Abstract

This paper exemplifies the determinants of business success revealed by business owners, who started their businesses from abrasion and faced various impediments to achieve ultimate success in their respective fields. The key purpose of the study was to investigate the core factors that brought them to the mark of ultimate success. Data was collected through recorded interviews based on self-constructed questions. Throughout, the research was conducted on practical echelon. Each of the business personalities considered faith on all mighty GOD as the foremost

factor. Some other factors identified were faith and honesty, customer relation & services, reasonable price with best quality and quantity, determination & struggle, interest & knowledge in the field, luck & opportunity and skilled workforce. Research covers the domestic businesses that are running by owners from same background but having different history.

**Key Words;** Business, Entrepreneurs, Determination factors, Success

### **Introduction**

The business world today is considered diverse and more intricate than it was just 10 years ago. To survive and grow in this new millennium, business must move towards innovation in a way to build and sustain competitive advantage. In this present environment, businesses in Pakistan whether gigantic or tiny will not get far success if lack hard work, commitment or devotion. For effective transformation of business into a success story there must be a shared vision divided into different success factors or different milestones leading towards ultimate success. In Pakistan there exist many examples of such businesses that were started from a very small level but later acquired great success in achieving the desired goal. There are certainly few factors that play vibrant role to take the business towards success. Companies and businesses should have an adaptive style to incorporate the demands of changed market conditions. In Pakistan various organizations have experienced extensive growth right after the inception of their businesses but this study is focused on some key businesses that have acquired ultimate growth, fame, brand recognition and diversification. The basic aim of this study was to dig out the factors that make success certain. Apart from focusing at broad areas such as adept human resources, effective marketing strategies, adequate finances etc. there are various factors that contribute to the progress of a business. If an individual with zeal to excel work consistently then certainly success is guaranteed. Most of the businesses fall short of desired growth because of heavy reliance at profit making rather to satisfy customers, yielding low quality products and distorting customer relations. Customer requires good quality and if he is not satisfied than the business surely lose customers. There is a saying; *“We're obviously going to spend a lot in marketing because we think the product sells itself”* (Jim Allchin quotes) Therefore, keeping in view the needs and wants of customers, business must be focused on quality products and services. The

research is purely prepared on practical approach through conducting interviews from successful owners to find out the factors of their success. For accurate analysis, interviews were recorded to know the owners' priority success factor.

### **Literature Review**

Previous studies on determinant of business success put a great impact on the wide and broad area of business. There are many researchers who have worked on the determinants of the successful businesses around the globe. As the study of Radiha et al., (2009) made a research on the determinants of small business success as professed and experienced by rural entrepreneurs and they empirically discovered that internal and external factors are vital for the success of small business. They concluded by studying eight factors of business success which are as External Environment, Market Accessibility, Entrepreneurial Quality, Human Resource, and Market Support by the Government Pricing, Delivery and Service. A brief literature study by Rogoff et al. (2004) reveals that external and internal factors are determinants of business success. The internal factors include characteristics of the business owner, business size and years in business, the ability to attract outside capital investment, management, financing, planning, experience, and skill to implement any identified projects. The external or environmental factors are sales tax rates, infrastructure expenditure. While another study conducted by Mambula (2004) showed that firms getting credit and other forms from assistance or from any other sources do not perform well as compared to those less restricted firms in order of getting assistances. Furthermore Masuo et al. (2001) in his study found that business success is generally defined in terms of economic or financial communication which includes return on assets, sales, profits, employee's survival rates and no financial measures, such as customer satisfaction, individual development and individual achievement. At the other hand, Paige and Littrell (2002) in their study concluded that business success by intrinsic criteria include freedom and sovereignty, controlling a person's own prospect, and being one's own person in charge; at the same time as extrinsic outcomes are concerned, increased financial returns, personal income,

and wealth are involved. The government also plays a vital role in success of the business. The significance of government involvement to small business success is also reported in a number of studies. Sarder, et al. (1997) conducted a study of 161 small enterprises in Bangladesh and set up that firms getting support services such as marketing, management education and training, technical, extension and consultancy, information and common facilities from the public or private agencies experienced a significant increase in sales, employment and productivity. Moreover good management leads toward financing, personal qualities and satisfactory government support, also play key role in business success (Yusuf, 1995). But among all these factors government assistance was more significant contributor for the success of small entrepreneurs than the non-indigenous ones. On the converse side, some other studies found that government assistance was unimportant to small business success. Whereas Business characteristics that affect business success are age, size, and location of business (Kraut and Grambsch, 1987; Kallerberg and Leicht, 1991). After detailed studies by various researchers in different settings, this research was attempted to present findings with respect to success factors for businesses in Pakistani environment.

## **RESEARCH METHODOLOGY**

### **Purpose of the study**

The research was conducted to figure out the determinants of business success particularly focusing on the business owners who started their business from the scuff and finally reached to the ultimate success and now enjoying prime recognition in their respective fields. In nutshell, the aim was to identify success factors that were adopted by business men to reach at the distinctive level.

### **Population and Sample;**

Population of the study included well established business owners who initiated their business establishments and bore all the hardships in bringing it to the point of ultimate success. In Pakistan, various businesses have passed through the transitional phase and now categorizes as stable and successful. But this research aimed to focus at individuals who started from scratch

and now known as most successful on account of customer's trust and loyalty as well as their brand recognition. Keeping in view the differentiated class of subjects, judgmental sampling technique was employed and key business owners falling in this category were selected for interview from Islamabad and Rawalpindi area.

### **Data Collection Procedure**

Subjects for this study were initially approached through phone calls for appointments. Since interviews had to be conducted to solicit responses therefore, all the prospects were briefed about the purpose and significance of the study. Individuals showed their willingness to participate in this survey were later approached personally at specified time and date. Interviews were recorded through video to come at certain conclusion. Overall 25-30 business owners were selected comprising 2 business owners from the same industry. Each interview was consisting of 30-40 minutes in duration.

### **Tools for data collection / instruments**

The instrument used for data collection was personal interview consisting of 10-15 self developed items. Questions were based on past perspective of every individual. Interviews were started with introduction of the researcher and then of the entrepreneurs. Then it moved towards the history of the business and gradually focused on the real objective of the research i.e. how they reached to this ultimate success and what type of obstacles they faced to get an extreme level of success.

### **Interview Analysis**

The interviews conducted of various personalities reflected different success factors which they deemed important for business success. As the owner of *KareGhar* started his business in 1972 and involved in selling cloth for ladies, gents and children in domestic market. The owner belonged to a business family so financially his business was well supported. He said “*since*

1972 his focus is on the five parameters i.e. Vision, information, patience, continuity, and finance” that can be declared as his success factors. The business owner of *Savour foods* (deals in desi food) had a different background, history and achievement perspectives. The owner started his business from a kiosk and sited the foundation of his business in 1987. Luckily he was able to grab the attention of the customers due to good food quality, even though there were many financial constraints that created hurdles for him in achieving success. Throughout his business career he remained very determined, quality conscious and customer focused. In all the hardships on his way, he was supported by his family. Customer satisfaction depicts the victory of a business and savor foods have been able to satisfy his customers by knowing their needs and requirements. *Haq Bahoo*, the business of selling rice on the other hand was established in 1980 and owned by a person who started it at a very small scale. His considerable success factors were hard work and commitment. Belonging to the same industry, *Tasty Foods* owner involved himself in selling Rice with Chicken and different food items in the domestic market. The owner was having a vision and skilled labor force that were considered to be his foremost success factors. The owner believed that the status at which he is currently in, demands passion, concentration, hard work and proper home work. The owner of *Bread & butter*, a talented and hardworking individual started his business operations in 1995. Bread & Butter is providing the best bakery items in the local market and according to the owner it requires a lot of struggle in providing high quality products. Patience and determination is considered to be his success factors. *Fashion ka Ghar*, which is known for the embroidered wears and bridal dresses was originated after switching from soap business that was started in 1950 when its owner came to know that soap business is not the right platform to achieve the best in life. The owner since his student life was interested in arts. This interest brought him in the field of dress designing and embroidery where his artistic skills and interest in the field helped him a lot. He initialized his business with a small shop and luckily supported by his family. Determination and continuous struggle are counted as his success factors, he got a good response from the customers and that resulted in success. *Idris Group of Companies*, involved in selling student books, stationeries, gift items and garments since 1977. This family business was started from medical and school books, the basic aim was to fulfill the demands of students and to facilitate them with valuable

education. The owner's fame in the market is due to hard work and fair treatment with customer. *Al Jannat Mall* was founded in 1985 with the interest of the owner in selling garments and other accessories that led him towards fame through putting hard work and later on turns to be his factor to achieve success. *Pechan Mall* on the other hand was originated in 1985 from a very small scale and well known for selling garments and other items. The owner's priority was to do business with honesty, hard work and determination that were his key features for getting success. The owner of *Al sheikh's Mall* started his business journey from his father's store "sheikh general store" at the age of 12 and worked there for 6 years. Because of his interest and concentration in the business field he was very keen to work with his father. The comfortable environment, courteous conduct of salespersons and reasonable pricing gave him success. *Qasre-Sheri* was established in 1980 that is very well known for selling sweets. According to the owner, to earn good and successful name in the market one should be honest and more loyal towards the business whereas *Fresco Sweets* was established by two brothers who did not belong to a business family but even though started a successful business of selling sweets in 1984. They aimed towards commitment, sincerity, quick customer service and high quality work which were considered to be their integral part to achieve success. *Kareem hotel*, known for samosa chat and green tea was originated in 1964 by the grandfather of present owner. The business was started with a small outlet. Kareem Hotel has been lucky enough to be successful in this era of economical crises because they had very strong faith on GOD which led the business towards success. The staff at hotel was hard working, devoting, with high morale and concentrated towards their work. According to the owner, experience in the field provides success. *Data Kabana* is very well known for providing good quality food including tikka, kabab, karhahi, Nan and other food items. The owner started this business in 1980 at the age of 20. Being very young in age as well as in the business field he faced many problems. According to him his honest attitude, loyalty with the workers and faith led him towards success. He believes that workers are the biggest asset of a successful business because they deal with customers and enhance the productivity therefore, 50% credit of his success goes to his workers who always helped him. Moreover, he too remained humane towards them and guided them as a coach to accomplish the shared vision. The owner of *Refreshment Centre* was involved in selling different food items

such as showarma, burger, juices, tea, fries and kabab. The business was started in 1978 from a small shop named Sheri Mehal. In 1980 the owner expanded the business with 30,000 rupees. According to him continuous struggle, determination and interest in the field provided enough success to gain fame in the market. The owner of *International Burger* whereas initiated his burger selling business in 1978 with a small outlet. Honesty and determination turned his business profitable. The owner of *Food Corner* engaged himself in selling showarma, roll paratha, french fries and sandwiches. The business was put on track in 1995 with a small scale shop. His customer focused approach, low prices; and continuous struggle made his business successful. The owner of *Softo* (sells ice cream, coffee, soup, juices and shakes) started his business from a single ice cream machine bought from UK in 1972. Softo survival in the market is due to its differentiated products which are the outcomes of planning, discussions and homework. Table-I shows complete detail of business success factors reported by each owner.

<b>Businesses</b>	<b>Owners</b>	<b>Success Factors</b>
KareGhar	Abdul Rahuf Mithu	<i>Vision, information, patience, continuity, and finance.</i>
Savour foods	Haji M Naeem	<i>Determination, quality consciousness &amp; high customer services.</i>
Haq Bahoo	Javaid Shah	<i>Hard work and commitment.</i>
Tasty Foods	Adnan	<i>Vision and skilled labor force.</i>
Bread & butter	Asad Mubarak	<i>Passion, concentration, hard work and proper home work.</i>
Fashion ka Ghar	Sheikh Riaz Ahmed	<i>Determination and continuous struggle.</i>
Idris Group of Companies	Danish	<i>Hard work and customer's loyalty.</i>

Al Jannat Mall	Khurram Waheed	<i>Interest in the field and hard work.</i>
Pechan Mall	Wasim Malik	<i>Honesty, hard working and determination.</i>
Al sheikh's Mall	Asif Sheikh	<i>Comfortable environment, courteous conduct with salespersons and reasonable pricing.</i>
Qasre-Sheri	Ijaz Sohail	<i>Honesty and loyalty towards the business.</i>
Fresco Sweets	M. Irshad & Ch. Imtiaz	<i>Commitment, sincerity, quick customer service and high quality work.</i>
Kareem hotel	Saleem Ahmad	<i>Experience in the field.</i>
Data Kabana	Malik Shakeel Awan	<i>Honest attitude, loyalty with the workers.</i>
Refreshment Centre	Mumtaz Ahmad	<i>Continuous struggle, determination and interest in the field.</i>
International Burger	Jamal Ali Khan	<i>Honesty and working with determination.</i>
Food Corner	Abdul Hameed Masoomi	<i>Customer focused approach, low prices; and continuous struggle.</i>
Softo	Abdul Rehman	<i>Planning, discussions, homework.</i>
<b>Table-I "Consolidated Success Factors"</b>		

## RESULTS AND DISCUSSIONS

Several interesting findings are obtained from multiple case analyses. The most inspiring fact was observed about their clear vision and their subsistence towards it, no matter what kind of educational background, social class, caste/creed they belonged to or under what kind of industry they were operating, all of them were firmly persistent towards their vision. Observing the commonality of this study, the most influencing feature which can be regarded as a core success factor for the businesses is the proprietor's strong faith and believes. That sounds so obvious wherever you go in life, whatever happens with you in life if you have strong belief and especially belief on GOD you can reach to the mark you have chosen. The second most influencing feature that could be considered as the success factor is their interest in their

respective fields and domains. If an owner is having interest in the field, he would certainly work upto his last limits devoting all of his time, efforts and energies for the success of business venture. Consistent efforts are the third most influencing factor on which the success of the business hinges upon. Business environments are always uncertain. In such turbulent environment of the current era, business can not grow with uniform pace. Ups and downs are the fact of business life. One can lose heart in the time of depression. But the results show that the persistence determines the success of business particularly in the time of recession and crisis. Another key factor was reported as “superior customer service” which accelerates the business growth. Because once the customers are valued by catering the need bundled with up to the mark services they will become loyal towards the business which lead the business towards success. The fifth most important success factor is market analysis. This factor is considered as the basic success factor by most marketers and researchers e.g. Philip kotler, Fred.R.David and Mckinsey With the advent of globalization, customers’ needs are changing and they are becoming more demanding. Businesses should properly determine their target markets, marketing strategies and relationship process with customers’ in the wake of available resources. Skilled labor is another factor which needs to be considered. As the business and its entire operations hinge upon the labors so if an organization is having competent labor then it positively affects productivity. Furthermore skilled labor is the biggest asset a business can own to get competitive edge.

<b>Factors of Business Success</b>	
•	Faith & Honesty
•	Market Analysis
•	Customer Relation & Services
•	Reasonable Price
•	Determination & struggle
•	Interest & Knowledge in the field
•	Luck & opportunity
•	Vision & fame
•	Skilled Labor

**Table-II: Determinants of Business Success:**

### **PROFILE OF THE BUSINESS**

The main purpose of the research was to interview successful business owners of Rawalpindi and Islamabad area. Despite a lot of variations among the operations, practices, product line and target market, all of these businesses had one common point and that was their inception from a very small scale. Another interesting fact about these businesses was that all of them encountered many tribulations on their way but they were successful just because of their persistence. The research came across different sectors like food business (Food corner, International burger, Saviour foods, Refreshment centre, Haq baho etc) and the clothing sector (Al Jannat Mall, Sheikh Mall, Pechan Mall and karegar, Fashion ka ghar). The factor of success that exists in all businesses is the strong relation with the customers and considering customers top priorities through valuing them with provision of good quality food and services. Businesses in Pakistan are currently facing downward trend due to economical recession, lack of good governance,

political chaos and natural calamities. But the analyses of this study show that one can still make his way towards success with determination and hard work.

### **Conclusion**

Businesses of any kind cannot touch the ends of productivity, profitability, growth, diversity and fame until unless consistent efforts are not put forward to get the desired position in the market. As we know technological changes in the present scenario brings immense modifications in the way businesses are being conducted, however, no one can neglect the supreme factor that always work to provide exponential growth and that is the faith on all mighty GOD. The success factors discussed by most of the owners are honest, hard work, interest in the field and commitment. Combining these factors, one can excel in any field, in any realm. Furthermore people who wish to enter, grow and lead into contemporary business environment should have complete understanding of the rivals and business dynamics, he/she striving in. The research concludes that to gain success, an organization should have complete market analysis before step in and only engage in those businesses which can result in maximum profitability and customer satisfaction. This study shows that there are certain practices that must be adopted by the businesses to attain triumph such as providing appropriate skills and training to the employees and labors. This research further highlights the fact that businesses should preferably maintain lasting and honest relationship with the customers by delivering high quality services.

### **The limitations are as under:-**

This study is exploratory in nature. The author tried to figure out the factors caused ultimate success to most of the businessmen operating in the two major cities of Pakistan. The findings can be generalized to limited vicinity; however more subjects can be taken on board for the same purpose across Pakistan. Secondly, the identified factors can be further validated through empirical analysis by establishing causal relationship between such variables.

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