

THE RELATIONSHIP BETWEEN GROWTH IN SMALL BUSINESSES AND CASHFLOW: A STUDY OF SMALL BUSINESSES IN TSHWANE

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ABSTRACT

This article examines factors that affect the survival of SMMEs linked to cash flow management systems used by the Small Business in the informal economy. A 5yr longitudinal study was conducted by regularly collecting data to verify if there was proper financial management adherence to control cash flow. A sample of 349 SMMEs operating in and around the City of Tshwane was selected for the study. A 66.18% response of the 349 SMMEs interviewees was considered adequate. The result indicated that only 27.42% of the interviewees underwent financial literacy management training. Statistical Package for Social Sciences (SPSS) was used to analyze the data. Education and training is key to efficient cash flow management and long term survival of Small Business.

Keywords: Cash flow management, control systems, record keeping, entrepreneurship, education, training, survival.