“An Analysis on the Success and Failure of Two Pharmaceutical SME Establishments”

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Introduction:

SMEs (Small & Medium Size Enterprises) do not have a specific definition. They are defined in different ways according to individuals or organizations. In a general prospective; an SME is a small or medium business, company or organization that is usually established by one individual or two as partners. A business with small/medium scale revenue, small/medium facility and a small number of employees can be considered an SME (Baenol, 1994). SMEs are considered one of the essential economical developing factors in the 21st century. As the large cooperation expand, the need for SMEs has increased as well in order to provide small & medium scale services that are essential to make available for the financial growth opportunities for less capital holding entrepreneurs and business establisher as well to provide service for the common middle class customer.

The SME business usually falls under these types; wholesale, retail, manufacturing, pharmaceutical, service providing, agriculture and construction.

The SME establisher must definitely have an entrepreneur characteristic and set of skills which include planning, time management, decision making, leadership, critical thinking, motivation techniques, analytical skills, research skills and organizing skills. These set of skills are essential to possess in order to account yourself as a businessman/woman and guarantee a successful business start-up procedure.

In the pre-initiation procedure of establishing a small business, the business owner must consider a few fundamental business principles; potential customer, capital capacity, market nature, managerial capacity, rational risk taking, initiative spirit, adaptability to the market change and crisis management. These principles are the backbone of a successful and sustainable business.

Most importantly, technical business oriented skills are a key point of managing the business in the post-initiation process; business management skills, marketing skills, buying
skills, costing skills, stock/inventory control skills, record keeping skills, business planning skills, negotiation skills and salesman skills.

In terms of business oriented knowledge, the entrepreneur should have good knowledge about products, services, customers, sellers, raw material, consumables, price, cost, cash sale, credit sales, sales income and profit (Doole et al., 2006; Chaston, 1998; Carson, 1985).

Pharmaceutical Business, specifically local drug stores are also as an SME. In the recent years in the Kurdistan region there was a noticeable increase of pharmaceutical drug stores opening all around the 3 provinces. With the number increasing, there will be an increase difficulty in competition, customer retaining as well as penetrating the existing market.

**The Key Factors of Success & Failure of SMEs:**

**A) External Factors**

Many scholars suggested various factors that impact on the growth, performance and success of the small firms. The most importance scope of these factors is found in the environmental and internal aspects (Lumpkin and Dess, 1996). The most crucial external factors are the following:

I. **Legal and Regulations**

With reference to Lumpkin and Dess, (1996) climate of the business area has a direct impact on the growth of an SME. Davidsson (1989) mentioned that a tax system that does not fall in the favor of the SME establisher, and complicated rules and regulations for registration can be an obstacle or slow down the growth of a small firm. Krasniqi (2007) noted that one of the major obstacles in developing countries is corruption which is the reason of the eruption of unfair competition. This is clearly reflected in the KRI as well. Many small business and
firms face difficulty with the above two reasons; governmental regulations and unfair
competition rising from corruption basis.

II. **Finance Accessibility**

Limited or lack of ability for external financial capital is also one of the considerable
obstacles in starting a small firm. It is seen one of the hardest difficulties to overcome for
many entrepreneurs whom want to establish their own businesses.

Shah et al. (2013) noted that in many countries the financial sources are more hesitant
to finance SMEs and the interest rates of a loan can be much higher due to higher risk of
failure of the business.

In the KRI, if an individual is intending to initiate their small business or open a firm,
it is usually done as self-financing; which is not always an accessible option to everyone. It is
now very difficult to obtain bank loans to initiate due to the financial crisis the KRI is
suffering from still that lead banks to limit their loaning mechanism.

To establish a pharmaceutical firm it needs quite a lot of finance, specifically in the
inventory purchase of the drugs as it is the main source of income. Most of the other finance
goes to renting an UOP approved license (in case if the firm opener is not a master holder in
Pharmacy), rent of the facility/store, decoration of the firm, staff, etc.

III. **Capacity of Human Resources**

The human resources aspect of a firm can play a major role in the growth of a newly
established firm. A firm that possesses a staff with qualified competency, skills and education
is vital to deliver a high-quality performance in the firm Hewitt and Wield (1992). A
qualified human resources workforce can bring innovative and productive approaches into
the firm which can identify the firm as having a competitive advantage.
B) Internal Factors

The business environment is not the only factor that leads to the success or failure of a small business. The internal factors also play a major role in defining that success or failure. Thus internal factors and key strategic management factors are as follow:

I. Entrepreneurship Skills

SMEs are mainly established by entrepreneurs that have innovative ideas and want to initiate their own small firms rather than taking a career as an employee of another firm.

In many studies, they have highlighted the importance of possessing entrepreneurship skills and characteristics in order to establish an independent business initiative (Sidika, I. 2012).

II. Managerial Capacities

Managerial capacity and skills are essential to manage the operation and productivity of a firm. This includes various management skills that revolve around the ability to motivate staff, leadership, task delegation, time management, etc.

In various studies it has been shown that management capacity is a strong determiner of a small firm’s growth.

Management capacities are a variety of elements such as knowledge, skills and attitude (ASK model) which impact the efficiency of the firm’s operation (Olawale and Garwe, 2010).

These managerial skills include strategic planning skills which decide on an accurate and strategic selection on the:

- Conduct a study on the current competition’s SWOT points
Strategic selection of location of the business
- Devise an efficient and strategic Marketing plan

III. Marketing Skills

The market for the SMEs requires a detailed analysis on what is the Effective Market, the potential customers in the area targeted to start the business, and most importantly the mechanism of turning a “need” into a sell-able “demand” that fits the financial status of the target customer.

A forecast analysis is essential to identify what are the areas of business that has a high rate of sell rate in addition to the size of your business and what feasible products can be provided. Therefore, the marketing of SMEs The elements that need to be focused on are the product/service, quality; those two link directly to the customer and sales rate (Stokes, 2000; Carson, 1990).

For new SMEs, clients need to want what it is being offered (the product), in adequate numbers, and with an affordable, reasonable price. This is at the heart of the promoting idea in small businesses.

IV. Technological Capacities

Technological advancement has created a remarkable impact on the efficiency and productivity of any business. Therefore, firms, (small or big) try to have a competitive advantage by adapting to the new technological capacities available to run a firm.

A firm’s technological capacity can impact directly on the efficiency, lower their costs, and increase their market share (Morse et al. 2007).

Pharmaceutical SME Business Cases:
In this research paper, we have selected two pharmaceutical small firms’ establishments as a case study to forecast the factors of success and failure of newly established SMEs. The geographical location of the business cases is Akre, Duhok province, Kurdistan of Iraq which is a town that can be set as a good example of SME establishments.

The fundamental role of pharmacist working in a drug store in the KRI is to check, review, and distribute drugs to patients based on a prescription advised by doctors. The role involves advising the patients and the health care providers on the selection, side effects, and dosages of medications, further to that the pharmacists act as a learned intermediary between a prescriber (Doctor) and a patient.

The pharmaceutical business establishment mechanism has the following points:

1. Establish a Pharmacy business after one year of government services.
2. Rent the certificate to a third party with certain criteria approved by the UOP (Union of Pharmacists), the rental fee depends on the contract the Pharmacists get, it is relatively a fixed fee of $1,500 monthly bases.

The working days and hours of establishing a pharmacy depends on the location of the business in Akre city, if the pharmacy locates close to Akre Emergency Hospital then the regulations authorize the following days and working hours, the reason behind that is there are about 7 pharmacies close to this hospital thus certain working hours are imposed to smoothen the services to the population and assure best return to all stakeholders. The working hours for working next to Akre hospital are detailed as such:

I. Five working hours, 16:00 pm to 21:00 pm every day (regular days) a part of Friday
II. On Friday, there is a full working day rotates between the 7 pharmacies that locates around the hospital, it means each pharmacy will have the opportunity to work on Friday once each 7 weeks, this rotation gets extend if a new pharmacy is established or otherwise around
And, during the week, each pharmacy for one day is authorized to work from 16:00 till 01:00

If the pharmacy locates far from the Akre Emergency Hospital then the owner is authorized to work 24/7.

The prices of drugs are regulated by the government represented by Ministry of Health and Union of Pharmacists, the pharmacy is allowed only to make at maximum 20% margin profit on each item sold. This is controlled by regular monitoring and auditing on the pharmacies.

A) **RONAHI Pharmaceutical Store**

I. **Introduction**

This success case describes the business plan, execution, and results of a private local Pharmacy launched by a young female Pharmacists whose name is Dalal Mohammad Amin in Akre town. The report describes the nature of the business, the model, the investments required, factors involved, staff requirements, and financial results.

Dr. Dalal is a young Pharmacist who is born in Mousel in 1991; she graduated from Hawler Medical University, college of pharmacy in 2014 carrying a degree of Bachelor in Pharmacy.

II. **Dr. Dalal’s Experience**

Since the day Dr. Dalal joined the medicine industry, her hopes as of many pharmacists are focused in serving the community in Akre by working in health care sector, she is being employed by the Ministry of Health working in Akre General Hospital, and she served in private sector working in one of the local pharmacy in Akre prior launching her own business.

III. **Dr. Dalal’s Business Approach**
Dr. Dalal chosen to set up a pharmacy named RONAHI Pharmacy. For Dalal’s pharmacy, in order to justify healthy business and continuity, she conducted a very basic approach when it comes to return on investment, the minimum RONAHI pharmacy must generate is a net equivalent to the opportunity cost ($1500) plus 33% of the opportunity cost, targeting higher returns in the long run, this tell us that the minimum profit Dr. Dalal was targeting is $2,000 per month, she must examine solutions if the figures gets below $2,000.

IV. SME Success Factors (SWOT):

The key elements and factors that lead to RONHI’s business success are highlighted in the following:

1. **Qualification, Experience, and Network (Strength)**

Dr. Dalal has successfully passed the one year service with the government health sector, thus she is qualified to run her own business. During her services in Akre General Hospital and in one of the private pharmacies, Dalal was gathering information, building connections, and analyzing factors involved in launching her independent business plan, it is very essential to know doctors in Akre and to build trust in order to be successful in this health sector. Dr. Dalal’s two strength points were: good customer service and Ronahi Pharmacy ability to provide medicine to other pharmacists.

2. **Investment (Finance):**

Dr. Dalal had a family inheritance that provided her with her financial capital to start her firm. The biggest portion of the investment goes to the inventory of the drugs to provide the supply of the demanded drugs for customers. The rest of financing is classified as per the following:

Initiating:

- Fixed Cost of Billboard Sign $3000 one payment (Advertising)
• Shelves and decorations $6000 one payment (Startup)
• Computer and Software Platform used to control prices, drugs inputs and outputs, $1000 one payment

Variable Costs:

• Monthly Rental Fee for the shop equivalent to $350 per month
• Monthly Salary for two employees equivalent to $700 per month
• Monthly Expenses in Electricity equivalent to $50 per month
• Others (beverages, drinking water) $100 per month
• Transportation waves between $40-50 monthly

Other Variable Costs:

• The cost of drugs that is paid monthly bases, depend on how much sales are made, it is relatively equivalent to 80% of regular sales (sales made to patients), and 90% of sales made to other pharmacists.

A detailed financial report/budget is attached in annex (1)

3. Location (Place):

The location Ronahi Pharmacy chosen is close to the Akre Emergency Hospital, this is the common in Akre to find the Pharmacies locate close to the hospital where many patients visit on daily basis. This gave Dalal’s a competitive advantage of having more access to the customers segment of patients.

4. Competition (Threats)

There are seven pharmacies close to Ronahi Pharmacy near to Akre Emergency Hospital. Dalal’s business was certainly in a competitive place, thus a special care and innovation on dealing with the customers were critical for her success. In addition, Dalal has also initiated a strong relation with other pharmacists, the new initiation involves sales of
medicines to other pharmacists at a competitive rate, this is not a common approach in this business, and by doing so she is directing the other pharmacies to buy medicine from her pharmacy, which contributes to additional revenue and profit.

5. **Marketing:**

The advertising campaign of Ronahi Pharmacy was quite good, it consisted of distributing some drugs brochures, these printed documents basically came from the drug stores where Ronahi was getting the medicine from, the stores located all over Kurdistan. They also installed a large printed sign and billboard outside the shop indicating the pharmacy name.

6. **Staff (HR Capacity):**

The Organization of Ronahi pharmacy consisted of 3 employees, the owner Dalal, and two employees rotate in regular basis.

Dalal’s job description covered the following:

- Controlling the inventory level this is by setting a threshold to determine when an item is needed
- Managing and Monitoring the financial aspect of the business, including profit and loss calculation and account payable for internal and external spends
- Managing the two employees, assuring efficiency communication by his employees with the customers
- Managing the sales to other pharmacists

Employees Job Description:

- Welcoming customers and ascertain their needs are covered
- Open and close cash register on each sale, perform the tasks of counting money
- Place orders internally when inventory level is below threshold
- Clean shelves, counters, and tables
- Managing overall day to day sales
- Managing the sales to other pharmacists

V. **Business Launch’s Revenue**

Late in 2015, Dalal made a rental agreement with the shop owner to rent the shop at a fee of $350 monthly, subject to change after 6 months. Dalal also hired two young Pharmacists who graduated from Akre Medical Institute. Ronahi pharmacy’s door was open through the whole 2016. The pharmacy Revenue and Expenditure performance are presented in the below chart.

The profits made by Ronahi company have grown from $1,600 in January 2016 to $2,000 in Dec 2016, the 2016 profit performance is presented in the below chart:
The chart above shows the pharmacy performance when it comes to the MOS ratio cross 2016, we see an increase in the percentage from 13% to 14%. 
VI. Confidentiality and Acknowledgements:

I would like to thank Dr. Dalal Mohammad Amin for her openness and kindness on helping with providing information, answering questions, and approving presenting the data above and attached to this document.

B) YARA Pharmacy

I. Introduction:

This failure case describes the business plan, execution, and results of a private local Pharmacy launched by a young Pharmacists whose name is Hassan Muhammad Zubair in Akre town. The report describes the nature of the business, the model, the investments required, factors involved, staff requirements, and financial results.

Dr. Hassan is a young Pharmacist who is born in Akre 1987; he graduated from Hawler Medical University, college of pharmacy in 2012 carrying a degree of Bachelor in Pharmacy.

II. Dr. Hassan’s Experience

Since the day Dr. Hassan joined the medicine industry, his hopes are focused in serving the community in Akre by working in health care sector, he is being employed by the Ministry of Health working in Akre Drug Store, and he served in private sector working in one of the local pharmacy in Akre prior launching his own business.

III. Dr. Hassan’s Business Approach:

Dr. Hassan as young pharmacists always had the passion on running and managing his own business, therefore he decided to Dr. Hassan decided to establish a pharmacy, he named it YARA Pharmacy. For Hassan’s pharmacy, in order to justify healthy business and continuity, he conducted a very basic approach when it comes to return on this investment, the minimum YARA pharmacy must generate is a net equivalent to the opportunity cost ($1500) plus 33% of the opportunity cost, targeting higher returns in the long run, this tell us
that the minimum profit Dr. Hassan was targeting is $2,000 per month, he must examine solutions if the figures get below $2,000.

IV. SME Failure Factors (SWOT):

The key elements and factors that lead to RONHI’s business failure are highlighted in the following:

1. Qualification, Experience, and Network (Strength):

   Hassan has successfully passed the one year service with the government health sector, thus he is qualified to run his own business. During his services in Akre Drug Store and in one of the private pharmacies, Hassan was gathering information, building connections, and analyzing factors involved in launching his independent business plan, it is very essential to know doctors in Akre and to build trust in order to be successful in this health sector. Being in the private sector made Hassan interact with the patients, advise and act in a professional manner towards his customers, managing their expectations, and conduct effective communication.

2. Investment (Finance):

   Dr. Hassan had already saved up efficient financial capital from his previous work to open up his own business. As all cases of opening a pharmaceutical stock, most of the capital is invested in purchasing the inventory of drugs (stock). The rest of financing is classified as per the following:

One Payment Cost:

- Fixed Cost of Billboard Sign $1000 one payment (Advertising)
- Shelves and decorations $3000 one payment (Startup)
- Computer and Software Platform used to control prices, drugs inputs and outputs, $1000 one payment
Variable Costs:

- Monthly Fixed Rental Fee for the shop equivalent to $300 per month, then was reduced to $250 at later agreement
- Monthly Salary for two employees equivalent to $600 per month at start up, then was reduced at later agreement to $500 monthly
- Monthly Expenses in Electricity equivalent to $200 per month
- Others (beverages, drinking water) $100 per month
- Transportation waves between $40-50 monthly

A detailed financial report/budget is attached in annex (2)

3. Location (Place):

   The location Yara Pharmacy chosen is far from the Akre Central Hospital, which is a new move in this business, it is common in Akre to find the Pharmacies locate close to the hospital where many patients visiting daily basis. This would be seen as a challenge as it is a new method of penetrating the market in addition to the challenge of obtaining customers.

4. Competition (Threats):

   There is no competition in the area Yara Pharmacy located it is business. Hassan was relatively having his business in a comfort zone when it comes to competition.

5. Marketing:

   The advertising campaign of Yara Pharmacy was quite basic, it consisted of distributing some drugs brochures (with no logo or YARA name on it), and these printed documents basically came from the drug stores where YARA was getting the medicine from. They also installed a large printed sign and billboard outside the shop indicating the pharmacy name. The pharmacy didn’t use any sort of media to communicate the existing and services of the pharmacy.
6. **Staff (HR Capacity):**

The Organization of Yara pharmacy consisted of 3 employees, the owner Hassan, and two employees rotate in regular basis.

Hassan’s job description covered the following:

- Controlling the inventory level this is by setting a threshold to determine when an item is needed
- Managing and monitoring the financial aspect of the business, including profit and loss calculation and account payable for internal and external spends
- Managing the two employees, assuring efficiency communication by his employees with the customers

Employees Job Description:

-Welcoming customers and ascertain their needs are covered
-Open and close cash register on each sale, perform the tasks of counting money
-Place orders internally when inventory level is below threshold
-Clean shelves, counters, and tables
-Managing overall day to day sales

V. **Launching the Business**

Late in 2015, Hassan made a rental agreement with the shop owner to rent the shop at a fee of $300 monthly, subject to change after 6 months. Hassan also hired two young Pharmacists who graduated from Akre Medical Institute. YARA pharmacy’s door was open through the whole 2016. The pharmacy Revenue and Expenditure performance are presented in the below chart.
The profits made by YARA company were waving between $1000 and $1500, the 2016 profit performance is presented in the below chart:
VI. Confidentiality and Acknowledgements:

I would like to thank Dr. Hassan Muhammed Zubair for his openness and kindness on helping with providing information, answering questions, and approving presenting the data above and attached to this document.

Analysis & Comparison of the SME Cases’ Success and Failure:

Based on the two business cases above, we can draw some analytical points on the reasons and strategies that lead to the success and failure of each. To compare the two cases we used the following basis:

a) Legal & Regulations

In terms of the legal procedures, it is relatively easy to obtain a business initiation license in regards the fact that you must have a UOP approved pharmaceutical license to open your small firm.
The cost of renting a UOP approved license in Akre town is nearly $1,500 which is relatively high for such a location’s general revenue. If the business establishers possess their own UOP license this would be an expense saving source for each month which could be added to the revenue.

In both cases, RONAI & YARA the owners decided to use the licenses. So this factor is a determiner for the failure or success of both, in term of opportunity cost on renting the certificate.

However, in regards of the regulations of work; as mentioned before the nature of working hours for the pharmacies that reside in the Akre hospital building, Friday is dedicated for each pharmacy there based on a rotation. Thus, being the only pharmacy at Fridays that operate was a huge advantage for RONAI pharmacy as this created an increase in revenue specifically in the rotational day. This is due to the fact that resident of Akre patients are used to the location of the pharmacies within the hospital. This added a significant increase of revenue to RONAI’s pharmacy due to the increase sales in Friday rotations as being the exclusive open pharmacy in that day within the hospital’s complex.

For YARA pharmacy, this was not the case as it wasn’t residing in the hospital compound.

b) Location

Location of established business is one of the key factors that could lead to its growth or downfall.

In the case of opening a business in a relatively small town, it is more strategically effective to choose the standard locations that most residents resort to in times of illness or to purchase medication.

RONAI has taken this fact into consideration and avoided the risk of opening the pharmacy in a new location where it is relatively a new approach for the people. In addition,
RONAHI already had the access to the biggest share of customers being next to the Hospital of Akre which was an advantage for the business as well.

In the case of YARA, they decided to take a new approach and set the pharmacy location further away from the hospital. Indeed this gave more flexibility in working hours allowed by the government yet it was not regularly visited by customers in comparison to RONAHI’s location. It is a vital point to consider that a large segment of the customers will be patients that have visited Akre emergency hospital and will prefer to have the shortest route to access a pharmacy to obtain their medication, unlikely to travel to YARA’s pharmacy due to long distance and extra transportation cost.

c) Customers Classification

Customers obtaining is the key factor of the sales of both firms RONAHI & YARA. When establishing a business, the potential customer is the most essential element to base your business on. The type of customer segment targeted in this business was as following:

1. Type A: Customers who are having chronic diseases, such as blood pressure and sugar diseases. These customers require drugs in constant bases; therefore they are relatively a long-term client. Type A customers represents about 14% of the total sales in pharmacist industry

2. Type B: Customers who require what I can call day to day drugs such as headache, cough, beauty material, in the KRI we have people who visit the pharmacy and ask for some of what we call basic drugs, it is probably not a common approach in many parts of the world. Those customers represent about 6% of total sales

3. Type C: Customers who visit the hospital in emergency needs for diagnostic and first aids, such as diarrhea, tonsillitis, abdominal pain, burn, car incidents, etc. These patients are already under stress, they would rather to walk out from the hospital and stop by the nearest pharmacy to get the required drugs. Type C contribute to 30% of total drug sales
4. Type D: Customers who visit the doctors surrounding the hospital. The majority of these customers are either women or kids related matters, such as pregnancy and female affairs as well as kids’ health care; these are day to day matters in this culture. However, there are still customers who visit the doctors of dentists, esoteric, respiratory and so many more specialties. The majority of the doctors operate close to the hospital. This type of customers represents the highest percentage of the pharmacies customers, they contribute to 50% of the pharmacies’ sales.

The following table summarizes the customers’ classifications and the percentage contribution to overall pharmacist’s sales, this percentage change between pharmacies:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Sales Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type A</td>
<td>14%</td>
</tr>
<tr>
<td>Type B</td>
<td>6%</td>
</tr>
<tr>
<td>Type C</td>
<td>30%</td>
</tr>
<tr>
<td>Type D</td>
<td>50%</td>
</tr>
</tbody>
</table>

According to the data above, RONAHI pharmacy had the advantage of a bigger access to all types of customers. Especially, type D of customers that are the biggest source of sale/income for pharmacies. YARA’s limited access to these customers had a big role in their failure to increase their sale rate and obtain more potential customers, specifically long-term customers who would become clients due to limited of access to them.

d) Marketing

Marketing in SMEs is regarded as one of the important factors of success as well. This is due to the fact small/medium firms that are newly opened require marketing strategies to be noticed and their services to be proposed to their clients. In the case of large
cooperation’s, the marketing strategies require millions of dollars and their brand names are already established globally, which is not the case for small businesses.

Therefore, a strategic study of a marketing plan that contains at least the 4 Ps of marketing (Price, Product, Promotion, and Place) with a reasonable budget set for it that goes align with the firm’s size. This would mean a successful marketing plan would require having competitive prices for deliver the same quality of drugs, the products/medication you offer to sell should be from brands that are most effective yet affordable, promoting (visually or through social networking and connections for your firm, and finally the places of marketing should include a variety of media channels, words of mouth, collaborating with other pharmacies to promote your products, etc.

RONAHII did a fairly good job by dedicating a budget for the marketing plan; a billboard sign and distributing promotional brochures with their logo, and social media presence as a promotional aspect. RONAHI also had a clear idea of the prices of other competitors in addition to using networking to sell their products to other pharmacists at a competitive rate which increases sales rate and marketing efficiency.

In YARA pharmacy’s case, the firm did out up a billboard sign as its competitor, however, in the brochure promotional distribution they did not print their logo on the brochures, this has a negative impact on the results of the marketing. YARA also did not take advantage of using their own network to collaborate with other pharmacies which affected their sales rate, especially that their location required more mechanisms of sale. Finally, social media presence is essential in the new era of developed technology as a large number of the customers do have presence online as well, yet YARA ignored this aspect which was also a negative impact on their marketing plan.

Recommendations When Establishing SMEs:
From the study of the local pharmaceutical SME establishments (RONAHI & YARA), we can conclude the following recommendations:

- The location is a key element to take into consideration when initiating a small firm/business
- The target segment of the customer is essential to the business growth, therefore must be studied in detailed and targeted strategically
- The marketing of your SME is essential to get noticed and bring more potential customers to your business
- Using your networking as a means of increasing the sales of your business is essential to achieve through creating a competitive advantage
- Modern technological utilities are a tool to increase your market share

Conclusion:
SME successful establishment can be effective when there is collaboration between business owner and individuals in the association. SMEs can create innovative mechanisms of business growth without difficulty due to the fact there are no intensive layers between the leaders and the staff who operate in the organization. SMEs need to plan their objectives and business plan in a clear manner and afterward assess the different factors of business environment and internal capacities they have. SMEs require a strategic marketing system to reach the potential and existing clients. The effective working of any association irrelevant of its size of operation relies on the employees working there, the human resources capacity, and fundamentally the customers. In the event that individuals are content with the workplace and work then their efficiency will improve. Along these lines SMEs must take into technological capacity into consideration when initiating; how to utilize it to increase their reach, especially locally.

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