Evaluation of factors affecting the success and failure of the agriculture sector’s small and early-return enterprises (case study of Dasht-e Azadegan city, Khuzestan province)

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ABSTRACT

Supporting the creation, growth, and expansion of the small and medium-sized enterprises is one of the basic priorities for the economic development, employment growth, and growth of exports in many countries including Iran. Considering the important role of the small enterprises, government has included the development of these enterprises program among the most important ones. Evaluation of statistics and information indicates that the early-return plans executed in agriculture subsectors were not successful. Failure of these enterprises causes the national capitals and resources wastage and has a negative impact on the increase of production, employment, and economic development. Thus, using information related to 170 small and early-return enterprises of Dasht-e Azadegan’s agriculture sector and Logit models, this study aims to identify factors causing the success and failure of agriculture sector’s early-return enterprises. Results of Logit model indicate that the acid-test ratio, initial capital ratio to the received loan, incentive bonuses ratio to the fixed salary, education, type of the plan, holding training classes, and bank’s consulting services for the plan executers, ratio of computer to experts, and workforce productivity are the most important factors affecting the success of enterprises.

Key words: early-return enterprises, Logit model, Dasht-e Azadegan city

Introduction

Evaluations indicate that increase of careers in industrial countries in the 1970s and 1980s was mainly come into view through these institutions. In the developed countries, about 2/3 percent of people are working in big corporations and the rest are working in the small and middle-sized enterprises [6]. Several studies indicate that, in the developing countries, as well, about 40 to 60 percent of the total added value in the national economy is resulted from these enterprises’ performance [1]. Nowadays, as paying the small enterprises into account is so necessary, it should be considered that stopping these enterprises can cause irreparable damages for the country’s economy leading to the destruction of the valuable human and financial resources. Failure of these enterprises is too important for countries aiming to regain their economical structure. Although failure is an issue for each enterprise, factors and reasons of it are different for different economic sectors. The importance of this issue is doubled in a dynamic and forceful sector like agriculture sector in which needs changes quickly during time. Thus, different studies and researches have been carried out in this field. Yildiz and Bakan [22] studied the innovation strategy and innovation problems in the small and medium-sized enterprises of Nigeria. Findings indicated that innovation is the basis of all future competitions. Innovation has vital role in sustainable security and competition vantage of enterprises. Enterprises should select new products, processes, techniques, methods, progress, and promotion through modern technology and innovative activities. In their study in Italy, Cassia and Colombell [15] indicated that the small and medium-sized enterprises growth is more than the other ones. Factors determining the growth include aspects related to the entrepreneurship state of the enterprise and financial innovations which are of special importance.

Statistics in the country indicate that the number of industrial units of the country is about 400000 with 2 million workers. 300 of these units are large and the rest are small and medium-sized ones (report of the employment state of the management and planning organization, 2009). More than 60 percent of the total workforce is working for these
enterprises and the share of these enterprises of the added value is more 34 percent [1]. But according to the available statistics in Iran, about 23(self – employed activities) and 42 percent of small units, because of different issues, failed and inevitably stop their activities after the first and fifth year of activity, respectively [3]. In Iran, most of the studies were related to the failure of enterprise in the industrial sector. For instance, Fayzpour and Moayed [8] analyzed the failure of industrial enterprises and factors affecting it in Yazd province. Result of their study indicated that establishment of enterprises at industrial areas and their size have no effect on their failure. However, the probability of their failure was different among different industrial groups; in addition, the probability of the old ones was less than the young ones. Solymani Amiri [7], in a study concerning the bankruptcy of Iranian corporations, indicated that the financial ratios are able to predict the bankruptcy of corporations.

No study related to the failure of enterprises in the agriculture sector has been carried out in Iran. It is obvious that one of the most important sectors of Iran is the agriculture sector; the added value; the value added resulted from it is 12 percent of Iran’s GDP, and 20 percent of the employment share belongs to it. This sector is important in Khuzestan, too. This province has great natural resources, flowing waters, date tree gardens, and other agriculture products, in addition of having transit roads and different industrial capabilities and amenities such as Sugarcane and By-products Development Company. These capabilities have made it necessary to establish and develop small and early-return enterprises. Dasht-e Azadegan city is one of the most important agricultural parts of the province. Evaluating the statistics, between 2005 and 2009, 13400 projects were executed from which only 10 percent are economically working and the rest have failed (Khuzestan agriculture bank’s management’s report of the proceeds, 2009). This plan stared in Dasht-e Azadegan in 2006 and the statistics indicate that this city was the first city of the province in the field of early –return enterprises’ failure in 2008-9 (Dasht-e Azadegan agriculture bank’s management’s report of the proceeds, 2005 - 2009). Thus, small and early-return enterprises of Dasht-e Azadegan city’s agriculture sector are selected as the statistical society. This study is aimed to identify factors affecting the success and failure of Dasht-e Azadegan city’s small and early-return enterprises.

Material And Methods

In the present study, to identify factors affecting the failure of the early –return enterprises, a comparison was carried out between the successful and failed ones. For this objective, binary Logit model was used. In this study it is supposed that the characteristics of success and failure is shown by the variable $Y^*$, which is affected by factors such as the plan executor’s managerial skills and criteria related to the bank and the characteristics of the plan. Then, in the Logit model, regression relation to explain the effect of factors on the dual choice variable is defined as below:

$$Y^* = \beta X_i + \epsilon_i$$  \hspace{1cm} (1)

Probability of this characteristic occurrence which is the probability of $Y_i = 1$ is indicated according to the structure of $Y^*$, so if the probability of $Y_i = 1$ is indicated by $P_i$, it can be written that [10]:

$$prob(Y = 1) = \frac{e^{\beta X}}{1 + e^{\beta X}} = \Lambda(\beta X)$$  \hspace{1cm} (2)

$$P_i = Pr(Y_i = 1) = Pr(Y_i > 0) = Pr(\beta X_i + \epsilon_i > 0)$$  \hspace{1cm} (3)

In equation 3, $\epsilon$ is the natural logarithm and $\Lambda(.)$ is logistic cumulative distribution function. Interpretation of the estimated coefficients in Logit model is too important. Change in $Y_i = 1$ probability because of a single –unit change in the independent variable is called the marginal effect. In the Logit model, this effect is calculated using equation 4 [10].

$$ME = \frac{\partial P_i}{\partial \beta_k} = \frac{e^{\beta X}}{(1 + e^{\beta X})^2} \cdot \beta_k$$  \hspace{1cm} (4)

Using equation 4, $k^{th}$ explanatory variable’s elasticity in the Logit model is calculated using equation 5, in which $E_k$ indicates the elasticity in Logit model. Elasticity related to each variable indicates the percentage of change in the probability of $Y_i = 1$ caused by a 1 percent change in the independent variable [5].

$$E_k = \frac{\partial \Lambda(\beta X)}{\partial X} \cdot \frac{X_k}{\Lambda(\beta X)} = \frac{e^{\beta X}X_k}{(1 + e^{\beta X})^2} \cdot \beta_k \cdot \frac{X_k}{\Lambda(\beta X)}$$  \hspace{1cm} (5)

Maximum likelihood function is used to estimate Logit models. Likelihood function ($L$), for estimating the regression model of the logistic function , is estimated by equation 6 [10].

$$L = \prod_{i=1}^{n} F(\beta X_i) \cdot (-F(\beta X_i)) = \prod_{i=1}^{n} [F(\beta X_i)]^Y_i \cdot [1 - F(\beta X_i)]^{1-Y_i}$$ \hspace{1cm} (6)

Equation 7 indicates the logarithmic form 6 ·
\[
\ln L = \sum \left[ y_i \ln F(\beta' X) + (1 - y_i) \ln (1 - F(\beta' X)) \right]
\] (7)

Equation 7 is used to determine parameter \( \beta \) [1].

\[
\frac{\partial \ln L}{\partial \beta} = \sum \left[ y_i \frac{f(\beta' X)}{F(\beta' X)} + (1 - y_i) \frac{f(\beta' X)}{1 - F(\beta' X)} \right] = 0
\] (8)

in equation 8, \( \frac{\partial \ln L}{\partial \beta} \) function is used for logistic cumulative distribution function, thus we would have equation 9.

\[
\frac{\partial \ln L}{\partial \beta} = \sum \left[ y_i (1 - \Lambda(\beta' X)) - (1 - y_i) \Lambda(\beta' X) \right] \Lambda' X_i = 0
\] (9)

Dependent variable of this study is the success and failure of early-return enterprises of the agriculture sector, which is a figurative one. This variable is 1 for successful enterprises and 0 for the other ones. The success and failure is determined according to the agriculture sector’s early-return enterprises’ rate of internal return. Note that the rate of bank interest of early-return loan is 14 percent. Enterprises having an internal return rate of more than 14 percent take code 1, and code 0 is given to ones with internal return rate of less than 14 percent. Theoretically and tentatively, factors affecting the success of enterprises are included in three categories as below:

- Characteristics of the plan executor: financial resources management (acid-test ratio, first-time funds to received loan ratio), human resources management (incentive bonuses to fix salary ratio), marketing resources management (new costumers to old customers ratio and investment in advertising costs to the total investment ratio), information technology management computer to experts ratio and workforce productivity ratio), creativity and innovation management (participation in educational classes in order to introduce the innovations), and demographic characteristic (education)

- Criteria related to the bank (holding training classes for the plan executers by banks)

- Characteristics of the plan (kind of the plan and appropriateness of the needed area for each livestock)

170 questionnaires through Morgan formula using random sampling method were used in this study to identify factors affecting the failure of agriculture sector’s early-return enterprises

Results of Logit model estimation

Results of estimating Logit model are indicated in table 1. Based on this table, percentage of model predicting accuracy indicates that 71 percent of the variance of dependent variable is explained by the independent variables.

<table>
<thead>
<tr>
<th>Weight elasticity</th>
<th>t statistic</th>
<th>Coefficient of estimation</th>
<th>variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.61</td>
<td>2/13*</td>
<td>45/46</td>
<td>Acid-test ratio</td>
</tr>
<tr>
<td>0.29</td>
<td>2/49*</td>
<td>60/89</td>
<td>first-time funds to received loan ratio</td>
</tr>
<tr>
<td>0.40</td>
<td>2/67*</td>
<td>2/85</td>
<td>incentive bonuses to fix salary ratio</td>
</tr>
<tr>
<td>0.17</td>
<td>3/84*</td>
<td>246/46</td>
<td>computer to experts ratio</td>
</tr>
<tr>
<td>0.33</td>
<td>4/57*</td>
<td>0/21</td>
<td>Annual workforce productivity</td>
</tr>
<tr>
<td>0.13</td>
<td>2/89*</td>
<td>20/600</td>
<td>Holding educational classes by bank</td>
</tr>
<tr>
<td>0.20</td>
<td>4/21*</td>
<td>10/03</td>
<td>Education</td>
</tr>
<tr>
<td>-0.18</td>
<td>-1/97**</td>
<td>-16/76</td>
<td>Kind of plan</td>
</tr>
<tr>
<td>0.19</td>
<td>0/19</td>
<td>28/2</td>
<td>Appropriateness of area needed for each livestock</td>
</tr>
<tr>
<td>0.59</td>
<td>0/64</td>
<td>272/8</td>
<td>new costumers to old customers ratio</td>
</tr>
<tr>
<td>0.13</td>
<td>0/17</td>
<td>1/80</td>
<td>investment in advertising costs to the total investment ratio</td>
</tr>
<tr>
<td>0.30</td>
<td>0/62</td>
<td>21/5</td>
<td>participation in educational classes in order to introduce the innovations</td>
</tr>
<tr>
<td>-0.63</td>
<td>-0/91</td>
<td>-91/45</td>
<td>Constant coefficient</td>
</tr>
<tr>
<td>Log of Likelihood Function</td>
<td>-0/74</td>
<td>Mc Fadden</td>
<td>-91/45</td>
</tr>
<tr>
<td>Likelihood Ratio Test</td>
<td>185/5</td>
<td>Maddalas R2</td>
<td>-0/14</td>
</tr>
<tr>
<td>Percentage of Right Prediction</td>
<td>71</td>
<td>Estrella R-Square</td>
<td>185/5</td>
</tr>
</tbody>
</table>

Resource: findings of the study

*Significance at % 1 level

**Significance at % 1 level

Results also indicate that the coefficient for the variable of acid-test ratio is 45/46, which, based on t statistics, is significant at 1 percent level. This shows that the probability of early-return enterprises’ success increases with the increase of acid-test ratio. The resulted elasticity for this variable indicates that a 1 percent increase in this variable causes a 51 percent increase in the probability of the evaluated enterprises’ success. In other words, an enterprise, with more total value of asset ratio than the value of its total debts, has an appropriate financial structure.

Second variable having a significant effect on the dependent variable is the first-time funds to received loan ratio, positive sign resulted for this variable, which is statistically significant at 1 percent level, indicates that an enterprise with higher first-time funds to the received loan has more financial power, which, because of the executers’ higher...
motivation of preserving their assets, increases the probability of the plan’s success; in other words, successful plan executers have more effort and motivation to preserve and increase the enterprises assets so they try to put a stop to the enterprise bankruptcy.

Incentive bonuses to fix salary ratio is an indicator affecting the success or failure, thus this indicator, as a variable indicating this characteristic, is considered in this model. As expected, the coefficient of 2/85 for this variable is positive, and is significant at 1 percent level. This means that the increase of incentive bonuses to fix salary ratio can increase the probability of the early-return enterprises’ success, because the higher the ratio, the more motivation for personnel to continue their activity is resulted and the probability of continuity and progress of the enterprise would be increased. Resulted elasticity for this variable indicates that the 1 percent increase in this indicator can have a 40 percent increase in the probability of the enterprises’ success.

The fourth variable having significant effect on the dependent variable is the computer to experts ratio. Positive sign resulted for the coefficient of this variable, which is statistically significant at 1 percent, indicates that enterprise with higher computer to expert ratio has a higher tendency to progress and continuing their activity. Such result is expected because the availability of computer and individuals familiar with computer programs and internet tools of the enterprise decreases the costs the eliminates some of the enterprise’s limitations, leading to an increase in performance and rate of the internal return of the enterprise. Calculated elastic for this variable indicates that the 1 percent increase in this indicator would have a 17 percent increase of the probability of the early-return enterprises’ success.

Positive coefficient of 0/21 for the variable of workforce productivity in the model indicates that there is a positive relationship between the ratio of workforce productivity and the probability of early–return enterprises’ success. t statistics calculated for this variable is 4/57 ,and shows that the resulted coefficient is statistically significant at 1 percent level. Significance of this variable indicates that the motivation of progress and success in the enterprise increases with the increase of workforce productivity. Elasticity resulted for this variable indicates that a 33 percent increase in the probability of early-return enterprises’ success would be resulted if there is a 1 percent increase in the annual ratio of workforce productivity, which is well-matched with the expectations.

Results of this study show that, in terms of success or failure, there is significant difference between enterprises, for which banks have held training classes and consulting services and ones to which no training classes or consulting services have been held. Significance of this variable indicates that the probability of success would be increased for enterprises used the bank consulting ideas and suggestions and were well-trained in the field of executive instruction of early-return enterprises.

Education is an effective variable. the assumption is that the success or failure of the studied society’s early-return enterprises are highly affected by education. Results of Logit model estimation confirm this assumption the resulted positive coefficient of 10/03 for the variable indicates the positive effectiveness of education in the probability of early–return enterprises’ success. Significance of this effect is also confirmed by t statistics. highness of this coefficient shows the importance of this plan executer’s characteristic in the probability of early–return enterprises’ success.

Results of the study indicate that the kind of plan has a significant effect on the probability of success or failure of agriculture sector’s early-return enterprises. In the present study, the kind of plan was classified into 3 operational, developmental and renovation categories, each one was entered the model as a figurative variable. As it is indicated in table 1, statistically, this variable has a significance coefficient and its negativity means that, in terms of failure, the operational plans have more risk than the developmental and renovation ones. Developmental and renovation plans are less exposed to risks (several and unpredictable risks and damages such as drought, lack of access to parts and equipment of the plan, and unawareness of compatible livestock) than the operational ones, so they are in a better situation from the view of production risk and increase of the rate of internal return. Calculated elasticity for this variable indicates that if an enterprise is of operational kind, the probability of its failure would increase about 18 percent to the developmental and innovation ones.

Based on the results, although the effect of appropriateness of the needed area for each livestock on the success of enterprises is not significant, its positivity indicates that it has a positive effect on the probability of the enterprises’ success. This appropriateness can show the attractiveness of the plan. Production in enterprises, in which the considered area for each livestock is relevant with plan standards and the regulations of animal husbandry system, would be carried out effectively and efficiently, causing an increase in the performance and internal return.

In the present study, although the ratio of new customers to the current ones is insignificant, its positivity indicates that it has a positive effect on the probability of the enterprise success. Evaluations indicate that the studied enterprises preferred to sell their products to the old costumers because they believed that if they sell their products to new customers, they will lose the old ones. Another
reason is that because of the executers’ unfamiliarity to the new customers, in the case the deal is performed in credit, they thought the capital would not return. In fact, the studied enterprises were risk averse. In addition, although the effect of the investment in advertisement costs ratio to the total capital of investments is insignificant, but its positivity indicates that it has a positive effect on the possibility of the enterprises success. Most of the enterprises rely on the marketing and advertising activities to sell their products, so they would have access to regional market and present their products in a competitive environment. The fact is that the studied enterprises do not have marketer or researches in the field of marketing. In other words, the important reason of this indicator’s insignificance is that advertisement and researches for the executers of the plan of early –return enterprises of agriculture sector have not a stage or concept. In fact, market is close to the complete competitive conditions . in addition, results of this study show that the participation of plan executers in the educational classes in order to introduce and use of innovations in the enterprises, however it is not significant, has a positive effect on the probability of the early –return enterprises success.

But in binary models, interpretation of the coefficients of dummy variables would not be useful, so the important thing in these variables is the use of the marginal effect concept of the dummy variables. Consequently, in this study, the marginal effect of the dummy variables on the probability of success and failure of the early-return enterprises is considered. A basis is considered to calculate the marginal effect of the dummy variables in the studied enterprises in which the illiterate plan executor, operational plan, bank’s non-holding of educational classes and consulting services , and inappropriateness of area considered for each livestock are considered. Based on the basis above, to calculate the marginal effect, education, kind of plan, holding educational classes and consulting services for the plan executers by bank, and appropriateness of area for each livestock are used.

As it is seen in table 2, To calculate the effect of the plan kind it is assumed that the enterprise’s plan is of operational kind . in other words, if the plan is operational, the probability of the enterprise success would have a 16/67 percent decrease. To calculate the effect of holding educational classes and consulting services for the executers by bank it is assumed that the bank does not hold any educational class or consulting services for the enterprise . in other words, the marginal effect of holding educational classes and consulting services for the executers by bank is 20/6 percent. The marginal effect of participation in educational classes in order to introduce the innovations is 21/5 percent. To calculate the marginal effect of the appropriateness of area for each livestock it is firstly supposed that the area determined for each livestock is inappropriate. Adding the feature of the appropriateness of area needed for each livestock , probability of the enterprise success increases to 85/86 percent, which have 28/2 percent increase to the previous situation . in other words, the marginal effect of the appropriateness of area needed for each livestock in the enterprise is 28/2 percent.

Table 2: estimated probabilities of agriculture sector’s early –return enterprises and the marginal effect of the variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>coefficients</th>
<th>Initial state</th>
<th>Kind of plan</th>
<th>Holding educational classes by bank</th>
<th>Participation in educational classes to introduce innovations</th>
<th>Appropriateness of area for each livestock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acid-test ratio</td>
<td>45/46</td>
<td>2/5</td>
<td>2/5</td>
<td>2/5</td>
<td>2/5</td>
<td>2/5</td>
</tr>
<tr>
<td>Kind of plan</td>
<td>16/76</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Holding educational classes by bank</td>
<td>20/60</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Participation in educational classes to introduce innovations</td>
<td>21/5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Appropriateness of area for each livestock</td>
<td>28/2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Constant coefficient</td>
<td>-91/45</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Forecasted amount</td>
<td>22/2</td>
<td>15/56</td>
<td>36/16</td>
<td>57/6</td>
<td>85/86</td>
<td></td>
</tr>
<tr>
<td>Probabilities (percent)</td>
<td>-16/67</td>
<td>20/6</td>
<td>21/5</td>
<td>28/2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Resource: findings of the study

Discussion and conclusion:

Results indicate that there is positive and significant relationship between the acid-test ratio of enterprises and the success of early –return enterprises, meaning that the more the ratio of total assets value to the total debt value in an enterprise, the more the efficiency and capability would be resulted. The positive effect of acid-test ratio on the enterprises success is also confirmed by Altman, Springet [24], Beaver [12], Dicean [18], Solymani Amiri [7]. In the model, that there is positive and significant relationship between the first-time funds to received loan ratio and the success of the agriculture sector’s early –return enterprises. This
can be attributed to motivation and effort of the plan executors to save their assets. The effect of first-time funds to received loan ratio on the enterprises success is confirmed by Cersi [16], Baldwin [13], Blat et al. [14], and Dadashi [3]. Thus, it is suggested that, before paying any loan, researches on the executors’ financial ability and what they become responsible for as personal equities are carried out. In addition, results of Logit model estimation indicate that computer to experts ratio would have a positive and significant on the success of early –return enterprises. This is a reasonable result because the availability of computer and individuals with computer programs and internet skills reduce the costs and eliminate some of the enterprises’ limitations. Blat et al. [14], Loya et al. [19], Yan Ou [21], Sodoscia et al. [23], and Ansari. [1], in their studies, concluded that computer to experts ratio, which is one important indicator of information and technology resources management, is a factor positively affecting the success of enterprises. Results indicate that the variable of workforce productivity have a positive and significant effect on the success of the agriculture sector’s early –return enterprises, which is also confirmed by Logit model. Blat et al. [14], Loya et al. [19], Yan Ou [21], Sodoscia et al. [23], in their studies, concluded that workforce productivity, which is one important indicator of information and technology resources management, is a factor positively affecting the success of enterprises. Consequently, it is suggested that the plan executors expand their ability in using resources and different methods to learn and gain technology. Thus, considering the necessity of the universities and research centers (as the resources of knowledge and technology) influence by transferring technology, space for the early enterprise of the agriculture sector’s information and technology development would be identified more than ever. The positive and significant effect of the educational level on the probability of the early-return enterprises’ success in the Logit model indicates that the educated plan executors are more successful than the uneducated ones. This is confirmed by Ansari [1], Yaghobi and Qasemi [9], Fayzpour and Moayed [8] and Salami and Mohtahsami [5]. So, it is suggested that loans designated for plans executed by highly educated individuals with a previous scientific experience and education. This strategy can be effective in reducing the rate of bankruptcy of the early-return enterprises. The positive and significant effect of the incentive bonuses to fix salary ratio on the success or failure of the early –return enterprises indicates that the more the ratio, the more the motivation for personnel to continue their activity would be resulted and the probability of continuity and progress of the enterprises would be also increased. This hypothesis is confirmed by Class et al. [17], Salami and Mohtahsami [5], Fayzpour and Moayed [8 and Yaghobi and Qasemi [9]. In the present study, the high priority of incentive bonuses to fix salary ratio is clear in the human resources management. Thus, existence of this indicator in the enterprise, because of the personnel’s more effort and motivation to continue their activity, increases the probability of the enterprises’ success. As much as possible, considering this indicator in enterprises is suggested. Negative effect of the variable of plan kind in the model indicates that if an enterprise is of operational kind, compared with enterprises of developmental and renovation kinds, the probability of its failure would be increased. Blat [14], Baldwin et al. [13], Picok [20] and Ansari [1] support this finding. The mentioned finding means that the developmental and renovation plans face less risks and damages which the operational ones face. Thus, it is suggested that a part of facilities and costs spent for operational plans are designated to the renovation of the region’s stagnant plans. Consequently, this can reduce the high costs and irreparable damages resulted from the operational plans having the highest failure. In addition, this causes the growth and development of the region’s developmental and renovation plans. The positive and significant effect of holding educational classes and consulting services for the executors by banks on the success of enterprises is emphasized by the results of Logit model, so it is suggested that bank, along with providing facilities, holds educational classes and consulting services for the plan executors.

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