

## The success factors for SMEs: Empirical evidence

E.G.S. Félix <sup>(1)</sup>, J.A.K. dos Santos <sup>(2)</sup>

<sup>(1)</sup> *Assistant Professor at the University of Évora and Researcher at CEFAGE-UE  
University of Évora, Department of Management and CEFAGE-UE  
Largo dos Colegiais, n° 2, 7000-803 Évora,  
Portugal Telephone number: +351266740892  
Fax number:  
+351266740807 E-mail:  
efelix@uevora.pt*

<sup>(2)</sup> *PEA (Projectos Educativos de Angola)  
Rua Afonso Henriques, Casa n° 12 Primeiro Andar, Benguela,  
Angola E-mail: andre\_kengue@hotmail.com*

This paper empirically analyzes the success factors for SMEs, following the suggestion from Lampadarios (2017). Particularly, the paper intends to analyse if human resource costs, firm age, debt, investment in innovation, venture capital funding and productivity are success factors for SMEs. The effects were tested using static and dynamic panel data, on a data set of 216 Portuguese SMEs. The use of dynamic panel data are important in order to control for: endogeneity; time-invariant characteristics; possible collinearity between independent variables; effects from possible omission of independent variables; elimination of non-observable individual effects; and, the correct estimation of the relationship between the dependent variable in the previous and current periods.

Our results reveal a positive impact on success of: human resource costs; investments in innovation; productivity; and, venture capital funding. We also confirm the negative impact of firm age and debt. Also, the results show evidence of persistence in success for the case of one of the success proxies used.

### **Elisabete Gomes Santana Félix Scientific CV:**

PhD in Management, with specialization in Finance, ISCTE, Portugal (2008); Assistant Professor of the University of Évora (since 2008). Research Interests: Corporate Finance; SMEs; Family Business; Venture capital; Real Options; Social Entrepreneurship. Publications in the: Quantitative Finance; Journal of Financial Services Research; Journal of Small Business and Enterprise Development. Reviewer for several ISI journals in their research areas.

### **José André K. dos Santos**

Master in Management, with specialization in Finance, University of Évora, Portugal (since 2010); works at the PEA (Projectos Educativos de Angola). Research Interests: Corporate Finance; SMEs; Success Factors for SME.