

Entrepreneurial Comportment Framework for the Efficiency of A Ugandan Perspective: How and Why

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Abstract: Entrepreneurship is a constructive action to build out stronger businesses in competition. The linkage between productive entrepreneurship and business rescue is to a greater extent noteworthy; By definition, business rescue is a set of course of action for creating and delivering worth to ensure continued existence through leveraging resources in ways that benefit the firm, its stakeholders, and strengthen employee job security while productive entrepreneurship is the materialization and intensification of new investment class. In view of the fact that the majority of Ugandans are underemployed as well as unemployed; it is imperative to put concentration to generating sustainable and entrepreneurial enterprises. Thus, it's critical for businesses to grow. Ugandan firms these days function in a business setting consisting of amplified risks drop off competence to foretell along with a pitiable entrepreneurial frame of mind; this confirms a growing tendency of long-term nature of financial and economic distress among firms. In other words, scores of start-ups face ample liabilities of newness leading to higher failure rates. Furthermore, most firms' focus on long term customer relationships and marketability is poor. There is a fissure between Uganda's insolvency and business rescue industry. In particular, insolvency has been criticized on a number of grounds. Many businesses have struggled to maintain profitability (economic distress) owing to lack of formal and modern business rehabilitation framework, efficient markets, and secular stagnation. In view of that, entrepreneurship education needs urgent attention; the establishment of the Companies and Rescue Commission (CRC) as regulatory authority for distressed business to file for rescue in order to make light of expensive and time consuming court processes; and business rescue is of fundamental nature to remove pervasive poverty.

Keywords: Economic efficiency, economic distress, financial distress, financial market intelligence, efficient market, investment class, business rescue, business failure, risk-return tradeoff, entrepreneurial vitality, entrepreneurial innovation.

INTRODUCTION

“What are we talking about when we talk about entrepreneurship?” The recent economic distress in Uganda and the lack of entrepreneurial activity are reminders of entrepreneurship academics have been criticized in up to date years in understanding business trends and cycles. The lack of theory in productive entrepreneurship edification and the creation of new knowledge in entrepreneurial processes are addressed by presenting Economic Efficiency Theory (EET), Economic efficiency theory (E-efficiency theory) describes a process or explains in simple terms how entrepreneurship is a differential technique of the upcoming. According to the theory, the creation of growth firms is the progression of improving a number of measures of an enterprises success at the business cycle frequencies by means of creating market valve. It shows that understanding why certain individuals cross

into entrepreneurship is one the deep-seated questions in productive entrepreneurship follow a line of investigation. By and large, this Sebikarian special theory of everything is based on entrepreneurial reasoning, efficient market, making investment decisions, effective corporate governance, the surfacing and growth of sound entrepreneurial enterprises under uncertainty in competitive environments [2]. Similarly, E-efficiency, by definition, is an utter of affair in which all of the credible gains from do business have been realized. For example, model encompass multiple entrepreneurial techniques

$$E = \check{z} + X_1Nt + X_2MEf + X_3Rp + X_4Ic + X_5Ci + X_6Em + \varepsilon$$

where E = Economic Efficiency/Entrepreneurship
 \dot{z} = Constant term
 X_1, \dots, X_n = Measures the difference in intercept
 Nt = New technologies
 MEf = Management of entrepreneurial firm
 Rp = Real productivity
 Ic = Investment class
 Ci = Customer intensity
 Em = Efficient market
 ε = Error term

Specifically, an action is efficient only if it creates more do good to than price tag as made known in figure 1.

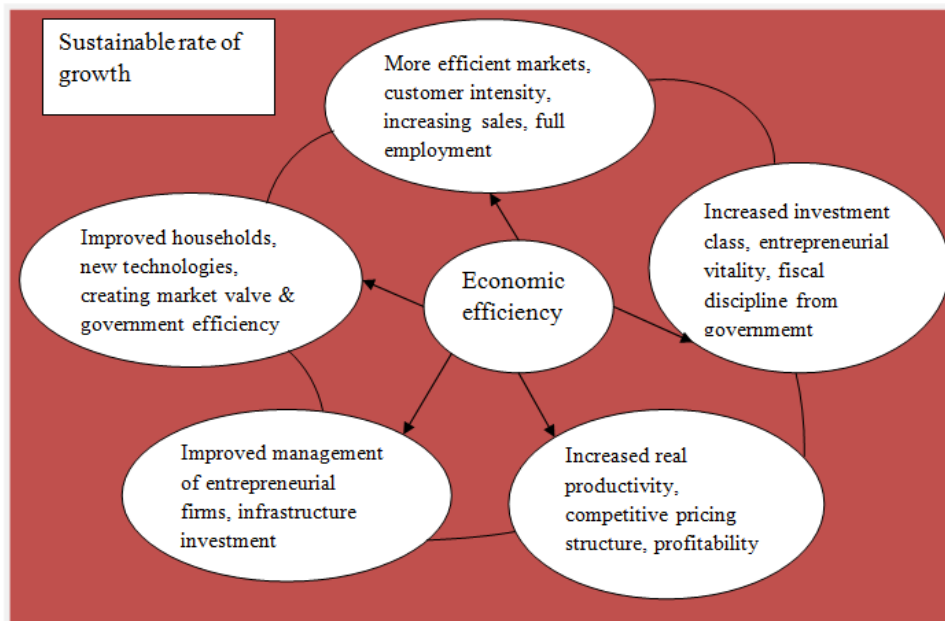
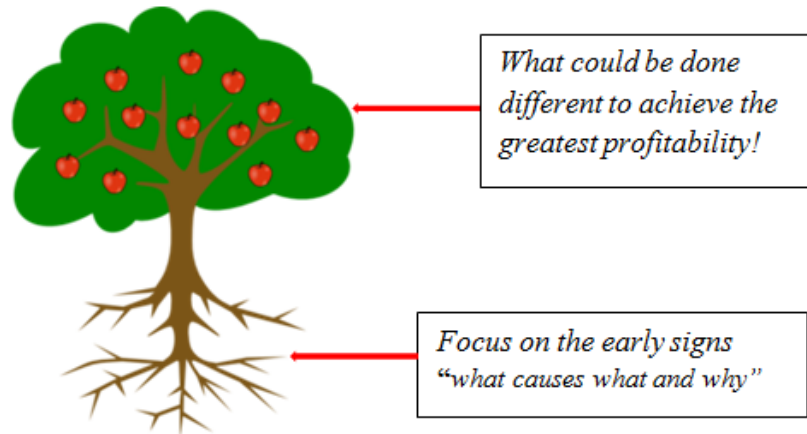


Fig-1: Undertaking of productive entrepreneurship in economic development

Here economic efficiency (*E-efficiency*) refers to productive entrepreneurship; E-efficiency improves growth performance, efficient markets, fiscal discipline from government, create work opportunities, investment class and broaden economic participation. Interestingly; the productive entrepreneurship theory can be more fruitfully steered towards the form and elements of the actions if fundamental prices quickly and precisely reflect available information. Next, to our understanding economic efficiency matters for growth; this implies failure to create an entrepreneurial upbringing may mean an economic consequence in terms of economic growth forgone. On the one hand, economic efficiency spillovers lead to sustainable rate of growth. We would like to extend the argument; much can be done to provide better support for economic efficiency. Alternatively, to facilitate whispered, identifying the appropriate model for productive entrepreneurial development will require policy makers

to weigh economic efficiency and fairness considerations. As a result, entrepreneurial compartment plays a crucial role in stimulating more entrepreneurs, higher levels of business formation, stability and growth of firms in general. In this regard, the question that requires answering is: how do we foster high levels of business efficiency, government efficiency and general economic performance? Therefore, Ugandan entrepreneurs need to make judgmental entrepreneurial decisions about coordinating jolt resources. “How to set up and ensure enterprises continue to exist by fostering economic efficiency?” subsequently, there is a need to understand firm factors to ensure continued existence of the business. We call this a “*neutral rescue puzzle*” because differentiating between failure and decline gives bearing to Ugandan entrepreneurs on the subject of strategies to ensure enterprise revitalization.



Substantial implementation of neutral rescue puzzle

The puzzles of neutral rescue include

- The early signs of distress determination;
- what could be done different;
- Maximization of shareholder wealth, strengthen employee job security;
- Enough experience and skills to fulfill modern business rehabilitation framework;
- To disclose all business dealings to affected parties on substantial implementation of rescue plan, intervention decision;
- Rescue situation and finance instruments involved in the business rescue among and between individuals, businesses, & governments;
- Forecast what future customers will want; and
- Entrepreneurial decision making integration.

Business Rescue Doctor (BRD) use neutral rescue puzzle to justify rescue situations and entrepreneurial decision making. By doing so, business rescue encourages firms to create potential for exponential growth by drawing attention to firm’s brand, products or services through leveraging resources. We argue that in this setting, business rescue framework presents constructs for productive entrepreneurial actions under levelheaded justifications. There is a need to move away from a culture of liquidation to a culture of rescue. To improve the insight of the theory of business rescue “*uncertain technique*” is to introduce the theory of economic efficiency, the theory emphasizes power of the individual to analyse financial determinants while making sound hypercritical entrepreneurial decisions about coordination of scare resource. Also theory highlights the competitive structure; applications & modeling; subjectivity of risk-return tradeoff (must be compatible). This acts as the benchmark for judging the business’s initiatives by stressing techniques over principles.

Principles of Entrepreneurial Policy

“General public accept as true that the notion of an entrepreneurial government is paradoxical.”

In Uganda, policies aimed at entrepreneurship are still rising so there is a need to develop an entrepreneurship course of action. Such a policy is largely divided into three subfields. One focuses on the creation of growth enterprises for social stability & well-being, on rising startup rates beyond the medium run and the other focuses on increasing the supply of entrepreneurs that exploit opportunities and discover untapped market. For example, Liang & Dunn [1] demonstrates that entrepreneurship involves the identification of up-and-coming business opportunities. For Uganda, more MSMEs that are failing, means more jobs lost, less services and products accessible thus at hand is a need of more growing businesses. In view of that, there is a need to encourage more people to consider entrepreneurship as a preference. Seeking ways of growing businesses in Uganda, we now show how the culture of establishing sustainable entrepreneurial ventures is underprivileged. In searching for answers, we undertook study of eight ‘Pakasa forums’ to uncover the origins of business failure and why the rate of business success for new entrants is squat; a breakdown of lack of entrepreneurial character representations, over-reliance on established theory, lack of investment advisors, inability to forecast, lack of industry & entrepreneurial knowledge, attentiveness on low-risk payoffs, lack of frankness and genuineness.

We note that the obstacles facing small and medium enterprises in Uganda include being overly conservative, imperfect substitution in trade, private sector choices-uncompetitive behavior from established enterprises, marketability, misunderstanding of the market, imitate tendencies, flattering business media, mismanagement (management & ownership challenges), unable to create new markets, economics of trade, how markets function and deficiency of entrepreneurship education, attainment of entrepreneurial culture or a dynamic business environment. Enterprises nowadays ought to operate in an entrepreneurial comportment in order to create a competitive setting so it’s important to take into account

the credibility of entrepreneurship policy. Indeed, empirical tests show that applying the policy more accurately give us cause for hope that businesses will succeed and what can be done to help them work better by forecasting the future basing on the current position of the firm such as real estate, financial services, insurance, telecommunication & information technology, mineral water and motor spare parts since they make fundamental contributions to wealth creation. For that reason, using existing policies, frameworks to enforce the use of local substance would not boost domestic firms. Even so, the basic consideration here is the size and target market.

The big question is “how do we create an entrepreneurial climate and society for economically viable enterprises?” Different models have been used to

denote entrepreneurship development; therefore this special model of everything considers the influence of economically sound environment, opportunity identification, flow of entrepreneurial information, forward & backward reasoning, creative intelligence, efficiency innovation, government efficiency, and entrepreneurial competition in explaining what causes what and why as adapted from Sebikari [2]. In the same, Brownson [3] note that one’s ability to interpret and respond to situation is determined by the mindset. The most important goal should be to change the cultural mindset and embrace entrepreneurship as a means to achieve economic efficiency then a new model for entrepreneurial development is proposed. The answer is the model for entrepreneurial development as depicted in figure 2.

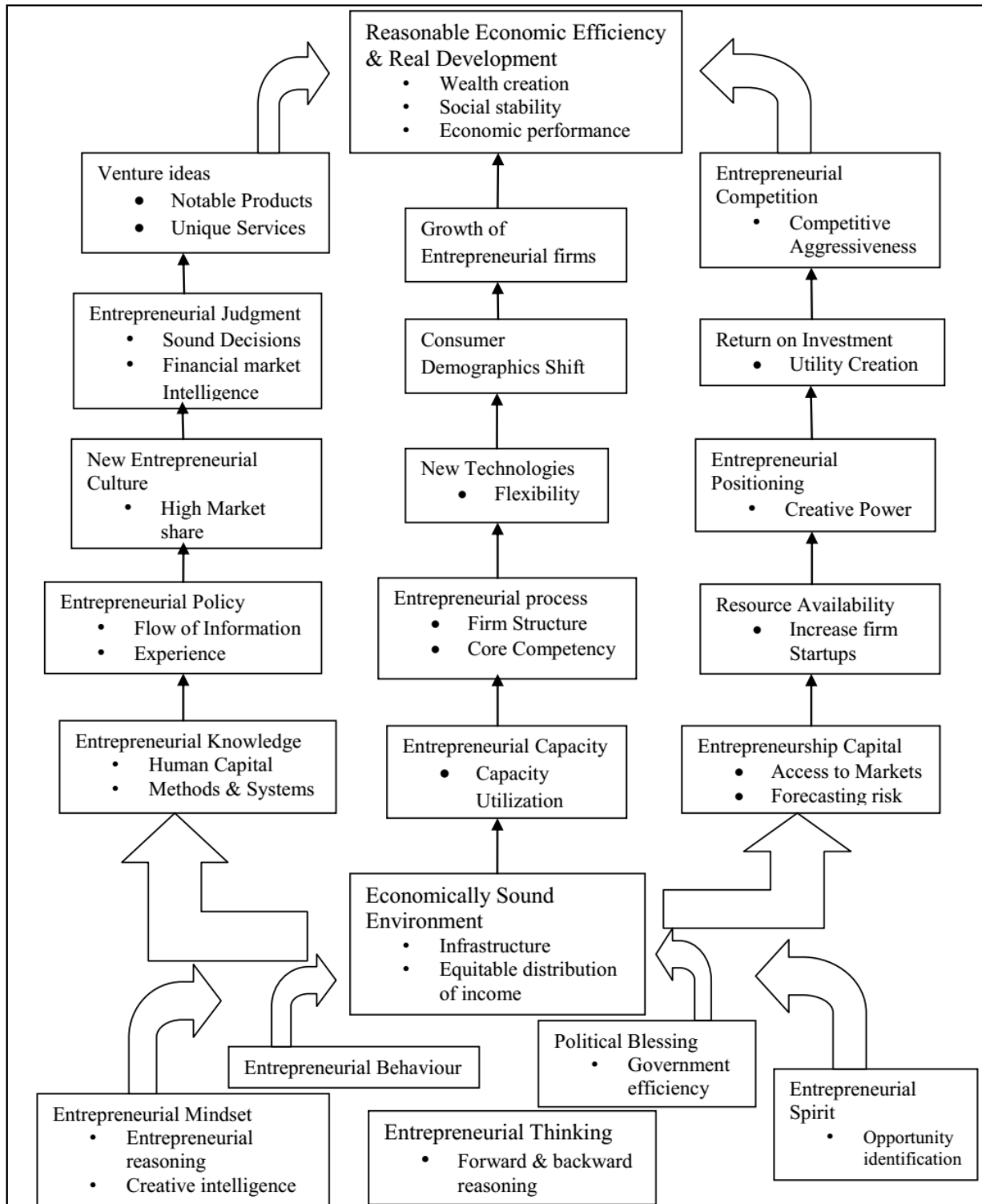


Fig-2: Model for entrepreneurial development

One may argue that productive entrepreneurship occur over the long-standing that our business owners overlook or misunderstand. The principles of entrepreneurship can help people attain business success generally. This new model is the answer to Uganda’s unemployment and liquidation problems.

We add owing to soaring youth unemployment, entrepreneurship happen to a momentous solution for the starting & developing of micro, small, medium and large enterprises at the same time as an alternative to fight jobless growth. Moving the argument along, the well known fact is: unemployment rates have steadily increased over the past five years. Unemployment rate = (Number of unemployed/labour force) × 100. Substantial increase in

unemployment reflects the lack of an entrepreneurial society and the vulnerability of rural businesses. For instance, economic efficiency/performance will depend on how many efficient markets are driving focused entrepreneurial innovation to generate market value. Therefore, there is a strong need to develop an understanding of entrepreneurship for capacity operation.

Many MSMEs are experiencing difficulties in complying with Uganda Revenue Authority taxes and regulations; worldwide tax policy has become the most important issue in designing and implementing economic reforms, lawful, and governmental provisions in line various goods and services. However, a guiding principle is needed to ensure continued existence of firms, efficiency and transparency by focusing on improving products and services intended for customer's demands and preferences. This calls on policy makers to outline appropriate productive entrepreneurial policies. Most importantly, the tax policy has a great impact on resource allocation and mobilization, all-encompassing growth and economic stability. On balance, the evidence suggests that examining difference between avoidance and evasion, dealing with corruption, as well as taxpayer rights enhancement are fundamental issues. In the financial year 2014/2015, government ministries and institutions incurred debts amounting to one trillion shillings as a result reviewing the public procurement and assets law; participation of local suppliers in major projects is not the solution without looking at the management competencies within such institutions. Consequently, bureaucratic reform is one way to enhance the process of entrepreneurship.

The development of business growth and stimulating more entrepreneurs

"Understanding economic distress among sinking companies"

In Uganda, small business sector has established itself as provider of private sector jobs. Furthermore, the creation of growth firms is the progression of improving a number of measures of an enterprise's success. On the other hand the growth of small and medium businesses lags behind essentially many businesses have struggled to maintain profitability; empirical evidence increasingly confirms that the previous direct relationship between aggregate spending and the money supply has changed; and more emphasis on conventional management training rather than entrepreneurial skills. This is highlighted by the invisible hand of the market in form of big businesses downsizing, low earning households, concentrating on short-term & low-risk payoffs, less innovative financial institutions for instance commercial banks, NGOs, SACCOs, and government initiatives like enterprise Uganda & livelihood fund.

Of late, there have been many firms facing monetary agony. Results from auditor general Muwanga's report 2015/16[17] show only one state entity out of the 22 declared dividends; At the same time, the ministry of finance has been directed to solve the complex issue of limited capital to startups; For instance government has allocated: sh80b for skills development facility, sh180b for microfinance, sh800b for operation wealth creation, sh500b for innovation fund and sh234b for youth livelihood but in Uganda, *capital is not the problem* but management of new and small firm skills most especially business uncertainty & entrepreneurial skills. The government has agreed on measures to rescue collapsing enterprises by rationalising tax measures, reducing cost of doing business, enhancing job creation and growth. Against this backdrop, the government has agreed on measures to bailout sinking (unprofitable) local businesses for instance paying all arrears; capitalizing Uganda Development Bank (UDB), Post bank & microfinance support centre (capitalization not enough); reforming the pension sector; proposing a review of the public procurement and disposal of assets law. *"This bailout is a misleading guide to current economic affairs,"* What's more look at those running the Skills Development Facility, One Village One Product, Uganda Women Entrepreneurship programme, Uganda Broadcasting Corporation, NAADS, Uganda Telecom Limited (UTL) and Kilembe mines. In our view we are proving solutions to the wrong questions.

According to empirical evidence, Uganda's business community has little or no knowledge about business rescue or how it can improve their enterprises; this requires understanding business failure such as the signs and causes. Signs are essentials that lead to causes of business failure/distress. Literature suggests that no single cause for failure of an enterprise but a blend of factors seeing that Steel Rolling Mills & Air Uganda, this calls for advising economic distressed firms. The problem with failure happens when there is imperfect substitution in trade, stifling innovation, lack of investment tips & marketability, ineffective entrepreneurial capital or unable to realize the business strategic goals. Over time, this may be attributed to pitiable market positioning or inability to manage the competitive environment due to poor business leadership, for that reason business gyrate is imperative to protect firms from failure/performance decline. Like Lemmon, Yung-Yu & Tashjian [4] emphasizes that enterprises facing economic agony are characterized by stumpy working profitability. Byword Global Trust Bank (GTB) closed by the central bank, Uganda's Uchumi supermarket closed operations citing profit pressures. As an example Assen Olive, a regular client stresses that provision of products and services have to be tied to the nature of the customer base. In fact, performance decline may come from issues of lack of proficient management or environment in which the enterprise is working: for example the business owner

loses interest in the business, change in suppliers, customers and competitors. Whitaker [5] conclude that poor management leads to financial distress. In our experience, if the business is cash impoverished, efficiency is low and internal operations are weak then it underperforms for instance South African Airways (SAA). Therefore to achieve improvement, proper management structure or alternative good leadership is needed to get involved in entrepreneurial decision making of the firm.

A positive interaction between entrepreneurship and business rescue are very closely linked together. Moving the argument along, business distress is experienced when the enterprise leadership failures to find the causes for the decline in competitive improvement and sales demand declines. We have learned that management leadership inability to change failures or ignore signs necessities the appointed of the gyrate strategist. Gyrate strategist is to return the business to normal performance by finding alternative market to improve sales, eliminate unprofitable products. The strategist requires skills of turnaround for example quality business leadership, management abilities, and financial skills, legal & regulatory progression to improve products and drive up market. The strategist needs to be given full control of the enterprise, may reposition the enterprise, hence such will ensure value creation among customers.

It is also worth stressing that there is a fissure between Uganda's insolvency and business rescue industry. Uganda's *business rescue industry* is multifaceted, amorphous, uncertain and no regulatory body. The new business rescue model provides alternative to government intervention. For simplicity, business rescue is a valuable course of action. Thus, key principles to the success of the industry are the individuals (business rescue doctor) that provide the adeptness, attain the tools and resources, have the skills of organizational rekindling; and translating knowledge into economic worth. Ugandan businesses need to improve competence, effectiveness, and firm stability as a consequence returning underperforming firms to normality requires a host of strategic positional advantages: adaptability, flexibility, innovativeness in order to achieve performance; encourage more people to consider *business gyrate* process as an option and business rescue, hence we covet a new business rescue regime under the companies' act.

Understanding what drives investing in companies. For instance, Thabišo portfolio is a medium venture; it has 4 directors and 100 workers, Thabišo portfolio net asset position declined from Shs109m as of June 2012 to negative Shs19.7b as of June 2015, incurred a net loss of Shs10.4b, negative cash position of Shs22.8b and managers erroneous accounts; and liabilities valve exceed its total assets as of August 20, 2016. The unsettled dues include money owed to

suppliers and employees who will be rendered jobless. "What should Thabišo portfolio directors know about business rescue process and be on the lookout?" Clearly, to understand business rescue gaps, the analysis has to focus on the dramatis personae (business rescue doctor, directors, suppliers and employees). Adding point further, it is possible to put businesses back to performance by addressing signs of failure/distress for example cost cutting, changing markets and business restructuring. Therefore, it is the business owner's responsibility to meet demands of customers and suppliers. To this point, turning the business (Thabišo portfolio) around will greatly depend on the failure levels thus one or more strategies may be applied to resolve the catastrophe and create an entrepreneurial culture/community. Building on the mechanisms of restructuring requires business creative intelligence. As a result to achieve revival (UTL), proper management organization or unconventional business leadership is needed to get involved in entrepreneurial decision making of the firm.

Interesting, business rescue encourages firms to create potential for exponential growth by drawing attention to firm's brand, products or services through leveraging resources and market refocusing. This acts as the benchmark for judging the business's initiatives. In relative terms, prognosis of business survival is the course of action of improving a number of measures of enterprise's success. This can be achieved both by boosting revenue of the firm with greater product sales or once-over income or profitability of the operation by minimizing overheads. These heights the need to comprehend firm factors to ensure continued survival of the business in the course of focusing on the business aggressive competition & trade interactions, understanding and appreciating the business enterprise ideas. Prognosis of business survival is shown by firm's attempts to establish and promote efficient market ideas in line to create utility by communicating, creating, delivering & managing customer relationships in the approach that benefits the enterprise. In addition, it identifies and exploits opportunities to acquire & retain customers through innovative approaches. Further evidence is prognosis of business survival is influenced by the wherewithal of the firm, the nature of the firm, and the tactical decisions taken by the firm owner. Therefore, keeping track of the smallness of the Ugandan firms is negatively correlated with survival rates. Generally, this calls for total commitment to long term success of the business and economic efficiency.

In particular, economic efficiency is critical for Uganda's investment class subsequently the question that moves up is: acquisitions and mergers the solution to economically struggling enterprises? To address this issue, firm expansion or growth requires structures, resource specialisation and systems. This can be achieved through acquisition and merger strategies in support of cost leadership as well as better economies of

scale; For instance, Warid telecom acquired by Airtel Uganda for \$500m, DFCU conquest Crane bank (liabilities > assets), Barclays bought Nile bank, Uganda Commercial Bank taken over by Stanbic bank while other commercial banks merged department functions. Previous studies of DeLong & DeYoung [6] argue that bank acquisitions unable to create value due changing technologies, regulations, merger profiles and industry structure. On the side, to achieve revival among underperforming firms through acquisitions and mergers, proper management structure or alternative leadership is needed to get involved in entrepreneurial decision making of the business. In fact, to fully explain the key principles to the success of acquisitions and mergers are the individuals that provide the adeptness, attain the tools and resources, and have the skills of organizational rekindling in the direction of create a new business culture and ability to implement the process of managing mergers and acquisitions from due diligence to post merger integration. For that reason two or more financially struggling firms can collaboratively enter into a merger to increase output, customer base and value to ensure firm survival and job security of employees that remains a big challenge despite the fact that acquisition involves riveting an existing enterprise.

The Future of Jobs

“Uganda’s investment class does not respond strongly to demand condition”

The modification from Millennium Development Goals to Sustainable Development Goals has besides shifted a policy debate from growth to new firm formation & growth. Over the past decade, a great focus has been on the relation between economic and productivity growth, little or no explanation why today productivity is stagnating. Majority of MSMEs are: predominantly informal, largely concentrated in urban areas, operate in single market, easy entry and exist, high labour intensive, short of working capital (cannot afford advertising and promotion campaigns), limited customer base, 93% producing for local market [7]. Moreover, Ugandan population of 90% is employed in micro, small and medium enterprises (MSMEs); bulk of businesses contribute 90% of the private sector, 80% of the manufacturing, 75% to the gross domestic product (GDP) and employs more than 5 million people, making it the largest employer in the country [8].

Uganda Bureau of Statistics ‘unemployment rates’ stood at 4.2% and 9.4% in 2009/10 and 2012/13 respectively. This is reflected in youth lower living standard, reduced self-esteem and official statistics inconsistency; major question is the role of youths in economic growth. For instance the gross domestic product (GDP) growth is growing at 4.6% in FY 2015/2016; amount produced may be growing, and yet the mass of the people may be becoming poorer. Wachtel [9], for example, defines GDP as the market value of all final goods and services produced in a given

time period by labour and property located within a nation. In the face of growth and a considerable course in public investment projects especially infrastructure, the economy has not produced jobs at the preferred rate. Currently, Uganda is suffering from an observable fact widely known as ‘jobless growth.’ This occurrence rests on point view of business failure. Therefore, there is a need for more examination of the short-run relation between output and employment.

In addition, MFPED suggests that the economic deficit is understood to arrive at 6.8% of GDP in the current financial year. At national level, considering inflation destabilizes entrepreneurs, businesses, and consumers in making viable entrepreneurial decisions. Those who suffer most from inflation are those living on fixed incomes such as the poor households. In our analysis, the excessive regulatory framework and failure of enterprises to sustain productivity growth could explain the rise in unemployment. By means of Friedman [10] suggested that high inflation rates mean more volatility and uncertainty which reduces economic efficiency as result of price changes. Thus, emphasizing the role of business rescue, reviewing the inflation targeting policy, focusing on trade policy issues for instance improve growth performance, and tax incentives for employment & investment will unlock entrepreneurial potential.

Nevertheless, there is no doubt that entrepreneurial enterprises contribute tremendously to sustainable rate of growth; more pressure should be exerted on existing enterprises to create enough affluence for all. Although, enterprises are continuously striving for more vigilance; these ventures require a high level degree of business rescue as to change operation before they would go out of business. Especially there is a positive impact on the number of jobs in the economy through the activities and actions of business rescue leading to promotion of continuous existence of firms. In most cases Ugandan businesses are unable to achieve meaningful economies of scale and unable to design new products or services hence business innovation plays a pivotal role in ensuring continuous existence of the firm by achieving a sustainable competitive advantage of differentiation. In sum, this calls for total commitment to long term business success.

The Entrepreneurial Innovations

“Empowering SMEs for business competitiveness”

Most competitive nations are those with high level of entrepreneurial activity; the increased entrepreneurial intensity focus [11]. The contribution of entrepreneurial innovation globally is huge and extremely important by creating employment and promoting venture skills. The question that requires answering is: how do we foster high levels of business innovation in Uganda? Understanding what drives the

rate of business innovation is helpful for forecasting entrepreneurial outcomes. We show that business innovation remains firmly on the entrepreneurial revolution agenda. Small-medium businesses make contribution to business growth through efficiency innovation. *Efficiency innovation* is, by definition the appliance of creation into cost-effective tap aligned with a specific prospect in the market setting (market economy). The fact that entrepreneurial innovation is the successful utilization of thoughts; for example, using innovation makes businesses succeed by putting customer's first, creating employee satisfaction and firm stability; living proof Apple's iPhone. Apple changed the way of doing business by introducing new business model through product improvement; whereby this year they launched iPhone8, watch and TV at a go. Scores of researchers make use of improved quality, new goods, improved production processes, new methods of production and new sources of supply for instance cloud computing, light bulb by T. Edison, Tim Berners-Lee's World Wide Web and Television by John Logie Baird, Internet Bookstore of Jeff Buzos demonstrate the application of inventions to business.

The majority of Uganda businesses tend to be less innovative seeing that the products don't meet consumer needs; consequently, focusing on finding a common solution to the problem given the level of business failure, an increase in innovation will result in reduced cost of production, price of raw materials, easy to do business for an average Ugandan. However, to put it another way, Natukunda [12] adds that the lessons we have learned about "when Uganda supermarkets are not super" indicate companies have closed shop and others leave the country such as Nakumatt Uganda, British Airways (BA) & Uchumi supermarket (Uganda). Even so, Najah Gina observes that many people are doing same things.

Most Ugandan enterprises have had low profitability credited to lack of:

- novel ways of delivering to the customer the service;
- new-fangled means of informing the consumer about the product;
- New operating practices & production techniques;
- New products & service; and
- New ways of managing relationships within the firm.

It has been argued that relatively low levels of efficiency innovation activity result in slow business growth. Also company future profitability and competitiveness will be affected. The marginal cost of doing business is the key to define business innovation in support of unlocking the potential of small enterprises, create work opportunities, profitability and improve business growth performance.

Looking at economic issues today, many young people have a problem deciding which area exactly to invest in or new modes of operation. For example, to encourage youth entrepreneurship: start their own enterprises and support in the development of innovative products, entrepreneurial innovations allow higher levels of business formation by bringing more services and goods to market in the course of appealing more customers. Overall, these businesses can beyond doubt change how people live. According to the Harvard Business Review [13] change can happen prompt, when the business community supports an idea. Furthermore, focusing on the competition, small-medium businesses innovate with an eye for future value. In most situations, a high level of efficiency innovation activity has the propensity to make a direct and positive impact on the elevation of open unemployment. Indeed, the increasing number of business innovations shows an important factor contributing to the success of competition on markets and technologies. In the case of business innovations, are recognized as one of the principal driving forces in economic efficiency such as mobile banking and internet banking. Consequently, there is still a need for more investment in generating the Uganda National System of Innovation (UNSI).

Financial Market Intelligence (FMI) Something is wrong with the interpretation of interest rates in Uganda?

Uganda as a small open economy; financial markets play an important economical role. It is not well known that Uganda's financial sector remains superficial; and characterised by financial carelessness, over reliance on collateral requirements, lack of appropriate regulatory & legal financial structures, unsatisfactory financial information. This is highlighted by several borrowers escaping their loan obligations for the most part of commercial banks. Recently, Crane bank had shs142.3b of non-performing loans prompting Bank of Uganda to take over management and operations while Imperial Bank Uganda, National Bank of Commerce, Cooperative bank and Greenland were closed. Hence, financial distress is the set off, the gauge and the consequence of an enterprise in need of salvage. And use it as a template to learn to manage the ups & downs, failures related to any business; along with filling gaps in the financial institutions act.

Pepe [14] argues that the most imperative decision in finance is the investment decision. For that reason, understanding financial market intelligence information about the role of finance on long-run economic growth will influence advisors to reform financial sector policies and determinants of financial development. More Brunnermeier & Sannikov [15] put forward that price stability, fiscal stability and financial stability are inseparable. The biggest question is that why Uganda Monetary Policy depart from reasonable price stability? In Uganda's history, the central bank

grappling with accelerating inflation and a weakening shilling, the shilling depreciation reached all-time low in 2015. In other words, why is the UG shilling falling? According to respected Sirikari one of the chief economists disagrees sharply about the role of the Uganda's financial sector in realistic economic growth. In this case, we observe that as a result economic growth has averaged 5.5 per cent and consumption declined, consumption behavior knowledge is essential given that households will have to respond to business fluctuations, food inflation and uncertainty in future market expectations.

In view of that, the setting of rigid money supply targets to control aggregate spending may thus be ineffective and so business rescue doctor suggests that entrepreneur's ability to explore stabilization regime of the business and get to the bottom of distress is unlimited. As an example, Taylor [16] reports that the rise in domestic interest rates lead to capital inflow and a rise in the value of domestic currency in terms of foreign currency. Even though the exchange rate remains a key factor in productivity growth of Uganda's economy, importers and exporters look at value of the domestic currency with greater attention since they make entrepreneurial decisions based on exchange rate forecast; think that trade has a positive effect on the level of real income.

As Uganda's foreign exchange rate appreciates, net exports decrease and imports expensive consequently distorting economic performance and difficult to do business by decreasing purchase power of customers, increasing cost of production, planned public investments and forcing employers to cut jobs; changes in employment presents a challenge of implementing inflation targeting agenda and exchange rate policy at Bank of Uganda. In addition, Uganda capital markets are not fully developed and activities on the stock exchange remain limited so the question would be: can Uganda simply import financial services (the shocks in Kenya spread to Uganda) or there is need to develop financial systems domestically?

CONCLUSION

"Where enterprise leads finance follows" (Joan Robinson)

In many instances, product from productive entrepreneurship occurs over the long term. The analysis suggests that the organisational structure of bureaucracy impedes true revitalisation and modernisation of entrepreneurship. The state of entrepreneurship requires revamping bureaucratic structure that fosters entrepreneurial partnership, rising living standards, empowerment and quality of business leadership. The interest in this creation is to convey a few cheerful hours of indicative deliberation in the simplest and for the most part understandable form in the interest of comprehensibility; and eventually to

propose the following key areas that needs attention: the establishment of *the Companies and Rescue Commission (CRC)* as regulatory authority for distressed business to file for rescue in order to make light of expensive and time consuming court processes; raising awareness about business rescue & business rescue decision making; entrepreneurial education; financial market intelligence information, protection of intellectual property & advice for MSMEs; promote maximum employment, production, purchasing power, social media marketing, entrepreneurial collaboration and efficient markets. Besides, there is a strong consensus that reasonable price stability, entrepreneurial innovations and incentives for SMEs can quicken Uganda's economy as new inventions come up as a technique to become a force in the market, and move the enterprise to the next stage; re-invent our business systems. That's why, economic transparency leads to lower inflation; this will have a greater effect on smaller firms. This composition concentrates on Ugandan perspective but could have wider application more than ever cited in the structure of the swiftness of East Africa.

Suggestions for Further Research

The future research may also investigate why interest rates have had little effect on restoring entrepreneurial stability in Uganda. Additional insights are needed into the extent to which URA tax policy encourages or discourages entrepreneurial entry. Another major area is the identification of the effectiveness of Bank of Uganda intervention and the exchange rate returns.

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