

POSSIBLE CAUSES OF EARLY MORTALITY OF INDIVIDUAL MICROENTREPRENEURS AND MICRO AND SMALL COMPANIES

POSSÍVEIS CAUSAS DA MORTALIDADE PRECOCE DE MICROEMPREENDEDORES INDIVIDUAIS E MICRO E PEQUENAS EMPRESAS

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ABSTRACT

The objective of this article was to identify possible causes of mortality of small businesses and individual micro-entrepreneurs in the municipality of Palmas - Paraná, between 2015 and 2020. This study was developed through descriptive research, with survey, analysis of secondary data, and documental bibliographic research of literature. To this end, a study was carried out with managers of individual micro-enterprises and small companies that ended their activities early. The results obtained suggest that there is a set of factors and not just one in isolation, as the possible cause of the early mortality of small businesses in the municipality, highlighting: the lack of adequate business planning, market study, interest rates high, lack of business knowledge, experience, strategy, identification with the business, bureaucracy and lack of support from specialized bodies.

Keywords: entrepreneurship; innovation, business planning.

RESUMO

O objetivo deste artigo foi identificar possíveis causas de mortalidade das pequenas empresas e dos microempreendedores individuais no município de Palmas - Paraná, entre os anos de 2015 e 2020. Este estudo foi desenvolvido por meio de pesquisa descritiva, com levantamento, análise de dados secundários, e pesquisa bibliográfica documental de literatura. Para tanto, realizou-se um estudo com os gestores de microempreendimentos individuais e de pequenas empresas que encerraram suas atividades precocemente. Os resultados alcançados sugerem que existe um conjunto de fatores e não apenas um isoladamente, como sendo a possível causa da mortalidade precoce de pequenas empresas no município, podendo-se destacar: a falta de planejamento adequado de negócios, estudo de mercado, taxas de juros elevadas, falta de conhecimento do negócio, de experiência, de estratégia, de identificação com o negócio, burocracia e falta de apoio de ór-

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gãos especializados.

Palavras-chave: empreendedorismo; inovação, planejamento de negócios.

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1 INTRODUCTION

The analysis around the mortality of micro and small companies and businesses of individual microentrepreneurs has attracted the attention of scholars and society itself due to its implications for the labor market and the Brazilian productive structure.

Most of the SMEs and individual microentrepreneurs have in their business the realization of an entrepreneurial dream, and to remain in the market a requirement is fundamental, that of being in constant innovation. It is possible to affirm that entrepreneurship awakens the individual to take advantage of its rational and intuitive potentialities, in addition to seeking self-knowledge in a constant process of learning and openness to new experiences and paradigms (BAGGIO, BAGGIO, 2014; ZAMBON, 2021). According to Paiva (2021) entrepreneurs innovate, innovation is the instrument of the entrepreneurial spirit, it is the act that contemplates resources with the new capacity to create wealth.

Considering the world scenario, micro and small companies are responsible for the vast majority of jobs and in the occupation of new markets, conquered by outsourcing, technological innovations or globalization (FILHO, AZEVEDO, 2019). Thus, the closure of the company generates economic and social problems in the environment that was inserted, as well as the growth of the economy depends on the country's ability to create companies capable of surviving to provide new jobs and income for the population, which will result in an opportunity for social mobility, increased competitiveness and economic efficiency (MAI, 2006; SANTOS, 2007; FIGUERO, MILK, 2009; CUNHA, 2009).

According to SEBRAE (2020), in October 2020, Brazil had more than 17 million small businesses (7 million micro and small enterprises and 10.9 million MEIs (individual micro-entrepreneurs)), which together represent 99% of all companies in the country and account for about 30% of GDP, in addition, it states that these companies hold 55% of the stock of formal jobs.

In this scenario, the closure of MPEs (micro and small companies) brings great damage to the local, regional and national economy, because in addition to failing to generate income and increasing the number of unemployed, end up increasing the number of professionals working in informality, because they do not find vacancies in the formal market. This process compromises the government's collection system, generating fewer investments in benefits to society and greater deficits in the social security system (MORAIS, CARNEIRO, 2017).

The concerns raised in the context above suggest that MPEs are an economic axis that should not be ignored throughout the global economic scenario. This phenomenon is particularly remarkable in the developed world in general. Data indicate that one of the difficulties for conducting studies related to the mortality of MPEs is that information on the closures of business are not organized in databases, with sufficient detail to support investigations in this area (MACHADO, ESPINHA, 2007; SEBRAE, 2017).

With a population of more than 50,000 inhabitants, the city of Palmas is located in the

Southwest of Paraná, its economic base has expanded with the exploitation of wood in addition to the cultivation of apples and other branches of agriculture, serving both national and international trade. The majority of its population is in the urban area and the municipality has a human development index of 0.660, occupying the 2,898th position in the ranking of municipalities (UNDP, 2010; IBGE, 2010).

This study aims to investigate the causes of the failure of MPEs as commercial enterprises in the municipality of Palmas - Paraná. In order to solve the research problem, the study seeks to answer the following question: What are the causes of the failure of MPEs and individual microentrepreneurs?

The relevance of the study is that it can be used as a source of data and information for the implementation and development of new policies by the government, for MPEs, individual microentrepreneurs and other stakeholders. The results of the research can also be used to face the challenges experienced by small and medium-sized enterprises, aiming at the greater survival of companies, and, consequently, providing local development.

This article contains, in addition to this introduction, a theoretical basis on the subject, the methodological procedures that were used for the execution of this study, the analysis of the results found and, finally, the final considerations, followed by the references.

2 LITERATURE REVIEW

This section approaches the main concepts of entrepreneurship, the conceptualization of MPEs and the MEI, and studies on the possible causes of failure. A survey was also carried out on the historical context in Brazil, detailing more in-depth data from the municipality of Palmas - Paraná, in which the study was carried out.

2.1. POSSIBLE CAUSES OF FAILURE OF MICRO AND SMALL ENTERPRISES AND INDIVIDUAL MICROENTREPRENEURS

In a stationary economy model, the figure of the innovative businessman, that is, the entrepreneur, becomes fundamental for the development of the economy. This individual is, the producer who, as a rule, initiates economic change, and consumers, if necessary, are "educated" by him, they are, so to speak, taught to desire new things, or things that differ in some way from those who have the habit of consuming (SCHUMPETER, BACKHAUS 2003, ARCAIN, 2020). Dand according to Paiva (2021) entrepreneurs innovate, innovation is the instrument of the entrepreneurial spirit, it is the act that contemplates resources with the new capacity to create wealth.

Being an entrepreneur is going beyond the act of opening new companies, more comprehensive definitions show that entrepreneurship can be related to various types of organizations, in various stages of development and innovation (DORNELAS, 2005; PAIVA, 2021).

According to the survey from Global Entrepreneurship Monitor (2019), it is estimated that there are a total of 53.4 million Brazilians at the head of some entrepreneurial activity, involved in the creation of a new venture, consolidating a new business or making efforts to maintain an established enterprise (SEBRAE, 2020). The formal salaried worker has been gradually assuming typical functions of the entrepreneur and also assuming the risks of entrepreneurial activity (PASSOS, 2007).

In Brazil, when talking about entrepreneurship, one can highlight individual microentrepreneurs (MEIs) that, according to SEBRAE (2017), are characterized as the person who works on his own and who is legalized as a small business owner, and can fit into one or more activities

in a single CNPJ and have only one employee. Also based on data from the SEBRAE report that analyzed the Profile of the Individual Microentrepreneur, published in 2017, the number of MEIs presents increasing trends, obtaining an average of almost 1 million records per year. In 2019, this number reached 8.4 million subscribers.

In order to regulate these small entrepreneurs, laws were created to regulate these models of entrepreneurs, ensuring to them some management possibilities that puts them in a position to compete with larger companies already consolidated in the market. In 2006, the General Law of Micro enterprises and small businesses was instituted, Complementary Law 123/2006, which was created to regulate the provisions of the Brazilian Constitution, which determines the differentiated and favored treatment for Micro and Small Enterprises, treatment that provides for simplification and non-bureaucratization, facilities for market access, facilities for obtaining credit and justice and stimulating innovation and exploitation (SEBRAE, 2019).

The MEI was introduced by Complementary Law 128/2008 by modifying Art 18 of Complementary Law 123/2006, enabling the formalization of entrepreneurs on their own. With the approval of LC No. 128/2008, which regulates the figure of the Individual Microentrepreneur, has opportunityed professionals to legalize their business. This law is in the context of the differentiated treatment to be given to small businesses recommended by Article 179 of the Federal Constitution of 1988 (SEBRAE, 2018).

Also according to SEBRAE (2021) the General Law standardized the concept of micro and small enterprise by embodying them based on their annual gross revenue, this law protects small businesses to follow the Constitution and generate jobs and income. These small businesses account for 99% of all companies in the country and account for about 30% of GDP, in addition, it states that these companies hold 55% of the stock of formal jobs (SEBRAE, 2020).

Also according to data from SEBRAE (2020), even if this trend has been higher previously, these entrepreneurs still represent the great number of total entrepreneurs, who find, in the opening of their own business, the exit to the lack of employment or prospects of professional ascension, which is why, often, an enterprise is started without knowing the costs of it.

In this scenario, the closure of MPEs brings great damage to the local, regional and national economy, because in addition to failing to generate income and increasing the number of unemployed, end up increasing the number of professionals working in informality, because they do not find vacancies in the formal market. This process compromises the government's collection system, generating fewer investments in benefits to society and greater deficits in the social security system (MORAIS, CARNEIRO, 2017). In a study conducted in 2013, SEBRAE Nacional pointed out that 24.4% of MPEs closed their doors with less than two years of existence. And this percentage can reach 50% in establishments under four years (SEBRAE, 2017).

Micro and small enterprises play an important role for local and regional economies, but these enterprises often find it difficult to survive in the market and achieve good economic performance (SEBRAE, 2017). The lack of working capital, lack of knowledge of the market where they operate, low managerial vision, lack of customers, place of bad business opening, high delinquency and other factors can be mentioned as the main factors responsible for the premature closure of The MPEs (SEBRAE, 2004; MORAIS, CARNEIRO, 2017).

In Dewhurst's opinion (1996), MPEs fail because their plans are sales-oriented, a short-sighted view which prevents business esplanade from meeting the changing needs of customers. In this same context, Nascimento (2020) presents a study on the need to return business to the market and not only aiming at the sale of the service or product, investing in marketing actions, seeking the development of small businesses.

Another dimension of the expansion of management skills is the one proposed by Van Aardt (1997), who argues that consultants can expand management skills, since they can be used

in the development of policies and sound business structures, such as effective accounting practices. Expanding management skills can therefore be an effective tool for dealing with the failure of Individual MPEs and microentrepreneurs.

As a possible solution to avoid this early mortality Wright (2000) points out that the entrepreneurs of The MPEs must invest in extensive reading in areas related to the nature of their business so that they can adopt the set of skills necessary to ensure their survival. Management skills can also be acquired by requesting business partners who have the necessary skills in a given industry. As for example the partnership with angel investors, who in addition to injecting financial resources, also administratively guide business management.

Baron and Shane (2007) claim that the activities of entrepreneurs have a major impact on the economies of their societies involved. However, there is a "misstep", because there is a trend of closure in the first years, of the many MPEs that start their activities, in this way, it is necessary to evaluate the local economic scenario considering the mortality rates of business (MACHADO, ESPINHA, 2007).

Ferreira et al (2008), published a study on how much the vigor of the economy of several countries originates in the success of small companies, conducted a survey with the managers of micro and small companies in the city of São Paulo that ended their activities. As a main result, it can be highlighted that the factors associated with mortality are predominantly of a strategic nature, which is contrary to the common sense that professes the lack of resources as the main motivator of the bankruptcy of small companies, this result has importance to guide public policies, entrepreneurs and funding agencies for the formulation of their strategies towards the development of administrative skills for the success of micro and small Brazilian companies.

In a study conducted by Flowers et al. (2013), the main research issue focused on asking whether corporate governance influences the performance of MPEs. The study concluded that managers did not have adequate knowledge about the discipline of corporate governance and this resulted in the failure to decipher its harmful effects on business performance. Although the actual study did not link management practices to the failure of MSEs, the problems that the research attributed to mismanagement are a recipe for the long-term end of MPEs.

Oliveira (2020) conducted a study on the Federal Constitution that ensures differentiated and favored treatment of micro and small enterprises (MPEs). However, it was found that there is a high number of micro and small enterprises (MPEs) which close their activities shortly after they were set up, since 23.4% of them are closed before they have even completed two years of activity.

3 METHODOLOGICAL PROCEDURES

This research used an exploratory and descriptive study, in descriptive research, facts or phenomena (variables) are observed, recorded, analyzed and correlated without handling them, through this research, it seeks to know the various situations and relationships that occur in social, political, economic and other aspects of human behavior, both of the individual taken alone as complex groups and communities.

The article assumes a qualitative approach that provides support for the interpretation and understanding of the processes that involve administration, especially when it seeks to understand the phenomena from the perspective of the subject, that is, the participants of the situation under study (GODOY, 1995).

In a qualitative context, data assumes views instead of numbers and percentages. According to Mhizha (2014), it seeks to understand the world based on the interpretations of those who live in it, and not from the point of view of an expert or based on a predefined formula.

Newman, Chansarker and Turner (1999) proposed three ways to collect information, through documentation or reading material relevant to information that helps draw conclusions, which involves observation where someone listens, observes and, in the process, notices what is happening and eventually makes conclusions, and that makes use of questionnaires or forms of data collection and interviews, which allows the researcher to seek information from individuals or groups that he or she considers significant in the research process.

The importance of content analysis for organizational studies is increasing and has evolved due to the concern with scientific rigor and the depth of research (MOZZATO, GRZYBOVSKI, 2011).

To analyze the interviews, Laurence Bardin's content analysis method was used. It should be noted that, when working with content analysis, according to Bardin (2006), care with the description and execution of each phase of the analysis, however much flexibility and creativity is maintained, is characterized as a way to generate reliability and validity. Bardin (2006) indicates that the use of content analysis provides for three fundamental phases: pre-analysis, exploration of the material and treatment of results – inference and interpretation.

In relation to the interviews, they were conducted with the help of a semi-structured script with comprehensive questions, and additional questions in the form of topics, which were introduced, when necessary, in a natural way, as the dialogue between the interviewee and the researcher was established. The interview consisted of 18 questions, as follows: 1. How old are you? 2. What is your background? 3. Do you have entrepreneurs or businessmen in the family? 4. Why did you start the business? 5. What knowledge/experience did you have in relation to the business you started? 6. How big is your company? 7. How long have you operated on your business? 8. When you opened your enterprise did you have any support from the trade association of your municipality? 9. Before opening the business, did you do market analysis? 10. At this time what was your knowledge of cash flow and taxes/taxation? 11. Did you have spending planning? Did you have enough capital? Or did you have to resort to financing and interest on banks? 12. With the knowledge of your industry, what do you think are the causes of the failure of The MPEs? 13. Which of the causes are the most significant? 14. What are the implications of the failure of MPEs? 15. Do these implications affect the economy? 16. What are the possible solutions to prevent the failure of MPEs? 17. What would you do differently if you started today? 18. What do you think of your entrepreneur career? Do you find it easy or difficult?

The combined use of these three methods, exploratory and descriptive study and content analysis, will ensure the validity and reliability of this study. The methods made it possible to observe the causes of the failure of MPEs and individual microentrepreneurs, their implications and possible solutions with different perspectives, reaching the same conclusions to ensure the validity and reliability of the study.

The interviews were conducted from March to August 2021, the Municipal Secretariat of Economic Development, Science, Technology and Information presented a list of MEIs and MPEs that closed their businesses, and indicated some of these entrepreneurs to be interviewed, in the search to better understand why they needed to declare bankruptcy of their enterprises, information were scheduled interviews with them. Among the nominees, 8 interviews were conducted with which it was considered sufficient information obtaining for data analysis. It was composed of 18 questions, which were complemented during the conversation. The interviews took an average of 15 minutes each, and were manually transcribed, in their transcriptions about five pages were generated for each interviewee, which generated an average of forty transcription reports. None of the interviews were discarded, and all interviewees were used to analyze the data.

According to data from SEBRAE (2020), the municipality of Palmas - Paraná had 3,795

businesses as of May 11, 2020, distributed between ME, EPP and MEI, with the majority of which were individual microentrepreneurs in a total of 2,049, followed by 1,633 microenterprises and 113 small businesses, which shows the importance of microentrepreneurs in the local economy. For this reason, we chose to conduct the interview and data analysis with the MEI of the municipality.

According to data presented by the Municipal Secretariat of Economic Development, Science, Technology and Information in the municipality of Palmas, related to the opening and closing of businesses involving individual microentrepreneurs, in the years 2015 to 2020, 1306 businesses were opened, and 374 were closed, according to Table 1.

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------|------|------|------|------|------|------|
| APERTURE | 148 | 194 | 264 | 237 | 267 | 196 |
| CLOSURE | 22 | 55 | 105 | 68 | 72 | 52 |

Table 1 - Business opening and closing data in Palmas - Paraná

4 DIAGNOSIS OF THE DATA COLLECTED

Qualitative data were treated through content analysis, a technique which involves making inferences through the objective and systematic identification of specific characteristics of the messages. The names of the interviewees who were part of the study will not be revealed.

Interviewee A is 35 years old, training at an incomplete higher level in the nursing area, has an entrepreneurial family member, started his venture because he saw the possibility of not being salaried, thus seeking new life perspectives. With no experience in any market industry, he decided to open a bakery, which operated for 10 months. The individual microentrepreneur, did not have any experience related to the business he opened, reports that he learned in practice.

Interviewee B is a micro entrepreneur in the bakery business, currently 34 years old, graduated in accounting sciences, and who has other entrepreneurs in the family. She operated her business for 3 years as a pastry shop, and a year as a restaurant.

Interviewee C is an individual microentrepreneur, owned a pastry shop, which was later transformed into a Japanese food restaurant, is currently 51 years old, has a training in the level of technologist in rural administration, comes from a family of entrepreneurs, and reports having opened her business for passion for Japanese gastronomy. She operated his business for 3 years as a pastry shop, and a year as a restaurant.

Interviewee D is from a 33-year-old microentrepreneur, who was a commercial representative in the municipality, with training in animal science. He started his business because he provided outsourced services and needed to regulate a CNPJ, had knowledge of the business because he always worked with commercial representation, operated his business (after having formalized it) for only 90 days.

Interviewee E is in the meat business, had a butcher shop in the municipality, which even with little uptime, was considered a reference in the area, is now 39 years old, has training as a technologist in the environment, and courses in the area of food, has no entrepreneurs in the family, and started his business because he worked for 15 years in third-party butchers, did not want to have a boss anymore, wanted to own his business, not have to keep schedule and do something he liked.

Interviewee F is an entrepreneur who is currently 27 years old, male, and worked in the motorcycle parts business, inherited his mother's business, had no experience with the business, between the beginning of his work as an entrepreneur and the closing of the company 3 years passed.

The interviewee G was from the night entertainment area, he closed two businesses, the

first initially a convenience, later transformed into a bar with live shows, and the second a concert nightclub with a kitchen that served on site and also performed deliveries of snacks. He is 37 years old, with a background in history.

The interviewee H, is a lawyer, he is currently 25 years old, and worked in the business of night entertainment, in 2019 opened a PUB in the city. The entrepreneur comes from a family of entrepreneurs. He started his business due to the lack of this type of place in the municipality. Operated the business for five months.

Among the main findings we can highlight:

| | |
|--|-------|
| Desire to have one's own business and not be an employee anymore | 25% |
| He believed he had a "good idea" of business and that he could make money from it | 37.5% |
| After talking to some friends, family and/or entrepreneurs found a "good idea" of business and decided to invest in it | 25% |
| Other | 12.5% |

Table 2 - Motivation to open the business

As observed in Table 2, as to the reasons that led entrepreneurs to identify an opportunity, the most representative were: the finding of a "good idea" of business after talking with some friends, family and/or entrepreneurs, cited by three of the interviewees, followed by the desire to have their own business and not be an employee anymore. With these findings it is possible to infer that, similarly to other studies (FILARDI, 2006; SEBRAE, 2014), the need to generate income and the search for financial, professional or personal independence can also be the main drivers of encouragement to entrepreneurs by need.

With the analysis of the interviews it was possible to observe that the entrepreneurs reported having decided to open their own business after talking with some friends, family and / or entrepreneurs and having after that, found a "good idea" of business to invest. This observation is in line with the study conducted by SEBRAE/SC (2016), which deals with the difference between what is considered an idea and a real business opportunity, as well as to the danger of ignorance of this difference, as a possible cause of failure of the enterprises.

Thus, it is possible to affirm that to identify a real business opportunity the entrepreneur needs to develop a series of activities related to the process of prior business planning and seek to better understand this process. The interviewees were asked about previous activities in the opening of their business, the answers can be analyzed in Table 3:

| | |
|--|-----------------------|
| Education of the interviewees: Complete Superior Incomplete Superior Technologist | 62.5% 12.5% 25% |
| He had entrepreneurs in the family? | 75% |
| Did you have experience in the business to which you started your business? | 50% |
| Did you get help from a specialized body when you opened your business? | 0% |
| Did you perform market analysis when starting your business? | 25% |

| | |
|--|-------|
| Did you have knowledge of specific legislation in the area in which you started? | 12.5% |
| Did you plan expenses before you started your activities? | 0% |

Table 3 - Main findings of interviews with entrepreneurs

Among the findings of the research, only 2 entrepreneurs indicated that they had elaborated the business plan, being visible that most participants cannot count on the possible benefits arising from its preparation for the maintenance of their companies. It was clear that the entrepreneurs of the municipality of Palmas, most likely were unaware of some basic information necessary to start a business.

Finally, based on the results of the present study and on comparisons and observations of similar studies, it is possible to observe that despite the existence of particular characteristics that differentiate an MPEs or an individual microentrepreneur of a large company, that of the effectiveness of formal prior planning in the construction of SMEs and in the opening of MEIs, it is an important element for the growth process and subsequent success, as well as the long-term maintenance of these small businesses (SEBRAE 2014).

Another important point of the study is related to what entrepreneurs cited as the possible causes of the failure of SMEs, namely: lack of support from specialized public agencies, as well as the trade association, and other partners; enormous bureaucracy presented for the achievement of possible resources to promote small businesses; lack of support from the municipality, not only in relation to access to resources, but related to greater dissemination of small local entrepreneurs; lack of knowledge of: market, finance, management, marketing and sales, culture, in addition to the lack of personal domain – emotional intelligence, stomach to deal with circumstances, lack of strategy, lack of identification with the business – having the business just to generate income, lack of staff, leadership and lack of financial resources; lack of cash flow, purchase in small amounts, payroll expenses; lack of knowledge of the work to be developed and the form that it should be operated, and the most significant cause is misinformation; high amounts of taxes and fees (such as water and electricity) charged to merchants; lack of public management support; low support in bank working capital or loans for investments for micro and small enterprises, a lot of bureaucracy etc; bureaucracy, and also the lack of technical knowledge of some public servants who are in supervisory positions; bureaucracy, and also the lack of greater involvement of municipal management.

As a major implication of the closing of these small businesses, all interviewees cited the reduction of economic power in the municipality, and consequently, the decrease in income turnover in the local economy, because with the early closure, debts are left, and also a high number of unemployed, who, in addition to failing to spend in the municipality, again need all the service related to municipal management, infrastructure, education and health spending.

5 DISCUSSIONS

Seeking to understand what has really been a contributing factor for the early closure of SMEs in Brazil, it is necessary to go beyond trying to identify the possible causes, it is necessary to make an analysis of the process of undertaking as a whole. In the search to identify how this process developed and understand the motivation by which entrepreneurs opened their businesses, and using this line of reasoning, it was possible to identify that the vast majority of entrepreneurs opened their business because they had identified a market opportunity, which, provenly, did not guarantee success to their ventures.

The main objective of the study was to point out the main factors associated with the mortality of micro, small enterprises and individual microentrepreneurs in the municipality of Palmas - Paraná. For this, we sought to prepare a theoretical review on the subject that provided subsidies for the composition of a list of factors related to the early mortality of these small businesses. Subsequently, a quantitative and qualitative research was carried out with the Municipal Secretariat of Economic Development, Science, Technology and Information, and microentrepreneurs of the municipality.

Related to the possible causes that lead to early mortality of the activities of individual SMEs and microentrepreneurs, it was possible to observe that, in general, they are associated with a set of factors and not to a single factor alone, in the same way, as can be observed in similar studies of the same theme cited in this article.

It is possible to conclude that several factors related to the entrepreneur himself also contribute to this failure of the business. In this sense, the findings are in line with the results achieved by previous studies, which mention the managerial importance of business planning, even though they are in small municipalities.

6. FINAL CONSIDERATIONS

Analyzing the data collected with this study, it can be observed that the main factors associated with the early mortality of micro, small companies and individual microentrepreneurs are: mainly the lack of adequate business planning, market study, high interest, lack of business knowledge, high bureaucracy and lack of support from specialized bodies.

According to the studies used as a basis for the development of this article, the amount of micro and small companies and individual microentrepreneurs grows a lot in Brazil today, what happens is that they are often opened without great market knowledge and most often with little experience, seeking only often an option for income increase.

Based on the studies presented it is possible to come to the understanding that micro and small enterprises, as well as individual microentrepreneurs have in their owner, often the only decision-taker of the business, which the lack of management knowledge, makes these decisions, often based on personal and subjective points of view, this can also be pointed out as one of the possible causes of failure of this type of company.

As was evident in the reported interviews, lack of knowledge is one of the factors that most harms microentrepreneurs, who are often unprepared to know such broad legislation and for many difficult to understand, many are unaware of the laws, and open companies because they want the opportunity to have financial independence, and do not develop any business plan, as well as the great bureaucracy which involves the opening and maintenance of companies in our country.

Thus, the mortality of companies that permeate this size may be linked to several factors, including poor business management, great competition, little previous experience, little capital, among others. The interviewees report that what most harmed their business was bureaucracy, together with the lack of assistance of specialized bodies, according to the report "*... the failure of the MEIs is mainly due to the lack of support from specialized public agencies, as well as the trade association, and other partners, as well as the enormous bureaucracy presented to the achievement of possible resources to foster small businesses...*".

The findings of the study confirm what was said by Wright (2000) where he pointed out that the entrepreneurs of The MPEs should invest in extensive reading in areas related to the nature of their business so that they can adopt the set of skills necessary to ensure their survival. Just like Ferreira et. al (2008), which in his studies showed that contrary to what many think

about the vigor of the economy have an effect on the failure of small and medium-sized enterprises, in fact what influences mortality are factors associated predominantly with the strategic nature, as well as the lack of action of the funding agencies for the formulation of their strategies.

The results found with the study confirm some previous studies, especially in recent decades. With this study it is expected that the notes found can help guide public policies to promote small entrepreneurs, and also in a way the funding agencies and the public authorities, especially municipal management, so that based on the findings can carry out the reformulation of their strategies seeking the development of administrative skills for the success of micro, small businesses and individual micro-entrepreneurs.

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