
**Business Sustainability: Support Agencies' Perspectives on the Limitations
SMMEs Face in the Northern Cape**

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Abstract

Small, Medium, and Micro Enterprises (SMMEs) play a critical role in promoting economic growth and job creation, yet many face persistent sustainability challenges, especially in rural and under-resourced regions such as South Africa's Northern Cape Province. This study investigates the perspectives of SMME support agencies on the key factors limiting business sustainability in the province. Guided by the Resource-Based View (RBV) and Dynamic Capabilities Theory (DCT), the study explores how internal resource limitations and external environmental constraints affect SMME performance. A qualitative research design was adopted, involving semi-structured interviews with ten officials from various support agencies. The findings identify recurring challenges, including limited access to funding, inadequate training opportunities, poor market integration, low industry knowledge, and the adverse effects of geographic dispersion. The results also highlight a misalignment between national support mechanisms and local business realities. The study contributes to theory by extending RBV and DCT to a rural development context and offers practical insights for improving policy and programme design. It recommends localised support strategies, improved coordination among agencies, decentralised training, and tools to enhance market access and business adaptability.

Keywords: smme sustainability, northern cape, business challenges, resource-based view, dynamic capabilities theory.

1. Introduction

Small, Medium, and Micro Enterprises (SMMEs) are recognised as essential drivers of economic development, employment generation, and poverty reduction in both developed and developing economies. They promote industrial diversification, innovation, and economic resilience (Bhorat et al., 2018; Herrington & Kew, 2018). In South Africa, SMMEs account for approximately 60% of total employment and contribute around 34% to the national GDP (International Finance Corporation (IFC) & World Bank, 2019). Despite their critical role, many SMMEs in the country are characterised by high failure rates. It is estimated that nearly 70% of SMMEs fail within the first five years of operation, largely due to structural challenges such as limited access to finance, inadequate managerial capacity, market access barriers, and complex regulatory requirements (Kelly et al., 2021; Mhlongo & Daya, 2023; Weilbach & Visser, 2024).

These structural constraints are particularly severe in under-resourced regions such as the Northern Cape Province. The province is the largest in South Africa by land area but has the lowest population density. Its economic environment is shaped by limited urbanisation, large geographic distances, and an underdeveloped industrial base (Northern Cape Provincial Treasury (NCPT), 2017). SMMEs in the region face considerable challenges include logistical difficulties, weak integration into supply chains, poor infrastructure, and reduced access to formal financial services (Masingili, 2022). Many operate in vulnerable sectors such as agriculture, mining services, and tourism, all of which are highly susceptible to economic and environmental shocks (Eggink, 2021; Khan, 2022). Low population density also limits consumer demand, making it difficult for businesses to achieve economies of scale or sustain profitability (Matekenya & Moyo, 2022). These challenges raise urgent questions about how SMMEs in such environments can achieve business sustainability.

Business sustainability, for this study, refers to a firm's capacity to maintain long-term economic viability, adapt to changing conditions, and contribute meaningfully to its broader socio-economic environment. In regions like the Northern Cape, sustainability is not only dependent on internal capabilities but also on the relevance and accessibility of external support. To address SMME constraints, various support mechanisms have been introduced by government departments, development agencies, and municipalities. These include financial assistance, capacity building programmes, and market development interventions (Chikwira & Rawjee, 2022). Organisations such as the Department of Economic Development and Tourism (DEDAT), Small Enterprise Development Agency (SEDA), and Industrial Development Corporation (IDC) play a central role in delivering these interventions (Omar et al., 2020). Despite these efforts, SMMEs in the region continue to experience persistent sustainability challenges, suggesting a possible misalignment between policy intentions and practical outcomes (Bushe, 2019; Mashilo, 2022).

This study focuses on the perspectives of support agencies, as opposed to the more commonly studied views of SMME owners. Although prior research has identified various causes of SMME failure in South Africa, few studies have examined how support agencies themselves interpret the barriers to business sustainability in rural, low-density contexts such as the Northern Cape. Most existing studies are concentrated in urban or national analyses (Weilbach, 2023). In addition, research on support mechanisms is often limited to evaluating outcomes without considering the experiences and constraints of those responsible for programme design and implementation (Jayasekara et al., 2020). This study addresses this gap by placing the institutional and operational perspectives of support agencies at the centre of the investigation. In doing so, it contributes an original viewpoint to the literature on business sustainability in developing economies. By exploring how support providers perceive and navigate the unique challenges of the Northern Cape, the study identifies critical weaknesses in the design, delivery, and impact of current interventions. This perspective introduces empirical value and provides insight into how external actors influence SMME resilience.

The theoretical foundation of the study is based on two complementary frameworks: the Resource-Based View (RBV) and the Dynamic Capabilities Theory (DCT). The RBV argues that competitive advantage is achieved through the possession and management of strategic resources that are valuable, rare, inimitable, and non-substitutable (Barney, 1991; Barney et al., 2021). In the context of the Northern Cape, internal resources such as financial capital, skilled human resources, and technological infrastructure are often limited or poorly developed (Gawali & Gadekar, 2017; Nikolić et al., 2019). The RBV framework enables a critical examination of whether existing support mechanisms effectively address these resource deficits.

While RBV focuses on what firms possess, DCT shifts the attention to what firms can do with their resources. DCT emphasises a firm's ability to sense opportunities and threats, seize them effectively, and reconfigure its resource base in response to environmental changes (Teece et al., 1997). This ability to adapt is especially important in rural and economically marginalised settings, where firms must respond to policy shifts, infrastructure challenges, and market volatility (Amoah et al., 2021). Together, RBV and DCT provide a balanced lens for analysing both the structural limitations that SMMEs face and the extent to which they respond to external pressures. These frameworks were selected over others, such as institutional theory or stakeholder theory, which are less equipped to address both internal capability-building and adaptive behaviour in uncertain environments. By using RBV and DCT in combination, this study can examine whether current support strategies help SMMEs both develop critical resources and build the strategic flexibility needed for long-term sustainability.

A qualitative research design was used to capture context-specific insights from stakeholders with direct involvement in SMME support. Ten participants from different government and development agencies in the Northern Cape were interviewed using a semi-structured interview guide. Participants were selected through purposive sampling to ensure relevant expertise in programme implementation, policy development, and funding allocation (Debarliev & Janeska-Iliev, 2015; Creswell & Poth, 2018). This design allowed the study to gather detailed accounts of the operational realities, challenges, and effectiveness of current support mechanisms. The method is suited to studies that aim to explore complex institutional dynamics and perceptions within a specific policy context.

This research makes both theoretical and practical contributions. Theoretically, it applies RBV and DCT in a rural South African context, extending their use beyond the firm, analysing the examination of public and institutional support structures. Practically, the findings provide evidence that can inform more tailored and effective support strategies for SMMEs in remote and underdeveloped areas. The study also offers policy recommendations that address current gaps in support delivery, training access, and infrastructure development.

The study is guided by the following research question:

What are support agencies' perspectives on the factors limiting SMME sustainability in the Northern Cape?

To answer this question, the study sets out to achieve three objectives:

1. To examine the primary constraints affecting SMME sustainability in the Northern Cape, as identified by support agencies.
2. To analyse the effectiveness of current support mechanisms and interventions aimed at assisting SMMEs in the region.
3. To propose recommendations for improving the design and alignment of support strategies with the specific needs of SMMEs operating in rural environments.

The remainder of the article presents a review of relevant literature, outlines the research methodology, and discusses the findings and their implications. The conclusion offers targeted recommendations for policy and practice, and suggests directions for future research.

2. Literature Review

2.1 Conceptual Framing: Resource-Based View and Dynamic Capabilities Theory

This study adopts the RBV and DCT as guiding frameworks to explore SMME sustainability. RBV emphasises that firm success depends on the effective development and use of strategic internal resources that are valuable, rare, and difficult to replicate (Barney, 1991; Barney et al., 2021). However, these resources are often unevenly distributed, particularly in peripheral regions, which restricts the competitiveness of SMMEs.

DCT builds on this by highlighting the importance of a firm's ability to adapt in changing environments through processes of sensing opportunities, responding strategically, and reconfiguring operations (Teece et al., 1997). While RBV focuses on what a business has, DCT focuses on what it can do with those resources in a volatile environment. These theories are particularly relevant in under-resourced settings where adaptability and resource mobilisation are necessary conditions for business survival. Although RBV and DCT have been widely applied in firm-level research, their application to institutional support systems remains limited. This study therefore extends their use to the operational realities of support agencies tasked with enabling small business sustainability.

2.2 Literature on SMME Failure

Extensive literature has examined the causes of SMME failure globally. In high-income countries, failure is often associated with internal deficiencies such as poor financial management, lack of innovation, and weak strategic planning (Jayasekara et al., 2020). External pressures such as complex regulatory environments, saturated markets, and high compliance costs also contribute to firm instability (Kaminskaite, 2017; Khan, 2022). These challenges, while significant, are often mitigated by better infrastructure and more accessible support systems (World Bank, 2022; Deloitte, 2024).

In developing economies, however, SMMEs contend with a wider range of structural and institutional constraints. These include limited access to finance, inadequate entrepreneurial education, weak governance, and informal business practices (Nangoli et al., 2013; Yakubu & Onuoha, 2022). Other issues such as loan delinquency, poor supervision, and unreliable staff also

feature prominently in studies focused on these contexts (Gawali & Gadekar, 2017; Chukwuneme et al., 2023). These factors have been well documented, yet much of the literature presents them from the viewpoint of business owners or macroeconomic analysis, with little attention paid to how institutional actors perceive and respond to them (Bushe, 2019; Jayasekara et al., 2020).

2.3 Institutional Support and Context-Specific Constraints

South Africa presents a unique case where support for SMMEs is mandated through multiple national policies and delivered through public and private sector institutions. However, research indicates that the implementation of these policies remains uneven. Many interventions are centralised and poorly adapted to the conditions of remote provinces, which limits their effectiveness (Bushe, 2019; Mashilo, 2022). Studies have highlighted that challenges such as limited coordination, low awareness, and access barriers persist across various sectors (Omer, 2016; Visser et al., 2019).

Few studies explore how support agencies understand these challenges, or whether they see their interventions as aligned with local business realities (Bushe, 2019; Jayasekara et al., 2020). In provinces such as the Northern Cape, businesses often operate in dispersed, low-density markets with minimal infrastructure (NCPT, 2017; Matekenya & Moyo, 2022). Yet, the institutional literature has yet to engage with the practical constraints these agencies face or how they assess the impact of their programmes (Omar et al., 2020; Mashilo, 2022).

2.4 Dimensions of Business Sustainability

Business sustainability is defined in the literature as a firm's ability to maintain long-term viability by managing internal operations efficiently and adapting to external pressures (Lozano, 2015; Mazibuko, 2020). Studies often distinguish between internal drivers, such as leadership, innovation, and process efficiency, and external enablers such as infrastructure, regulation, and market access (Alayón et al., 2022; Martins et al., 2022).

While these categories are useful, there is a growing recognition that the support ecosystem plays a vital mediating role between internal and external factors (Amoah et al., 2021). In rural contexts, support agencies are often the primary interface between small firms and the resources they require to survive (World Bank, 2019; Mhlongo & Daya, 2023). However, limited research exists on whether these agencies possess the capacity, tools, or mandate to address both resource constraints and the development of adaptive capabilities in the businesses they support (Jayasekara et al., 2020; Omar et al., 2020).

2.5 Research Gap

Although the literature on SMME failure and sustainability is well established, existing research rarely incorporates the views of those responsible for designing and delivering support mechanisms (Jayasekara et al., 2020; Martins et al., 2022). Most studies remain firm-centric, with insufficient attention to how institutional actors perceive effectiveness, particularly in rural and marginalised regions (Bushe, 2019; Omar et al., 2020).

This study addresses that gap by focusing on the perspectives of SMME support agencies in the Northern Cape. It explores their understanding of the constraints facing small firms, their assessment of current support strategies, and the practical barriers to more effective intervention. By applying RBV and DCT to the institutional setting rather than the firm alone (Barney, 1991; Teece et al., 1997), this study contributes a new angle to the discussion on SMME sustainability and aims to support more context-sensitive policy and practice.

3. Method

3.1 Research Design

This study adopted a qualitative, exploratory research design to investigate the perspectives of SMME support agencies regarding the sustainability challenges faced by enterprises in the Northern Cape. A qualitative approach was selected due to its strength in uncovering complex social dynamics and lived experiences that are not easily quantifiable (Creswell & Poth, 2018). This approach is particularly appropriate for studies that aim to explore stakeholder perceptions and the underlying mechanisms influencing institutional support, rather than to test pre-defined hypotheses (Tracy, 2013).

The choice of an exploratory design aligns with previous research in similar under-studied contexts, where the goal was to gain in-depth insights into processes, behaviours, and constraints affecting SMME support systems (Jayasekara et al., 2020; Omar et al., 2020). Given the limited prior research specifically focused on institutional perspectives in the Northern Cape, an open-ended and inductive method was considered the most suitable to fulfil the study's objectives.

3.2 Sampling Strategy

Purposive sampling was used to identify and recruit participants who hold specialist knowledge of SMME support mechanisms in the province. This technique was appropriate because it ensured that selected participants had direct involvement in policy development, funding allocation, or programme implementation (Palinkas et al., 2015). The study included 10 participants, comprising officials from provincial departments, local economic development units, and agencies such as SEDA and the IDC.

The decision to interview 10 participants was guided by both practical and theoretical considerations. Qualitative research prioritises information richness and relevance over large sample sizes (Patton, 2015). Studies of similar scope and design have found that between 8 and 12 interviews are sufficient to achieve thematic saturation when participants share a comparable role or institutional background (Guest et al., 2006). In this study, data saturation was reached when no new themes or insights emerged in later interviews, confirming the adequacy of the sample.

3.3 Data Collection

Semi-structured interviews were employed as the primary data collection method. This format allowed for consistent coverage of core topics while providing flexibility to probe deeper into participants' responses (Bryman, 2016). The interview guide was informed by the study's theoretical framework and focused on three areas: (1) the perceived sustainability challenges faced by SMMEs in the region, (2) the perceived effectiveness of existing support mechanisms, and (3) suggestions for improving alignment between policy and practice.

Interviews were conducted online using Microsoft Teams or telephone calls, depending on participant availability and logistical considerations. Each session lasted approximately 45 to 60 minutes. All interviews were conducted in English, recorded with participant consent, and transcribed verbatim for analysis.

3.4 Data Analysis

Thematic analysis was used to identify and interpret key patterns within the data, following the six-phase framework proposed by Braun and Clarke (2006). This method was suitable given its flexibility and capacity to generate insights that are grounded in participants' language and context. The process involved familiarisation with the data, generation of initial codes, searching for and reviewing themes, defining themes, and writing up the findings.

To enhance the trustworthiness of the analysis, a systematic coding process was followed using qualitative data analysis software (e.g., ATLAS.ti). Codes were initially developed deductively based on the interview guide and theoretical framework, then expanded inductively as new concepts emerged from the data. Inter-coder agreement was checked through peer review and collaborative discussions to refine category definitions and ensure consistency.

This study employed a qualitative research design to address the research objectives. The data were obtained from 10 semi-structured interviews with officials from SMME support agencies. The study employed thematic analysis, supported by Atlas. ti software, to uncover deeper insights into the challenges and opportunities for SMMEs in the province. The integration of these methods ensured a robust analysis of the factors limiting SMME sustainability.

4. Reliability and validity

Reliability was addressed through inter-rater reliability, ensuring that another observer using the same framework would interpret the data similarly (Creswell & Poth, 2018). Recordkeeping included detailed records of gatekeeper permissions, audio recordings, interview transcriptions, and analyzed data, all stored securely and systematically, in line with qualitative data management protocols (Saunders et al., 2019). Consistency in the application of the research methodology further reinforced reliability.

Internal validity was maintained by linking interview questions to the research objectives and conducting a pilot study to refine the instrument (Yin, 2018). External validity was limited to the

specific context of the Northern Cape Province, consistent with the nature of qualitative case study research (Patton, 2015). Authenticity was ensured through accurate recording and verbatim transcription of interviews (Bazeley, 2013). The researcher adhered to quality criteria such as ensuring the interview tool captured relevant data and maintaining trustworthiness by limiting researcher bias through consistent application of the instrument (Lincoln & Guba, 1985).

5. Ethical considerations

Ethics in this study focused on ensuring informed consent, confidentiality, anonymity, and protection of participants from harm, in line with established ethical research standards (Bryman, 2016). Participants were informed that the study posed minimal risk and participated voluntarily. Gatekeeper permissions were obtained from DEDAT, IDC, SEDA, Lovelife, !Kheis Local Municipality, and Vaal University of Technology to access relevant contacts for data collection. Research instruments included a covering letter outlining the study’s purpose and securing informed consent (Israel and Hay, 2006). Interviews were conducted privately via Microsoft Teams or telephone, with recording consent obtained. Fieldworkers and the statistician signed confidentiality agreements to uphold data protection obligations (Saunders et al., 2019). Ethical clearance was granted by CEMS, UNISA, in June 2022, in accordance with institutional guidelines.

6. Results

Themes emerged from the interview data, highlighting systemic constraints that limit the sustainability of SMMEs in the Northern Cape. These themes are interrelated and reflect both structural barriers and capability deficits that affect firm performance in the province. Figure 1 visually summarises these constraints.

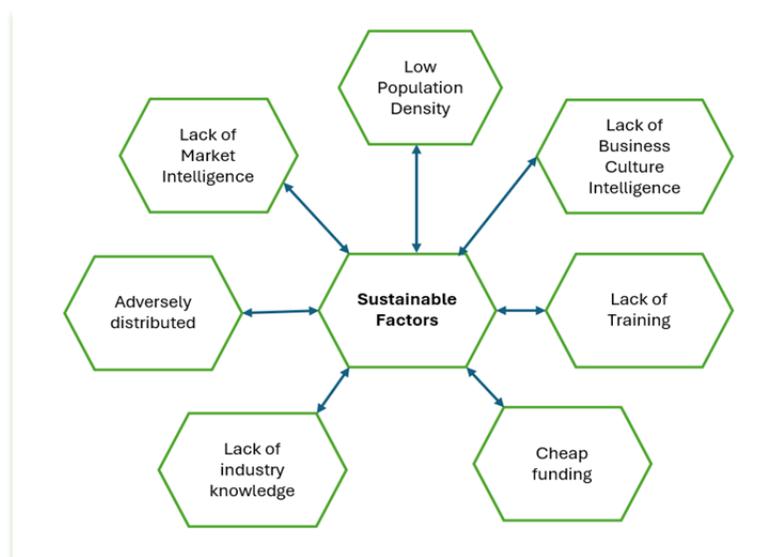


Figure 1. Factors limiting SMME sustainability (Weilbach, 2023)

6.1 Low Production Density and Adverse Distribution

Participants consistently highlighted the geographic and demographic realities of the Northern Cape as fundamental barriers to business viability. The province's sparse population and vast distances result in low production density, which limits the potential customer base and raises the cost of logistics.

“Markets are generally smaller than in urban areas.” (Interview 1)

“The Northern Cape is a difficult province; we must be deliberate and agile.” (Interview 3)

These structural limitations undermine the economies of scale required for business sustainability and place additional pressure on firms to adopt innovative distribution strategies. Yet many SMMEs lack the resources and capabilities to do so, exacerbating vulnerability in remote areas.

6.2 Skills Gaps: Industry Knowledge, Business Culture, and Training

Several respondents noted that a lack of industry-specific knowledge and business cultural intelligence undermines the competitiveness of small firms. Entrepreneurs often struggle to understand market norms, regulatory requirements, and sectoral dynamics.

“Government processes and lack of industry knowledge hinder growth.” (Interview 2)

“Lack of business cultural intelligence.” (Interview 2)

“Access to information.” (Interview 8)

Furthermore, access to training is uneven. Many support services are concentrated in metropolitan centres, making it difficult for rural entrepreneurs to develop critical capabilities.

“Entrepreneurs must travel to metropolitan areas for training.” (Interview 1)

The absence of localised, sector-specific training limits the development of both operational and strategic competencies, reinforcing the human capital deficit observed in rural SMME ecosystems.

6.3 Funding Constraints

A widespread concern among interviewees was the lack of accessible, flexible, and risk-tolerant funding options tailored to the Northern Cape context. Existing financial instruments were described as rigid and unsuitable for start-ups and microenterprises operating in high-risk, low-margin sectors.

“We do not have venture-type funding in the Northern Cape.” (Interview 3)

“Finance is definitely one [challenge], and business acumen and understanding the industry you are in.” (Interview 4)

“They lack finance.” (Interview 7)

This challenge reflects both external limitations in the financial ecosystem and internal weaknesses in financial literacy among SMMEs. Without tailored funding, businesses struggle to scale, invest in technology, or build resilience.

6.4 Market Access and Intelligence

Limited access to appropriate markets and weak marketing strategies were identified as core limitations to business growth. Entrepreneurs often lack the tools, information, or networks needed to reach larger or more profitable markets, including regional and export opportunities.

“SMMEs struggle to access appropriate markets, including exports.” (Interview 5)

“But cash flow and access to markets are very important.” (Interview 6)

“Market access.” (Interview 10)

These gaps are linked not only to external constraints such as logistics and policy barriers, but also to the underdevelopment of internal capabilities related to market research, branding, and customer segmentation.

These findings suggest that SMME sustainability in the Northern Cape is shaped by an interplay of environmental conditions, institutional gaps, and internal capability shortfalls. The challenges described by support agency officials reflect systemic issues that require more than isolated policy interventions. Instead, a coordinated, locally contextualised strategy is needed, that addresses both the resource-based constraints (e.g., lack of funding and training) and the need to develop dynamic capabilities (e.g., adaptability, market responsiveness).

7. Discussion and Contributions

This study explored the perspectives of SMME support agencies on the key factors limiting small business sustainability in the Northern Cape. The findings confirm that rural-based enterprises face a layered combination of internal constraints and structural limitations, which are not sufficiently addressed by existing support mechanisms. In this section, the findings are discussed in relation to existing literature and interpreted through the lens of the RBV and DCT. The section also outlines the study’s theoretical and practical contributions.

7.1 Interpreting Findings in Light of Existing Literature

Geographic and Market Limitations

The impact of low production density and adverse spatial distribution aligns with previous studies that highlight how regional inequalities influence the survival prospects of rural firms (Makwara, 2022; Matekenya & Moyo, 2022). Sparse population and poor connectivity reduce economies of scale and increase transaction costs, making it difficult for businesses to compete with urban counterparts. These findings echo Bhorat et al. (2018), who observed that marginalised provinces often suffer from weak industrial ecosystems. The absence of adaptive mechanisms to mitigate these spatial disadvantages also reflects the limited development of dynamic capabilities among SMMEs in remote areas.

Capability Deficits and Access to Knowledge

The skills gap identified, particularly in industry knowledge, training, and business culture, confirms earlier findings by Gawali and Gadekar (2017) and Nikolić et al. (2019), who argued that many small firms in developing contexts struggle to interpret and respond to market signals due to limited internal competencies. From an RBV perspective, this reflects a lack of valuable and inimitable resources, especially human capital, that are critical for sustaining competitive advantage. The lack of locally delivered training programmes further weakens the ability of firms to build foundational capabilities over time.

Inadequate Funding Mechanisms

The widespread concern around access to finance supports existing research on structural credit market failures in South Africa's underserved regions (Leboea, 2017; Mashilo, 2022). However, this study reveals that the issue extends beyond availability to the design of funding instruments, which often fail to accommodate local business realities. From the RBV standpoint, funding is a critical enabling resource that allows firms to invest in other capabilities. Without tailored financial tools, the resource base remains underdeveloped and the pathway to growth is constrained.

Market Access and Intelligence

The finding that firms lack market intelligence and struggle to reach appropriate markets builds on previous literature that identified limited marketing capability as a key obstacle in emerging economies (Omar et al., 2020; Weilbach, 2023). DCT emphasises the need for firms to sense and seize market opportunities, yet the data suggest that most SMMEs in the Northern Cape are unable to engage in such behaviour due to both informational and operational barriers.

7.2 Theoretical Contributions

This study offers several contributions to the literature on SMME sustainability in rural and under-resourced economies. First, it advances the application of RBV (Barney, 1991; Barney et al., 2021) and DCT (Teece et al, 1997) by demonstrating how structural constraints, such as geography, policy design, and market isolation, interact with resource and capability deficits to limit firm performance. While RBV has traditionally focused on internal resource optimisation, this study highlights its limitations in institutional environments that restrict access to critical resources.

Second, the study contributes to DCT by showing that the development of dynamic capabilities is not solely a firm-level issue. The capacity to adapt, innovate, or pivot in response to change is shaped by broader support systems, training infrastructure, and policy flexibility. This suggests that dynamic capabilities are also influenced by the institutional environment, not only the entrepreneurial actor.

Third, the study fills a geographic gap in the literature by focusing on the Northern Cape, a context that is rarely explored in empirical SMME research. By foregrounding institutional perspectives, it offers insights that complement entrepreneurial studies and expand understanding of the systemic limitations shaping business sustainability in rural South Africa.

7.3 Practical Implications

The findings point to several actionable implications for policymakers, support agencies, and development practitioners:

- **Localised programme design:** Support interventions must be tailored to the spatial and economic characteristics of rural provinces. Uniform policy approaches are unlikely to succeed where infrastructure and market density differ significantly from urban centres.
- **Investment in human capital:** Training should be decentralised and customised to reflect the sectoral and cultural realities of rural enterprises. This includes embedding soft skills, industry-specific knowledge, and financial literacy within ongoing support.
- **Integrated support architecture:** Inter-agency collaboration is needed to streamline services and reduce duplication. Coordinated strategies should consolidate market information, funding options, and training pathways.
- **Development of adaptive tools:** Agencies should not only deliver support but also help firms establish routines that enable ongoing adaptation, such as market scanning, customer feedback systems, and scenario planning.

8. Conclusion and recommendations

This study set out to examine the limitations faced by SMMEs in the Northern Cape province from the perspective of support agencies. Drawing on the RBV and DCT, the research highlighted that SMME sustainability is shaped by a combination of internal resource constraints and external environmental challenges. Key findings pointed to persistent issues including limited access to finance, insufficient skills development, poor market integration, and low levels of industry-specific knowledge. These barriers are further intensified by structural characteristics such as geographic dispersion and infrastructural deficits.

The study contributes to the literature by shifting the analytical lens from SMME owners to the support agencies mandated to assist them. It offers new insight into how agency-level perspectives can inform the effectiveness of support interventions. The application of RBV and DCT in a rural, under-resourced setting reveals that sustainability cannot be achieved solely through resource provision; firms must also be enabled to adapt and respond to dynamic market conditions. Therefore, the study emphasises the importance of aligning institutional support frameworks with the realities of marginalised and geographically dispersed economies.

Based on the research findings and aligned with the study's objectives, the following targeted recommendations are proposed to enhance SMME sustainability in the Northern Cape:

- **Develop region-specific support programmes**
National support strategies should be adapted to address the unique geographical and economic realities of the Northern Cape. This includes flexible funding models, location-sensitive training delivery, and rural-appropriate eligibility criteria (Mhlongo & Daya, 2023; Weilbach, 2023).
- **Decentralise and localise skills development**
Government and support agencies should prioritise establishing local training hubs that offer sector-specific courses, business skills development, and mentorship. This reduces reliance on metropolitan areas and strengthens local human capital (Debarliev & Janeska-Iliev, 2015).
- **Strengthen inter-agency coordination and communication**
Fragmentation among support institutions limits the effectiveness of interventions. A centralised coordination mechanism is needed to align activities, reduce duplication, and streamline access for SMMEs (Mazibuko, 2020).
- **Facilitate market access through structured linkages**
Support agencies should create and maintain platforms that connect SMMEs with suppliers, distributors, and export opportunities. Initiatives such as public procurement quotas and regional trade expos can help integrate rural businesses into value chains (Teece et al., 1997; Amoah et al., 2021)
- **Support the development of adaptive business capabilities**
In addition to funding, agencies should invest in tools that help SMMEs improve resilience, such as market intelligence services, scenario planning workshops, and digital technology adoption programmes (NCPT, 2017; Khan, 2022).
- **Establish performance monitoring and feedback systems**
Periodic evaluation of support programmes should be embedded to ensure that interventions remain responsive to SMME needs. Beneficiary feedback and regional performance metrics should inform programme redesign (Mashilo, 2022).

These recommendations are intended to guide policymakers, support institutions, and development stakeholders in improving the alignment, responsiveness, and effectiveness of SMME support frameworks in under-resourced regions such as the Northern Cape. By addressing these dimensions, stakeholders can move toward a more coherent and impactful support ecosystem for SMMEs in the Northern Cape, with lessons that are potentially transferable to other underserved regions in South Africa and beyond.

9. Limitations and Directions for Future Research

While the study offers important insights, it is limited by its sample size and provincial focus. Future research could expand to comparative studies across provinces or undertake longitudinal assessments of support agency impact. In addition, incorporating SMME owner perspectives could offer a more comprehensive view of support system effectiveness.

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