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Critical Success Factors for the Entrepreneurs of Food Processing Industry of Bangladesh

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Abstract: *There is a high potentials of food processing industry in Bangladesh which is primarily derived from the agriculture sector of the country. Food processing industry is divided into two segments such as, production and distribution. Production segment refers to processing of meats and cheeses and the creating of soft drinks, alcoholic beverages, packaged foods, and other modified foods. While the distribution includes transporting the finished food products into the hands of consumers. The food processing industry is the fastest growing industry of Bangladesh since 2000. Due to recent development in food processing industry, a good number of entrepreneurs have been developed in this sector. This development can be attributed by the change of tastes and preferences of Bangladeshi people. Now, people of Bangladesh prefer buying processed food items from the grocery shops and departmental stores and prefer buying packaged food products. Hence, this study aims at identifying the critical factors of food processing entrepreneurs in Bangladesh. This study used both the qualitative and quantitative research methods. Respondent entrepreneurs were selected by simple random sampling method from the food processing industry of Bangladesh. Factor analysis was carried out to find out the critical factors of the entrepreneurs while multiple regression analysis was conducted to identify the relationships between the critical factors and the overall development of food processing industry in Bangladesh.Individual critical factors like use of information technology, family and friends support, and capability to compete in the market are significant critical factors for the food processing entrepreneurs in Bangladesh.*

Keywords: *Food and Beverage Industry, Adaptation to Locality, Service Itself, Facilities, Food Quality, and Sales Incentive Program.*

I. Background

The food processing industry in Bangladesh represents one of the major potential sectors within the industrial segments in terms of contribution to value addition and employment. The sector accounts for over 22% of all manufacturing production and employs about 20% of labor forces. All food processing enterprises account for 2% of the national GDP. The food processing sector includes processing of cereals, pulses & oilseeds, bakery and confectionary, fruits and vegetables, dairy, carbonated beverages and non-carbonated fruit juices, drinks, other beverage and various other food items. The food processing sub-sectors also includes vacuum fried fruit chips, real potato chips, spices powder, bakery products, soft drink bottling, confectionary manufacture, frozen vegetables, processed fish, grain products, meat, poultry and milk processing, tomato paste, canned jackfruit and pineapple, fast food, ready to eat breakfast cereals, food additives, flavors etc have huge potential in the domestic and export markets[1].

Though classified as a low-income country, Bangladesh is growing fast and aspires to middle-incomestatus by 2021, the 50thanniversary of its independence. With economic growth of 8 percent perannum, the $2.2 billion food processing sector in Bangladesh grew on average 7.7 percent per annum between fiscal years 2004/05 and 2010/11, responding to growth of the Bangladeshi middle class overthe same period. The beverage industry more than doubled during the same period to $29 million,showing an average growth rate exceeding 8 percent per annum. Demand for processed foods andbeverages arises primarily from Bangladesh's growing middle class

[1]Source: Developing 08 countries D-8, 3rd D-8 Ministerial Meeting on Industry, 7th Meeting of the Working Group on Industrial Cooperation, 08-10 October 2012, MoI, GoB

populationof over 30 million, ofwhich 1.5 million reside in Dhaka. Thus, though the sector is small relative to population size, the foodprocessing sector is growing rapidly with prospects for continued growth as Bangladesh's GDPcontinues to grow[2].

The food and beverage industry of Bangladesh is divided into two major segments such as, production and distribution of edible goods. Production includes the processing of meats and cheeses and the creating of soft drinks, alcoholic beverages, packaged foods, and other modified foods. The production segment of this industry excludes foods that were directly produced via farming and other forms of agriculture, as those are encompassed by our definition of the agriculture industry. Distribution involves transporting the finished food product into the hands of consumers[3].

The total **number** of SMEs in **Bangladesh** is estimated to be 79,00,000 establishments. Of them, 93.6 percent are **small** and 6.4 percent are medium. The 2003 Private Sector Survey estimated that there are about 6 millionmicro, **small** and medium **enterprises**.About 60 to 65 percent of all SMEs are located outside the metropolitan areas of Dhaka and Chittagong[4].

In another estimate, there are around 66000 small industry units and 611,612 cottage industry units, which provide employment of nearly 3.5 million people. When handlooms are added, the number of cottage industry units alone shoots up above 700,000 (BSCIC, 2009).

At present, nearly 5,000 bread and baked goods makers, including 100 automatic and semi-automatic bakeries, are operating in this segment. Some large firms like Olympic, Pran make biscuits through fully automated machines[5].

In Bangladesh, Transcom Beverages, International Beverages Private Limited, Partex Beverages, Globe Beverage Company, Pran RFL Group, Akij Food & Beverages, Globe Soft Drinks Limited and AM Beverage Limited are engaged in the business of carbonated soft drinks. The popular brands of soft drinks are Pepsi, 7up, Cocacola, Sprite, Mirinda, Mountain Dew, RC Cola, Lemon, Virgin, ZamZam Cola, Pran Up, Pran Cola, Maxx Cola, Moju, Clemon, Speed, URO Cola, URO Lemon, FizzUp, Royal Tiger Energy Drinks and others. 7up is the most preferred brand in Bangladesh.

Bangladesh Bureau of Statistics, in its 25006 Economic Census, reported that there were approximately 246 medium-sized food processing industries employing 19 percent of the industrial manufacturing workforce in Bangladesh or 8 percent of the total manufacturing labor force. The food industry employs 2.45 percent of the country's total labor force and its share in the GDP was 2.01 percent in 2010[6]. There are also numerous small scale factories and domestic units engaged in food processing throughout the country. According to some industry analysts, the food processing sector in Bangladesh is a 4.5 billion US Dollar industry. In 2010, Bangladesh exported over $700 million worth of processed food and beverages, over 60 percent of them were shrimp and fish products[7].

In between 2014 and 2017, the food and beverage industry in Bangladesh developed at an average of 7.7 percent for each annum. Economic Census of 2016 from Bangladesh Bureau of Statistics, revealed that there were roughly 246 medium-sized food and beverage companies are providing employment facilities to 19 percent of the mechanical assembling workforce in Bangladesh or 8 percent of the aggregate workforce of Bangladesh. The food industry utilizes 2.45 percent of the nation's aggregate work power and its impact on the GDP was 2.01 percent in 2017. Also, there are various small industries and local units occupied with food and beverage all through the nation. As per some industry experts, the food and beverage sector in Bangladesh is a 4.5 billion US Dollar industry. In 2017, Bangladesh sent out over $700 million worth of processed foods and beverages, more than 60 percent of them were shrimp and fish items.

[2]https://www.academia.edu/5122738/Food_Processing_Industries_in_Bangladesh?auto=download
[3]https://globaledge.msu.edu/industries/food-and-beverage/background
[4]https://plandiv.portal.gov.bd/sites/default/files/files/plandiv.portal.gov.bd/notices/afbffe34_be4c_417d_b36c_ecf8db4614fc/ToR%20final%20SME.pdf
[5]https://www.arx.cfa/~/media/F11888E401214D2696802E88B72DB141.ashx
[6]https://en.wikipedia.org/wiki/Food_industry_in_Bangladesh
[7]https://www.ukessays.com/essays/economics/small-and-medium-enterprises-in-bangladesh-economics-essay.php

Table 1 Major Food Processing Subsectors of Bangladesh

Dairy Processing	Dairy-based confections: ghee, paneer, curd processing
Edible Oil	Oilseed Crushing: mustard, rapeseed and soybean, refining of crude edible oils including soybean and palm
Sugar	Crushing of sugarcane: sugar, molasses, refining of mostly imported raw sugar, sugar-based processed food items, e.g., chocolates and confections
Rice	Flakes, puffed rice, snacks, breads
Wheat	Bread and cookies, noodles/pasta and vermicelli, chapatti, luchi, soocha
Fruit and Vegetable	Fruit juices, fruit-based soft drinks: sauces ketchup, pickles, potato chips
Tea	Dressed poultry and beef, processed sausages, nuggets, etc.
Poultry/Beef	
Pulses and Spices	Red Chillies, Black Pepper, Cumin, Fenugreek, Coriander, Turmeric, Kalonji, Nutmeg, etc.

II. Literature Review

Success, in general, relates to the achievement of goals and objectives in whatever sector of human life. In business life, success is a key term in the field of management, although it is not always explicitly stated. Success and failure can be interpreted as measures of good or indifferent management. In business studies, the concept of success is often used to refer to a firm's financial performance. However, there is no universally accepted definition of success, and business success has been interpreted in many ways (Foley & Green 1989). Since 1968 the entrepreneurship was seen as a key that developed economic growth and productivity as, well as great way for knowledge diffusion (Baumol 1968; Stevenson et al.1990). Entrepreneurship is a practice that starting a new venture or revitalizing a mature organization, particularly in starting a new venture in response to identified opportunities (Onuohoh, 2007 &Picak, 2011). Generally, entrepreneur is a person who owns and leads a business. Yet, there are various way to define entrepreneurs depending on the entrepreneur category study (Julien 1998).

The food & beverage industry has a unique role in expanding economic opportunity because it is universal to human life & health. The industry operates at multiple levels of society. In this diverse landscape, billions of people grow, transform and sell food, particularly in developing country where agriculture dominates all other economic sectors. (M Pfitzer, 2007). Food processing in Bangladesh has traditionally been small scale, with domestic or family business using common processing knowledge for the conservation and handling of raw agricultural commodities to make them usable as food and feed. Although commercial scale food processing using modern technology especially for wheat and rice milling, mustard seed crushing and very limited bread and cookie manufacturing appeared during the 1960s, the growth of this sector did not gain momentum in terms of operational scale and quality until the 1980s. (Zubair, 2013). Induced by the vigorous growth of the diverse middle class population of Bangladesh and the growing demands for additional consumption, the food-processing sector is set to witness further hefty expansion in the coming years. (Wikipedia, IMF, 2013)

The food and beverage industries is the highest fast growing industry on earth. Although this industry is moderately growing in the United States of America, It has already created the highest priority in the European countries. The competition is very high inside this industry internationally. The giant companies in this sector are: - Unilever, Nestle, Cargill and Kraft Foods. Other than EU and USA, there are emerging industries in India and China. These countries are supplies the raw products to this industry. (M Akter, 2019). Critical success factors (CSFs) can be in the form of activities, events, circumstances or conditions that require special attention of entrepreneur. (Dickinson et.al, 1984). All these factors can influenceEntrepreneur success in either a positive or negative way, therefore CSFs provide aComprehensive approach that critically focus on clarify assumptions to induce the flexibility that are neutral and aid divergent thought. (Kee, 2012).

The food and beverage is a fastest growing industry in Bangladesh since the year of 2000 as Bangladesh is an agriculture based country. This industry alone contributes 22% of the economy in the nation and around 2.45% of the nation's total workforce. Bangladesh being an agricultural nation with an extensive population can contribute to a great extent to the food and beverage industry. Bangladesh is additionally affecting the global market by sending out food and beverage to 90 unique nations on the planet. (M Akter, 2019)

The food and beverage industry includes the foundation for the assembly of beverages, foods, pet foods and tobacco products. Industrial food and beverage organizations convert raw materials into food products and group and distribute them through different fund channels for both individual customers and corporate infrastructure.

III. Methodology

This section describes the respondents' profiles and procedures, questionnaire design and test of reliability, determination of sample size, data collection, analytical tools and test of reliability, etc.

3.1 Respondents Profiles

Table 2 shows that majority of the respondents (77%) are male and 23% are female entrepreneurs of Bangladesh who are doing business in food and beverage industry of the country.

Table 2 Gender of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	154	75.9	77.0	77.0
	Female	46	22.7	23.0	100.0
	Total	200	98.5	100.0	
Missing	System	3	1.5		
Total		203	100.0		

Table 3 shows that 405.00% of the respondents are at the age of 30-35 years followed by 26.50% at the age of above 40 years, 24% at the age of 35-40 years, 8% at the age of 25-30 years and 1.50% at the age of 20-25 years.

Table 3 Age Distribution of the Respondents

	Age (Years)	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-25 years	3	1.5	1.5	1.5
	25-30 years	16	7.9	8.0	9.5
	30-35 years	80	39.4	40.0	49.5
	35-40 years	48	23.6	24.0	73.5
	Above 40 years	53	26.1	26.5	100.0
	Total	200	98.5	100.0	
Missing	System	3	1.5		
Total		203	100.0		

The majority of the respondent women entrepreneurs were married (95%) and 5% were unmarried (Table 4).

Table 4 Marital Status of the Respondent Women Entrepreneurs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	190	93.6	95.0	95.0
	Unmarried	10	4.9	5.0	100.0
	Total	200	98.5	100.0	
Missing	System	3	1.5		
Total		203	100.0		

Business experience of the sample respondents shows that 47.5% respondents have 5-10 years followed by 17.5% have less than 1 year, 16% have above 20 years, 13%% have 11-15 years, and 6% have 15-20 years (Table 5).

Table 5 Business Experience of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 years	35	17.2	17.5	17.5
	5-10 years	95	46.8	47.5	65.0
	11-15 years	26	12.8	13.0	78.0
	15-20 years	12	5.9	6.0	84.0
	Above 20 years	32	15.8	16.0	100.0
	Total	200	98.5	100.0	
Missing	System	3	1.5		
Total		203	100.0		

Educational background of the respondents shows that the majority of them have bachelor and higher degrees (75.50%) followed by HSC and equivalent (23%), Class V-IX (1%) and I-V (.50%) (Table 6).

Table 6 Educational Qualifications of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Class I_V	1	.5	.5	.5
	Class V-IX	2	1.0	1.0	1.5
	HSC	46	22.7	23.0	24.5
	Bachelor and Above	151	74.4	75.5	100.0
	Total	200	98.5	100.0	
Missing	System	3	1.5		
Total		203	100.0		

3.2 Sample Design and Determination of Sample Size

It was found in literature that there are about sixmillionbusiness establishments in Bangladesh[8]. If the food processing industry is 1% of the total establishments, then there will be 60,000 establishments operating in this sector. The sample size of this study was determined by using the following formula suggested by Yamane (1967).

$$n = \frac{N}{1 + N(e)^2}$$

Where, *n* is the sample size, *N* is the population size, and *e* is the level of precision. For this study, level of precision is presumed as 0.07(seven percent) and the population size is 60,000. Putting these values in the above equation, the required number of sample size becomes approximately 203. This study interviewed 200 entrepreneurs engaged in food processing industry of Bangladesh. This figure is well above the critical sample size of 200 for employing multivariate analysis (Hair et al., 1998). Taking the accessibility and willingness of the employees to respond to this study into account, Convenience Sampling Method was used to draw the sampling units (Malhotra, 2007).

3.3 Questionnaire Design

The structured questionnaire developed by Dabholkar (1996) was used in this research to collect information from the literature review on the critical factors for food processing industry of Bangladesh. Responses to all the statements in the questionnaire were measured on a five-point scale ranging from 1 to 5 with 1 indicating strongly disagree and 5 indicating strongly agree. One of the relative advantages of using this scale is its suitability for the applications of multifarious statistical tools used in marketing and social research study (Malhotra, 1999). The collected data were statistically processed subsequently to get the useful information. The reliability statistics show that the internal consistency of the questionnaire is under the acceptable limit (Nunnally, 1978).

3.4 Data Collection & Analysis

Data were collected from both primary and secondary sources. Primary data were used for identification of the critical factors in food processing industry of Bangladesh. The survey was conducted among the entrepreneurs of food processing industry of Bangladesh. The survey was conducted in 2019. The interviewers were properly trained on the items included in the questionnaire for data collection before commencing the interview. Along with descriptive statistics[9], inferential statistical[10] techniques such as, Factor Analysis and Multiple Regression Analysis were used to analyze the data. A Principal Component Analysis (PCA) with an Orthogonal Rotation (Varimax)[11] using the SPSS (Statistical Package for Social Sciences) was performed on the survey data. Multiple Regression Analysis[12] such as, Multiple Regression was conducted by using SPSS to identify the relationships between the dependent and independent variables and the significant factors**.**

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[8] https://plandiv.portal.gov.bd/sites/default/files/files/plandiv.portal.gov.bd/notices/afbffe34_be4c_417d_b36c_ecf8db4614fc/ToR%20final%20SME.pdf

[9] *Descriptive statistics includes statistical procedures that we use to describe the population we are studying. The data could be collected from either a sample or a population, but the results help us organize and describe data. Descriptive statistics can only be used to describe the group that is being studying. That is, the results cannot be generalized to any larger group.*

[10] *Inferential statistics is concerned with making predictions or inferences about a population from observations and analyses of a sample. That is, we can take the results of an analysis using a sample and can generalize it to the larger population that the sample represents.*

[11] *Varimax rotation is an orthogonal rotation of the factor axes to maximize the variance of the squared loadings of a factor (column) on all the variables (rows) in a factor matrix, which has the effect of differentiating the original variables by extracted factor. Each factor will tend to have either large or small loadings of any particular variable. A varimax solution yields results which make it as easy as possible to identify each variable with a single factor. This is the most common rotation option.*

[12] *In statistics, regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. More specifically, regression analysis helps one understand how the typical value of the dependent variable (or 'Criterion Variable') changes when any one of the independent variables is varied, while the other independent variables are held fixed.*

IV. Results and Discussions

4.1 Results of Factor Analysis

The results of factor analysis show that all the variable concerning the critical factors of food processing industry in Bangladesh are very high indicating the variables are important in this area of study (Appendix 1).Table 7 shows the critical factors for the food processing industry of Bangladesh. It shows that factors such as, social contact of the entrepreneur, use of information technology, personal financial need of the entrepreneur, family and friends support, commitment of the entrepreneur, capability to compete in the market and size of the business are the critical factors for the development of food process industry of Bangladesh.The variance of factor named social contact of the entrepreneur is the highest (30.02%) followed by use of information technology (17.43%), personal financial need of the entrepreneur (9.63%), family and friends support (7.47%), commitment of the entrepreneur (4.98%), capability to compete in the market (3.77%) and size of the business 3.45%). The total variance of the data set is 76.79% indicates that major portion of the data set is included in the analysis.

Table 7 Total Variance Explained

Critical Factors	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1. Social Contact of the Entrepreneur	8.708	30.029	30.029
2. Use of Information Technology	5.057	17.439	47.468
3. Personal Financial Need of the Entrepreneur	2.794	9.634	57.102
4. Family and Friends Support	2.168	7.478	64.579
5. Commitment of the Entrepreneur	1.446	4.986	69.565
6. Capability to Compete in the Market	1.096	3.779	73.344
7. Size of the Business	1.000	3.450	76.794

Extraction Method: Principal Component Analysis.

The results of exploratory factor analysis show that all the variables concerning the critical factors for the entrepreneurs of food processing industry in Bangladesh have high communalities indicating the variables are important in this study (Table 8).

Table 8Rotated Component Matrix[a]

Factor	Component						
	1	2	3	4	5	6	7
Factor 1 Social Contact of the Entrepreneur							
I think social contact is social capital for my business	.914						
Government support is adequate for running my business	.888						
Work environment in my business is good	.811						
Economic factors are favorable for my business	.793						
I adopted latest technological in my business	.767						
I use standardized human resource management systems	.760						
Socio-cultural factors have impact on my business	.730						

Financial capital is sometimes sourced from financial institutions	.637						
Ecological factors have impact on my business	-.554						
Factor 2 Use of Information Technology							
I use information technology in my business		.848					
I always adjust with the legal aspects of my business		.792					
I am always innovative in doing my business		.738					
Internal communication systems is adequate and well connected		.703					
I have good networks for my business		.700					
I use human resource as human capital		.675					
I believe in corporate social responsibility practices		.509					
Factor 3 Personal Financial Need of the Entrepreneur							
I don't have much personal financial needs			-.777				
I am at the age of 25-40 years of old			-.741				
My organizational infrastructure is well developed and supportive to do my business			.727				
I do not us professional advisors fo0r running my business			.575				
Factor 4 Family and Friends Support							
Family and friends support is important for my business				.894			
I have adequate financial support for continuing the business				.836			
I understand the technical and non-technical aspects of my business				.663			
I am well educated for doing this business				.504			
Factor 5 Commitment of the Entrepreneur							
I am committed to do my business and its growth					.877		
The culture of my organization well accepted top the employees					.709		
Factor 6 Capability to Compete in the Market							
I am capable to compete in market						.726	
My business improved my living style						.656	
Factor 7 Size of the Business							
My business is in manageable size							.724

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 11 iterations.

4.2 Results of Regression Analysis

Model summary shows that the R squarevalue of the model is 0.475 (Table 9).

Table 9 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.689[a]	.475	.455	.20596

a. Predictors: (Constant), REGR factor score 7 for analysis 1, REGR factor score 6 for analysis 1, REGR factor score 5 for analysis 1, REGR factor score 4 for analysis 1, REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1

ANOVA shows that all the seven factors together significantly related to the overall development of food processing enterprises in Bangladesh (Table 10).

Table 10ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	7.356	7	1.051	24.772	.000[a]
	Residual	8.144	192	.042		
	Total	15.500	199			

a. Predictors: (Constant), REGR factor score 7 for analysis 1, REGR factor score 6 for analysis 1, REGR factor score 5 for analysis 1, REGR factor score 4 for analysis 1, REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1

b. Dependent Variable: Considering all the factors mentioned above, I think I am enjoying all the favorable aspects of the business environment in doing my business.

This study identified seven factors related to critical factors for the food processing entrepreneurs in Bangladesh such as, social contact of the entrepreneur, use of information technology, personal financial need of the entrepreneur, family and friends support, commitment of the entrepreneur, capability to compete in the market and size of the business. Individual critical factors like Use of Information Technology, Family and Friends Support, and Capability to Compete in the Market are significant factors for the food processing entrepreneurs in Bangladesh. The factors such as, social contact of the entrepreneur, personal financial need of the entrepreneur, commitment of the entrepreneurand size of the businessare not found significant in this study (Table 11).

Table 11Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.950	.015		339.892	.000
1. Social Contact of the Entrepreneur	.024	.015	.088	1.676	.095
2. Use of Information Technology	*.043*	*.015*	*.155*	*2.970*	*.003*
3. Personal Financial Need of the Entrepreneur	-.017	.015	-.062	-1.177	.241
4. Family and Friends Support	*.158*	*.015*	*.568*	*10.854*	*.000*
5. Commitment of the Entrepreneur	.016	.015	.059	1.124	.262
6. Capability to Compete in the Market	*.091*	*.015*	*.328*	*6.262*	*.000*
7. Size of the Business	-.021	.015	-.076	-1.449	.149

Table 11Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
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(Constant)		4.950	.015		339.892	.000
1.	Social Contact of the Entrepreneur	.024	.015	.088	1.676	.095
2.	*Use of Information Technology*	*.043*	*.015*	*.155*	*2.970*	*.003*
3.	Personal Financial Need of the Entrepreneur	-.017	.015	-.062	-1.177	.241
4.	*Family and Friends Support*	*.158*	*.015*	*.568*	*10.854*	*.000*
5.	Commitment of the Entrepreneur	.016	.015	.059	1.124	.262
6.	*Capability to Compete in the Market*	*.091*	*.015*	*.328*	*6.262*	*.000*
7.	Size of the Business	-.021	.015	-.076	-1.449	.149

a. Dependent Variable: Considering all the factors mentioned above, I think I am enjoying all the favorable aspects of the business environment in doing my business.

V. Conclusions and Recommendations

This study identified seven critical factors for food processing entrepreneurs for their successes in Bangladesh. The factors are: social contact of the entrepreneur, use of information technology, personal financial need of the entrepreneur, family and friends support, commitment of the entrepreneur, capability to compete in the market and size of the business are the critical factors for the development of food process industry of Bangladesh. All the seven factors together significantly related to the overall development of food processing enterprises in Bangladesh.Individual critical factors like use of information technology, family and friends support, and capability to compete in the market are significant critical factors for the food processing entrepreneurs in Bangladesh. The factors such as, social contact of the entrepreneur, personal financial need of the entrepreneur, commitment of the entrepreneurand size of the businessare not found significant in this study.

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Appendices

Appendix 1 Communalities of the Variables

Variables	Initial	Extraction
1. I am at the age of 25-40 years of old	1.000	.679
2. I am well educated for doing this business	1.000	.717
3. I understand the technical and non-technical aspects of my business	1.000	.811
4. I do not us professional advisors fo0r running my business	1.000	.720
5. I don't have much personal financial needs	1.000	.785
6. My business improved my living style	1.000	.640
7. My business is in manageable size	1.000	.791
8. I have good networks for my business	1.000	.592
9. I am always innovative in doing my business	1.000	.786
10. I am capable to compete in market	1.000	.785
11. I am committed to do my business and its growth	1.000	.853
12. my organizational infrastructure is well developed and supportive to do my business	1.000	.706
13. I use standardized human resource management systems	1.000	.855
14. The culture of my organization well accepted top the employees	1.000	.834
15. Work environment in my business is good	1.000	.811
16. Internal communication systems is adequate and well connected	1.000	.565
17. I believe in corporate social responsibility practices	1.000	.599
18. I use information technology in my business	1.000	.859
19. I have adequate financial support for continuing the business	1.000	.768
20. Government support is adequate for running my business	1.000	.839
21. Family and friends support is important for my business	1.000	.839
22. Financial capital is sometimes sourced from financial institutions	1.000	.744
23. I use human resource as human capital	1.000	.791
24. I think social contact is social capital for my business	1.000	.935
25. Economic factors are favorable for my business	1.000	.929
26. I adopted latest technological in my business	1.000	.903
27. I always adjust with the legal aspects of my business	1.000	.719
28. Socio-cultural factors have impact on my business	1.000	.671
29. Ecological factors have impact on my business	1.000	.744

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Extraction Method: Principal Component Analysis.