

## **Financial Performance Measures of Small Medium Enterprises in the 21<sup>st</sup> Century**

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**KEYWORDS** Financial Measures. Manufacturing. Performance Measures. Profitability. Small Businesses. Supply Chain Management

**ABSTRACT** Financial performance measures (FPMs) are the most commonly used measures of productivity and efficiency in companies, with less consideration for non-financial performance measures. FPMs are regarded as traditional measures that lead to sustainability of a firm, hence they need to be properly managed and controlled. This paper reports the extent to which SMEs recognize the significance of FPMs in their supply chain management (SCM). The study followed a positivist paradigm, with the use of questionnaires to collect data from owners and managers of SMEs in the manufacturing sector in Cape Town. The major findings indicate that although financial performance measures are highly regarded by these entities, they lack the skills to properly determine their financial measures, and do not know with certainty, which financial performance measures are of relevance to their businesses. Extensive training is one of the recommendations.