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Cash Management and Sales Performance of Agricultural Input Small and Medium Enterprises in Kampala District: A Case of SMEs in Container Village

Sanyu Sennoga[1] Edward Katumba Segawa[2]
[1]Simlaw Seed Company [2]Uganda Martyrs University
Email: ezsennoga@gmail.com/ esegawa@umu.ac.ug

Abstract: *The purpose of this paper was to assess the effect of cash management on the sales performance of agricultural input small and medium enterprises in Container Village, Kampala District. Specifically, the paper looked at how cash planning, cash collection and cash disbursement affect the sales performance. A cross-sectional field survey design that adopted both qualitative and quantitative approaches to collecting and analyzing data was adopted. One hundred thirty-one licensed Agri-input SMEs were sampled for data collection using a semi-structured questionnaire. Data was collected from operators of these SMEs. Descriptive and inferential statistics were generated and interpreted to meet the study objectives. Findings showed that cash management has a positive and significant effect on the sales performance of these SMEs. This implies that the way a SME performs in terms of sales is influenced by the way cash is planned, collected and disbursed within that enterprise. SMEs should make budget estimates with applicable strategies to ably collect and utilize cash in viable ventures on the market; evaluate the weighted cost of capital, brand marketing, benchmarking, use of computerized accounting, and strengthen internal controls in regard to cash to achieve sales performance. This paper contributes to literature in regard to cash management within Agri-input SMEs in Uganda.*

Keywords*: Cash Management, Sales Performance, Agri-input SMEs, Cash Planning, Cash Collection, Cash Disbursement.*

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1. Introduction

Cash management was incorporated in the 20th century to centralize and standardize, payments and receipts in the business with single treasury unit to support performance, (Gheshlaghi et al., 2014). The corona virus outbreak negatively impacted the global economy which put cash and its management at spotlight, forcing operators of Agri-input SMEs in the world to improve on cash management to achieve sales performance, (Craven et al. 2020). The covid-19 preventive measures starting from March 2020 onwards without a precise ending date disrupted majority (95%) of SMEs due to low sales volume, decline in customers, inability to restock goods amongst others, given the implementation of cash management practices. The diminishing sales performance attributed to rapid spread of the COVID-19 virus led SMEs around the world into demise of effective cash management crisis (World Trade Organisation, 2020).

The SMEs from developed countries like U.S.A, UK,

China and the like incorporate electronic cash management practices with the adoption of electronic accounting systems to plan, collect and disburse cash in the SMEs, (Zeidan and Shapir, 2017). The Agri-input SMEs have to effectively manage the available cash to achieve competitive advantage associated with sales performance to provide supply for the agricultural sector. The extent to which cash management relates to sales performance of Agri-input SMEs is not clear and requires evaluation.

In Africa, Agri-input SMEs incorporate cash management practices through cash planning, cash disbursement and cash collection from debtors to achieve sales performance which kept reducing below set targets according to Pandey, (2019). For Nigeria, it was forecasted that the economy would shrink by 3.2% but was expected to recover in 2021 to 1.7% (World Bank, 2020). The question was why there was poor sales performance given the integration of cash management which left a gap for this study.
In East Africa, Agri-input SMEs depend on sales performance through effective cash management to remain as going concern, (Zeidan & Shapir, 2017). Cash management is integrated in operation of SME to support sales performance of Agri-input SMEs in a competitive position. (Kakeeto et al., 2017) observed that cash management in SMEs take up strategies to cash planning, cash collection and cash disbursement to achieve increased sales volume, (Festus, 2011).

Kakeeto et al., (2017) observed that cash management is practiced in business to realize sales performance. The investor's ability to manage cash is a foundation of sales performance of Agri-SMEs, (Ahmad, 2016). The gap between cash expenditures, cash collection, cash investment and sales performance justify the need for this study.

Sales performance is the desired outcome through sales volume, accessibility to new market and retention of customers in the enterprises in the world, (Hut et al., 2017). In UK, organisations achieve competitive advantages through customer retention, increase in sales volume and operation in new markets (Hutchison, 2007). Sales performance is ranked as the key indicator of the enterprise's performance to achieve going concern in the business although they encounter difficulty determining the optimal cash balance and investment portion in the activities to remain competitive on the market. Agri-input SMEs experienced decline in business activity attributed to poor sales performance (Lakuma et al., 2020).

In Uganda, Agri-input SMEs support the agriculture sector which is regarded as the backbone of the economy and depends on sales performance to measure their growing concern during COVID-19 pandemic, (Abanis, 2020). SMEs apply prudent policies to identify new markets for their transactions to achieve sales performance, (Kazooba, 2016). Agri-input SMEs are making positive contributions to economic growth and development in Uganda, although the rate of failure is also high due to poor sales performance, (Kazooba, 2016). The sales performance of Agri-input SMEs in most cases is hindered by ineffective cash management practices, (UIA, 2015). SMEs depend on sales performance levels to effectively perform activities on the market to optimize their investment in profitable venture. Customer retention determines increase in the sales volume due to repeated procurement of goods and services to achieve sales performance, (Hawkins & Hoon, 2019).

Liman and Mohammed (2018) stated that SMEs adhered to balance between profitability and liquidity in the business although realized low sales performance. The SMEs contribute approximately 75% of Uganda's Gross Domestic Product (GDP) and employs more than 2.5 million people although majority get de-registered from tax payment register due to failure to realize revenues attributed to sales performance, (UIA, 2019). The commercial impact of Covid-19 is being felt globally as the viruses know no borders; the impacts continue to constrain SMEs ability to manage cash to achieve sales performance (KPMG, 2020). Cash is the resource which creates wealth through effective investment premised on feasible cash management practices to regulate cash inflows and cash outflows to achieve sales performance (Lakuma et al., 2020).

SMEs tied cash in debts, encounter default as a means of balanced profitability and liquidity to achieve sales performance. Cash management directly affects liquidity and profitability through achievement of sales performance, (Aminia et al., 2021). In Uganda, Agri-input SMEs have become popular following investment in Agricultural sector by the government through NAADs, Parish Development Model amongst others to support the economic development. Indeed, Agri-input SMEs fail to achieve sales performance due to declining customers, inability to attract new customers which threaten their operations given the emphasis on cash management practices which necessitated this study.

Container Village hosts majority (85%) of the Agri-input SMEs in Kampala district located at: Nakivubo, Kampala, Uganda (KCCA, 2019). The traders at Container Village deal in stocking variety of Agriculture inputs for farmers and other traders outside Kampala. KACITA (2019) establishes that Container Village is mapped to trade in all forms of Agriculture input supply for individual farmers and traders. The Agri input SMEs are constrained with low sales performance through decline in sales volume, customer and inability to restock sold goods which led to empty shelves that signify the negative shocks of Covid-19 (Uganda National Agri-Input Dealers Association, 2021). In addition, over 75% of Agri-input SMEs in Container

Village have encountered decline in number of customers for the input supplies and some faced closure due to cash management difficulties attributed to liquidity constrain during COVID-19 (Uganda National Agri-Input Dealers Association, 2021). With persistent negative impacts of pandemic shocks on sales volume and cash movement in Agri-input SME left a gap to establish the way cash management relates to sales performance.

1.2 Problem Statement

Cash management provides a foundation for planning, collecting and disbursement of cash into business activities to achieve sales performance, (Zainudin et al., 2024). Agri-input SMEs implement cash management practices through regular cash planning, cash collection and disbursement of surplus cash in business activities but fail to realize sales performance (National-Small-Business-Survey-report, 2020). Uganda has a high rate at 85% of Agri-input SMEs start up, although 90% of SMEs collapse in their first year of start-up due to low sales volume, failure to attract new market, inability to re-stock, decline in customers, small stock which deprive sales performance (Uganda National Agri-Input Dealers Association, 2021).

Furthermore, 75% of Agri-input SMEs in Container village have encountered closure due to failure to restock products, low customer retention, reduction in stock volume, decline in stock variety and closure of outlets which indicate poor sales performance, (Enow & Kamala, 2016). In fact, a recent survey on SMEs by the Uganda Economic Policy Research Centre (2020) reveals that three-quarters of the SMEs have reduced on stock volume, fail to re-stock, increased unpaid rent, decline in the number of customers, reduction in stock variety and lay off employees due the shocks of COVID-19 which hinder achievement of sales performance. Uganda Agribusiness Directory (2020) reveals that Agri-input SMEs encounter cash deficit given the implementation of cash management practices through cash planning, cash collection and cash disbursement depriving achievement of sales performance. The question is whether cash management practices put in place by Agri-input SMEs relate to sales performance to salvage the economic surge. This continued poor sales performance despite the cash management practices in place causes concerns and hence this paper.

1.3 Purpose of the Study

The purpose of the study was to examine the effect of cash management on sales performance of Agricultural input SMEs in Container Village, Kampala District.

1.4 Objectives of the Study

The study was guided by the following objectives:

1. To assess the effect of cash planning on sales performance of Agricultural input SMEs in Container Village, Kampala District.
2. To assess the effect of cash collection on sales performance of Agricultural input SMEs in Container Village, Kampala District.
3. To assess the effect of cash disbursement on sales performance of Agricultural input SMEs in Container Village, Kampala District.

2. Literature Review

SMEs incorporate cash management to ensure effective cash planning, cash collection and cash disbursement to tradeoff between liquidity and profitability to achieve sales performance, (Sowa, 1992). Cash management enables operators of SMEs make informed decisions on expected revenue and expenditure through cash planning, cash collection and cash disbursement to predict sales performance as way to avoid the risk of insolvency, (Jindrichovska, 2013). SMEs must plan for cash, effectively collect cash and making disbursement in the activities to achieve going concern. Somnath (2016) asserts that cash management boosts the sales performance of enterprises to grow from small to medium to large in the competitive environment. The factors of good cash management practice in an enterprise; namely cash planning, cash collection period and cash disbursement support sales performance. SMEs combine several strategies such as budgeting to adequately plan, customer evaluation, recording of payables among others to effectively manage cash more appropriately to achieve sales performance. Lakuma et al., (2020) pointed out that SMEs are now concentrating on financing quick earning activities to achieve competitive advantages reflected with the sales performance. It is therefore important to evaluate the way cash management relates with the sales performance of Agri-input SMEs.

Deb et al. (2017) established that management of cash balances held by a firm at a specific time is attributed to controls on the cash flow within the firm, and cash flow into and out of the business to support sales performance. Whenever cash is well managed, the Agri-input SMEs can decide the purchased inventories under the amount of cash owned and the disbursement criteria to achieve sales performance, (Sowa, 1992). Cash management is vital for SMEs to ensure optimum management of cash resources in relation to sales performance.

Furthermore, Andrikopoulos and Khorasgani (2018) emphasize that cash management is focused on receipts from revenue and payments of expenditures to avoid three potential problems: liquidity crisis, bad debt expenses, and abundant idle cash balances to avoid mismanagement. Rheah (2015) highlighted that planning for cash movement

in the business is key strategy to eliminate wastages to achieve sales performance. Meanwhile, Marlene (2019) asserts that poor cash management indicates theft of cash which constrains the sales performance and going concern of the SME as well as less results into liquid with a more fluctuate profit and cash flow deficit in the business.

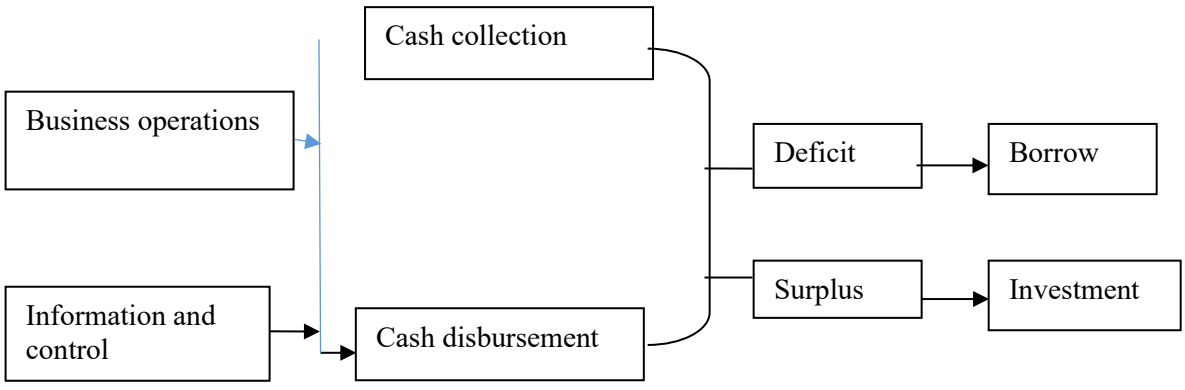
Musa (2023) establishes that operators of SMEs prioritize cash disbursement as the most sensitive resources in the operation of a business which enhances sales performance at 95% level. Cash management in the SMEs is related to the liberalization of the money market, technological progress, and internationalization of businesses to attract high sales volume, (Eton et al., 2018). Enterprise makes critical review of cash management strategy through cash planning, cash collection to avoid default/ shortage and disbursements of cash in relevant business activities to ensure effective operation to achieve sales performance.

Smirat and Yousef (2016), emphasize that cash management through cash planning, cash collection period and cash disbursement help SMEs to keep inventory levels low, delay payment of liabilities when an opportunity arises and the like, to achieve sales performance. Cash management offers big advantage to SMEs to avoid cash shortages in the operation and also eliminate avenues to borrow at high interest rates as well as cash loss through theft to support sales performance. Kunz and Dow (2012) assert that effective cash management is instrumental to fight against wasteful cash spending in operation of SMEs to achieve sales performance. Cash management has remained a key area of concern with varying unknown challenges which threaten sales performance.

Cash mobilization is part of the total review of cash management so that an SME could obtain faster information to execute any excess cash in activities, (Aminia et al., 2021). Cash planning is key in ensuring no idle cash is within the enterprise to draw the equilibrium between receipts and payments as well as set objectives connected to the sales performance, (Abeyrathna & Priyadarshana, 2019). Further, a firm is expected to emphasize cash flow management to maintain an optimal cash balance that is neither excessive nor deficient to continue financing profitable activities to support sale performance, (Aminia et al., 2021). Menon (2011) added that cash flow management helps SMEs in spotting potential cash flow gaps, serves as a reference tool for seeking funds from lenders to achieve efficiency. Uwonda and Okello (2015) assert that SMEs can still have an image of profitability and remain in danger of running into illiquidity because many people think of the profits that the business generate rather than planning on managing cash flows. In fact, SMEs face serious operational challenges as their liquid assets and cash are all tied to assets, thus lacking the cash needed to finance operation activities to support sales performance.

According to Njeru et al (2015) cash management follows a cycle which intends to determine the appropriate level and structure of cash, and marketable activities, consistent with the nature of business operations and objectives attributed to sales performance. Musa (2023) asserts that cash is a resource always received as mean of coins, currency notes, cheques, bank overdraft held by the SMEs, demand deposits in the banks which finances activities in the business. It also includes cash and cash equivalents like marketable securities and time deposits in the banks which deposits can be easily converted into cash to finance operations to support sales performance.

The SMEs startup is exposed to threats of cash management than those that are encountered once the business has been established following the cash management cycle. As such, the success of the business in future relies on high sales performance supported with effective cash management as illustrated below.



Source: Pandey, (2010)

Figure 1: Diagram Showing Cash Management Cycle

Pandey (2010) asserts that cash management cycle is a system involving business operations/ activities, information and controls to enable cash planning, cash collection and cash disbursement into activities to manage deficit through optimum borrowing, and surplus through investment in enterprises activities.
Diamond (2017) posits that cash management is critical in efficient working capital management in an enterprise to finance the operations to achieve sales performance. Cash management involves planning and controlling cash flows into and out of the business operations, (Pandey, 2010). SMEs have accessibility to reliable financial data which help in strengthening planning, cash collection from debtors, and disbursement of cash to payables, (Peterson, 2018).

Literature review indicated that cash management practices through planning, collection and cash payments are prioritized by the SMEs and support sales performance of SMEs. Several reviews from scholars such as Salas-Molina et al (2017) conducted study from other enterprises (SMEs) other than those dealing in the Agricultural input. Furthermore, majority of studies were carried out before COVID-19, thus leaving a gap for this study. The COVID-19 pandemic has constrained the cash flow and sales performance for SMEs which necessitated this study.

The study was anchored on the Resource-Based View (RBV) theory of the firm which draws attention to the firm's internal environment as a driver for competitive advantage and emphasizes the resources that firms have to develop to compete in the environment (Wang, 2014). The RBV provides that only strategically important and useful resources and competencies should be viewed as resources. The RBV theory explains the way entities identify and protect important resources and capabilities to support performance. The theory focuses on sustainable performance improvement through the development of resources and capabilities to achieve sales performance. The SMEs use resources that maintain value in the context of the given firm's markets and other resources that are difficult to replicate by other firms. This theory supports the way Agricultural SMEs manage cash resources to achieve sales performance.

3. Methodology

The study was carried out at Container Village Kampala City, Central region, Uganda. The Agri-input SMEs in Container Village were the study units. The research was conducted on a cross-sectional survey study design, blending both quantitative and qualitative approaches. The study involved 200 licensed active Agri-input SMEs at Container Village, Kampala (Kampala City Council Authority, 2022). A sample of 133 was selected using Yamane's formula of 1967. Primary data was collected from the respondents through administering a semi-structured questionnaire. Collected data was analyzed using Statistical Package for Social Scientists (SPSS) version 22, descriptive and inferential statistics were generated and interpreted, and research questions were answered. Standard ethical considerations were made by first seeking authorization from the management of the businesses where data was collected. A statement as to the strict confidentiality with which data was held expressly was stated in the questionnaire. The researcher briefed the respondents about the purpose of the research, their relevance in the research process, and expectations from them after their consent.

4. Results and Discussion

Out of the targeted 133 respondents, 131 filled out questionnaires, which yielded a response rate of 98.5% which was above the 70% that Castro et al., (2010) recommend to be adequate.

4.1 Descriptive Statistics

Descriptive statistics were generated on the attributes of Cash Management (Cash Planning, Cash Collection and Cash Disbursement). Statements were formulated on a Likert scale of 1 – 5 from which mean and standard deviations of each were computed. Descriptive statistics for each variable are presented in table 1 below;

Table 1: Showing Descriptive Statistics on Cash Planning in Agri-Input SMEs

Statements on Cash planning	N	Min	Max	Mean	Std. Dev
I forecast the revenues from the business activities	131	3.00	5.00	3.52	.501
I estimate the expenses in the business	131	1.00	5.00	3.45	.555
I balance the cash transaction in the business	131	2.00	5.00	4.42	.169
I estimate viable sources of capital for the business	131	2.00	5.00	3.69	.243
I follow the budget to execute the business activities	131	2.00	5.00	4.13	.897
I estimate the cost to invest in opportunities available for the business	131	1.00	5.00	3.22	.530
I evaluate the investment business opportunities	131	3.00	5.00	3.63	.681
I estimate the expected profits in the business.	131	4.00	5.00	4.27	.448
I determine the activities that cause cost on investment business decision	131	3.00	5.00	4.23	.828
I examine the required skills for alternative business investment decision.	131	2.00	5.00	4.06	.201
I determine the value of cash required in the future	116	2.00	5.00	3.94	.136
I determine the needed future cash flows for the business	131	1.00	5.00	3.86	.165
I evaluate the effect of interest on cost of capital	131	2.00	5.00	3.80	.220
I determine the value of cash invested in business activities	131	3.00	5.00	4.37	.261
I determine the cost and benefits of sources of capital for my business	131	3.00	5.00	4.14	.591
Average Mean & Standard Deviation				**3.92**	**0.428**

Source: Survey data (2023)

From table 1 above, an average mean of 3.92 and average standard deviation of 0.428 imply that participants agreed with low variation in responses that cash planning is indeed carried out in the SME. The findings are consistent with Soman (2001) who asserts that cash planning is critical in identifying the enterprise future needs.

Table 2: Showing Descriptive Statistics on Cash Collection in Agri-Input SMEs

Statements on Cash collection	N	Min	Max	Mean	Std. Dev
I make daily deposits to the bank.	131	2.00	5.00	4.38	.964
I reconcile the cash receipts accounts on daily basis	131	1.00	5.00	4.41	.276
I review the receipt book and bank statement monthly	131	1.00	5.00	4.23	.213
I keep watchful records of cash in business transaction	131	2.00	5.00	4.29	.249
The business has clear procedures of handling cash receipts	131	1.00	5.00	3.69	.137
I determine cash collection period for customers when advancing credit	131	1.00	5.00	3.71	.218
I monitor the agreed payment date on the credit transaction	131	1.00	5.00	4.02	.295
I give 7 days' period for customers to pay the debt	131	1.00	4.00	2.43	.144
I set credit period based on customer's capacity to pay the debt	131	1.00	5.00	3.69	.234
I charge extra cost on the credit transactions	131	1.00	4.00	3.60	.323
I encourage customers to pay immediate cash for business transactions	131	1.00	5.00	3.99	.389
I offer cash discount to customers for business	131	1.00	5.00	3.98	.526
I evaluate the credit history of customers before new credit	131	2.00	5.00	4.38	.464

I make reminders to customers to pay the debts	116	2.00	5.00	4.01	.312
I have clear credit terms for handling customers	131	1.00	5.00	3.79	.262
Average Mean & Standard Deviation				**3.91**	**0.334**

Source: Survey data (2023)

Table 2 above shows that an average mean of 3.91 and standard deviation of 0.334 implying an agreement by participants that cash collection is indeed critical when managing cash of the enterprise. This finding agrees with David (2010) who emphasizes that SMEs adopt a moderate cash collection strategy based on agreed payment terms which is neither stringent nor lenient to manage customers and support sales performance.

Table 3: Showing Descriptive Statistics on Cash Disbursement in Agri-Input SMEs

Statements on Cash disbursement	N	Min	Max	Mean	Std. Dev
I monitor and comply with the due dates of suppliers.	131	1.00	5.00	4.72	.545
I delay cash payments until needed by the receivers.	131	1.00	5.00	3.89	.208
I keep records of creditors for ease follow up	131	1.00	5.00	4.86	.460
I have cash payment policy to manage business expenses	131	1.00	5.00	4.73	.541
I use a single payment account to manage payments	131	1.00	5.00	3.28	.554
I have cash to pay for the needed items	131	1.00	5.00	2.09	.419
I keep records of inventory for ease re-stocking	131	1.00	5.00	4.24	.185
I stock variety of Agri-inputs for customers	131	1.00	5.00	4.47	.586
I offer transport on bulk purchase of stock.	131	1.00	5.00	4.59	.978
The business monitor stock movements to capture the first moving to restock and market the slow-moving products.	131	1.00	5.00	4.73	.541
I maintain minimum cash balance to perform daily business activities	131	1.00	5.00	3.97	.581
I secure cash earlier to finance business activities	131	1.00	5.00	4.45	.585
I monitor the cash needed to perform business transaction	131	1.00	5.00	4.20	.195
The business maintains lists of all the payments made in the day	131	1.00	5.00	4.32	.267
The business maintains the maximum amount that can be held in petty cash at any time.	131	1.00	5.00	3.98	.582
Average Mean & Standard Deviation				**4.17**	**0.482**

Source: Survey data (2023)

Results in table 3 above show an average mean of 4.17 and an average standard deviation of 0.482 which are indicative of the fact that participants agreed with the statements formulated to assess cash disbursement with the SMEs. The findings are consistent with Hutchison (2017) who noted that petty imprest cash management provides the business with set of policies, procedures, controls, and forms to disperse cash for various needed planned activities tailored towards benefitting the entity.

Table 4: Showing Descriptive Statistics on Sales Performance in Agri-Input SMEs

Statements on Sales performance	N	Min	Max	Mean	Std. Dev
I have retained customers over years	131	1.00	5.00	4.23	.519
I have attracted new customers	131	1.00	5.00	4.75	.231
I have penetrated new markets	131	1.00	5.00	4.62	.574
The number of customers has increased over time	131	1.00	5.00	4.86	.460
The business has opened up new branches	131	1.00	5.00	2.17	.108
The business has acquired a strong brand	131	1.00	5.00	4.62	.574
The business stock variety of goods	131	1.00	5.00	4.73	.538
The business has loyal customers	131	1.00	5.00	4.27	.275
The business has received referrals customers to procure goods and service	131	1.00	5.00	4.59	.578
The sale volume has increased over time for the business	131	1.00	5.00	4.73	.538
Average Mean & Standard Deviation				**4.36**	**0.440**

Source: Survey data (2023)

Results in table 4 above show that an average mean of 4.36 and an average standard deviation of 0.440, which imply that majority of participants agreed with the statements posed to assess the sales performance of SMEs. There was a low variation in responses as indicated by the average standard deviation of 0.440.

4.2 Regression Analysis

Regression is a method for determining which line, when drawn from an independent variable, best predicts the dependent variable. With R square, linear regression measures the quality of fit. In contrast to the degree of the regression coefficient, which shows the impact of independent factors on dependent variables, the sign (+, -) of the regression coefficient reveals the direction of the effect of independent variable (s) on the dependent variable. Therefore, the researcher conducted a linear regression analysis on cash planning, cash collection, and cash disbursement against sales performance in order to analyze the effect of cash management on the sales performance of SMEs. The findings are presented in table 5 below;

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.787[a]	.619	.611	.30230	.619	15.920	3	127	.000
a. Predictors: (Constant), Cash disbursement, Cash planning, Cash collection									

Source: Primary data (2023)

Table 5 above shows that cash management in terms of cash planning, cash collection and cash disbursement explain 61.1% (Adj $R^2 = 0.611$) of the variation in sales performance of the Agri-Input SMEs. This implies that 38.9% of variation in sales performance is explained by other factors which this study has not considered. This finding concurs with Jindrichovska, (2013) who asserted that cash management enables operators of Agri-input SMEs make informed decisions on expected revenue and expenditure through cash planning, cash collection and cash disbursement to predict sales performance as way to avoid the risk of insolvency.

Table 6: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.017	.110		.529	.598
	Cash planning	.075	.050	.114	1.903	.199
	Cash collection	.096	.035	.191	2.192	.030
	Cash disbursement	.756	.085	.689	4.673	.000
a. Dependent Variable: Sales performance						

Source: Primary data (2023)

Table 6 above shows a combined model of independent variables on sales performance of Agri-input SMEs. It indicates that sales performance of Agri-input SMEs is insignificant with rate of 0.017 (1.7%) when cash management is suspended (p> 0.00). Cash management is indispensable for SMEs to achieve sales performance among the Agri-input SMEs.

Cash planning with coefficient (β_1 = .114, t = 1.903) has a positive insignificant effect on sales performance of Agri-input SMEs. Cash planning provides forecast on cash receipts and cash expenditure which are key in operation of the SMEs although its relevance seized if it is not well implemented to secure cash and effectively utilize funds. Cash flow planning is intended to ensure that a business has enough money set aside to deal with any potential unexpected expenses and knowing exactly how much money is available is vital in ensuring that SMEs are both solvent enough to cope with any and all outgoings, while also avoiding a negative cash flow.

Cash collection (β_1 = 0.191, t = 2.192) has a positive significant effect on sales performance of Agri-input SMEs at 5% level; where by a unit increase in cash collection practices lead to 19.1% increase on the sales performance of SMEs. Cash collection describes the process whereby a SMEs earn cash from the sale of products and services through instant payment recovered from debtors to whom it has previously issued an invoice. This finding agrees with Miranti et al., (2023) who argues that cash collection procedure predicts the magnitude of debt management in the business to achieve sales performance at 5% level.

Cash disbursement (β_1 = 0.689, t = 4.673) has a positive significant effect on sales performance of Agri-input SMEs at 1% level, whereby a unit increase in cash disbursement practices lead to 68.9% increase on the sales performance of SMEs. Cash disbursement in business activities such as marketing, human resources, payment of supplier on due date, stocking variety of products support sales performance of SMEs. The cash disbursement requires approval from authorities and feasible strategy to invest in profitable venture to penetrate new markets, retain customers and achieve increased sales volume to remain on going concern. This finding agrees with Bexon (2017) who argued that cash disbursement enables SMEs to maintain a balance between liquidity and profitability while conducting their day-to-day operations to influence sales performance at 95%.

5. Conclusion and Recommendations

Based on findings of the first objective, regression analysis established that cash planning has positive insignificant effect of the sales performance of Agri input SMEs. Cash planning is essential in directing and controlling resources to ensure effective utilization to attract large clientele base to achieve sales performance. Therefore, cash planning is important in management of activities although it has insignificant effect on sales performance for Agri-input SMEs.

Cash collection has low positive significant effect on sales performance. The adequacy in cash collection helps SMEs to avoid default rate from debtors to support sales performance Agri input SMEs. The moderate methods of cash collection through reminders other than court proceedings facilitate attraction and retention of customers to build large market size which reflects sales performance of SMEs. SMEs categorize customer cash collection procedures based on history or evaluation of new customers' character, capital, capacity and collateral if any to support collection of money from them. Therefore, cash collection strategy is important in ensuring achievement of sales performance in SMEs.

Cash disbursement is important in the management of payments to priority units such as creditors, lenders, rent and utilities to support continuity of operation without sabotage to achieve sales performance. Regression analysis established that cash disbursement has a positive significant effect on the sales performance of Agri input SMEs. Cash disbursement in operating, financing and investment activities strengthens business capacity to adequately serve the market to achieve sales performance.

Therefore, cash disbursement is implemented, monitored and controlled to manage cash in the business over given period of time with emphasis on priority activities to induce sales volume, penetration of new market.

The combined effect of cash management through cash planning, cash collection and cash disbursement contributed 61.1% on sales performance of Agri-input SMEs at 99% level. Other factors excluded in the study contribute 38.9% on sales performance. This justifies that cash management is indispensable and is a key predictor of sales performance of Agri-input SMEs in Kampala District.

The following recommendations were therefore made;

1. SMEs should prepare cash forecast to determine the expected receipts from business operations and investment activities in the given period of time, usually, on a daily and weekly basis. There is need for proper recording and investment priorities for the cash in the business to achieve efficiency.
2. SMEs should strengthen the internal controls through segregation of duties, authorization by having specific staff in charge of cash collection to avoid misuse, error and theft to support optimum collection from account receivables.
3. SMEs should develop budgets and schedule of activities review on daily basis to guide the cash disbursement in priority areas of concern to support sales performance.
4. SMEs should record transactions and review the records regularly to check for any discrepancies to eliminate fraud, errors and theft to achieve sales performance.
5. SMEs should build strong brands by stocking variety of products for farmers to remain relevant on the market to attract increased sales volume as courtesy for solvency.
6. The SMEs should adopt social media platform, billboards to market Agri-input products to attract and retain customer which enhance sales performance.

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