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Impact of Digital Finance on New Venture Performance Along with the Moderating Role of Entrepreneurial Finance and Risk Management

Asmara Komal, Afshan Ali

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Asmara Komal is currently affiliated with The Islamia University of Bahawalpur, Pakistan
Email: asmarakomal21@gmail.com

Afshan Ali is currently affiliated with The Islamia University of Bahawalpur, Pakistan
Email: afshaneconomist@gmail.com

Abstract

This research seeks to unravel the influence of digital finance on the performance of emerging ventures and delve into the moderating roles of risk management and entrepreneurial finance in shaping this dynamic relationship. This study tried to answer the question if digital finance plays a role in enhancing the performance of new ventures and whether entrepreneurial finance and risk management moderate this relation. The data used in our study is primary data, collected directly from the respondents through a structured questionnaire using convenience sampling techniques. The sampling unit were managers, owners, and employees of new ventures. The sample size was 370 individuals. A partial least square tool is used to analyze the data. Confirmatory factor analysis is conducted in which reliability and validity are examined by composite reliability, Cronbach alpha, AVE, and discriminant validity were measured using heterotrait-monotrait ratio. PLS structural model was used to investigate the relationship between variables. The study outcomes unveiled a noteworthy positive correlation between digital finance and the performance of new ventures. Additionally, a significant and positive association between entrepreneurial finance and new venture performance emerged, while an analogous positive relationship between risk management and new venture performance was also evident upon data analysis. Furthermore, risk management and entrepreneurial finance also play a moderating role between new venture performance and digital finance. This study will contribute to filling the gap in the literature and will help the researchers, teachers, students, and practitioners to better understand the direct impact of digital finance, entrepreneurial finance, and risk management and moderating effect of entrepreneurial finance and risk management on new venture performance. Practical implications of the study are that the study will help practitioners of newly initiated businesses to place importance on implementing each of the variables while running the business. The higher success rate of new ventures will motivate more people to start a new business and help to improve the economy. The cross-sectional design of the study, coupled with the utilization of a convenient sampling technique and a restricted sample size, introduces certain constraints and limitations to our research.

Keywords: New ventures, financial performance, non-financial performance, digital financing, entrepreneurial, risk management,

INTRODUCTION

The success or survival of recently established ventures has become increasingly challenging and is a pivotal question in today's volatile and turbulent markets, marked by rapidly changing strategies. It is widely recognized that in the initial years of their existence, numerous newly launched ventures face challenges in surviving, imposing burdens on the economy, investors, and the ventures themselves (Wiklund, Baker, & Shepherd, 2010). The issue of failure among newly established ventures is observed not only in developing countries but also in developed economies. For example, a study shows that in the Republic of China, more than 85 percent of newly founded ventures fail during the beginning ten years of business, and the failure rate is 67 percent during the first year of business(Parnell, Long, & Lester, 2015). Similarly, another study reported that During the first year of business, the failure rate of newly initiated ventures in China is more than 70 percent (D. Wang & Chen, 2010). In the case of the USA every year, only 10% out of 700,000 newly founded ventures survive (Sambasivan, Abdul, & Yusop, 2009).

In developing countries like Pakistan during the first five years of startup, only 19 percent of the new ventures persist and a mere four percent of newly initiated ventures keep it up to 25 years (Khawaja, 2006).Because of this high ratio of failure among newly started ventures, it has become very crucial to answer the key question that why some newly established ventures can survive while others ventures could not (Stenholm & Renko, 2016). So, to answer the above questions numerous researchers have done countless studies in different areas of interest. So here it has become very important to discuss some of the very important discoveries. The failure ratio of newly initiated ventures is higher because many newly developed ventures lack a structured Business Development strategy (Cantamessa, Gatteschi, Perboli, & Rosano, 2018). It is reported that in the initial stage of business, more than half of the newly initiated business ventures fail to survive across the globe because they have inadequate resources, are small in size, and are new in the market (Anwar & Ali Shah, 2020).

Given the importance of new ventures' performance, a lot of research is done to find out the determinants of new venture performance(Huang, Zhu, Zhang, & Ding, 2021), (Debrulle, Steffens, De Bock, De Winne, & Maes, 2021; Park & Lee, 2019). Financing hurdles are one of the major factors that negatively affect the performance of a new venture. Human resources and Financial resources (combined or separately) have frequently been found to positively influence the survival of newly initiated ventures (Gurdon & Samsom, 2010). From above studies we have identified some of the traditional factors that has impacted the NVP. But given the fast modernization and innovation in technology traditional ways of the doing business have been changed. Digitalization has become key in everything. In today's dynamically evolving economies new ventures are seemed to be leading forces. The abilities of the businesspersons to avail themselves of the novel growth opportunities and to realize their innovative business ideas are obstructed by inadequate opportunities for financing.

The history of linkage amongst finance and digital tools is spread over the era of many decades, as it is observed around the globe that when the technology was evolving and the digital uprising was taking place at the same time financial sector was also evolving and new and new financial tools were being introduced. So with upraise of digitalization, the financial marketplace was also improving, new financial regulatory bodies were developed and these bodies were introducing new rules and regulations to make the financial marketplace a global marketplace encompassing the communal financial practices to be accepted around the globe.

Therefore, the importance of technology cannot be denied while assessing the performance of new or old ventures. Five prominent technological strategies that can boost the performance of new ventures are 1) radicality, which can be defined as the introduction and development of novel services products before the competitors in the market. 2) The Rigorous graduation can be explained as a practice of dynamically and constantly upgrading the services and products before the competitors, 3) The R&D disbursements level specifies the heavy investment of new venture in core R&D endeavors. 4) the optimal utilization of sources of technology that are externally available to the firms to amplify the venture private R&D exertions. 5).

The usage of intangible assets for examples trademarks, copyrights, and added means for the protection of the new venture intellectual assets and intellectual resources (Zahra & Bogner, 2000). From the above discussion, it has become apparent that the technical strategies hold a significant place as an important determinant of new venture performance even two decades ago. However it is important that mere investment in digitalization is not enough many companies don't get enough return on digital investment because instead of long term preferences they focus on short term benefits. Given below graph shows summary of report by "Businesswire New-York" (2016) that compared that digital leader who invest in digitalization with digital high performers who perform better than DL because of their long term focus and eye on every aspect of digitiization, and digital finance as one of that aspect.

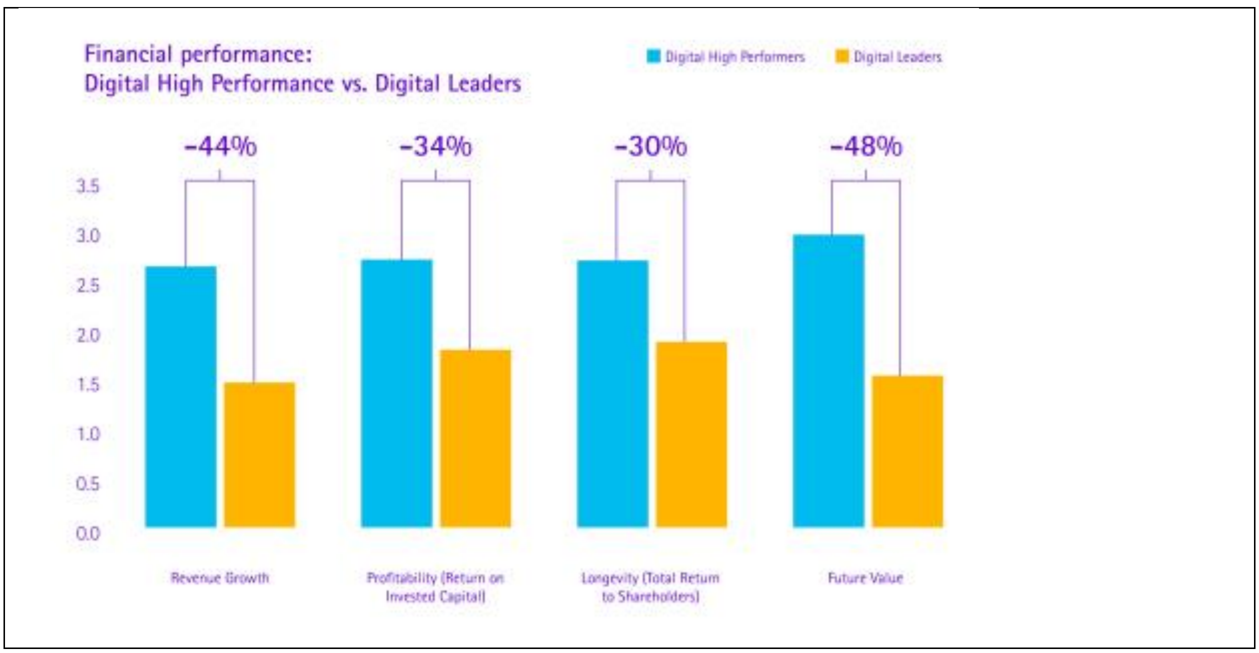

Figure 1.
Digital leaders and high performer

Moreover, we have seen that the process of digitalization is very quick and every day new technologies are being introduced. And one of the important fruit of this digitalization is digital finance which has conquered the financial world. It is observed that the financial performance is shown by the firms significantly affected by digital finance (Rombe, Zahara, Santi, & Rahadhini, 2021). Nevertheless, an important revolution in the landscape of entrepreneurial finance is noticed, in the context of the technological revolution. Numerous Innovative, novel, and Exclusive digital financial instruments such as Initial Coin Offerings, Crowd-funding, Business Angel Networks, provide striking financing opportunities to newly established ventures(Klein, Neitzert, Hartmann-Wendels, & Kraus, 2019). We know that nowadays a larger number of people all around the globe own cell phones and hence this hefty usage of mobile phones and other digital devices has improved the access of digital financial services to a larger population and made implications of digital finance services very easy (World bank). We have observed that digital finance has been contributing a lot in altering the financial industry as modern technologies are enabling client-oriented and much more secure distinctive management.

It is also contributing to avoiding the financial deceptions as well correspondingly assisting the control of any kind of monetary scams. Giant Records, refined analytical tools and techniques, and the data storage clouds are stirring revolution as well tractability within the economic, monetary, financial, and commercial organizations. Furthermore, many studies by the researchers revealed that, by what means the revolution in the digital field has added considerably to the progression of the society, like increasing financial inclusion for clienteles that lack bank accounts in emergent or underdeveloped nations (Gabor & Brooks, 2017), (Wellalage, Hunjra, Manita, & Locke, 2021), (Ozili, 2021). Digital finance can be described as 'the usage of digital technology to provide value-added opportunities, creating innovative corporate models and escalating additional revenue (Wellalage et al., 2021), (Ozili, 2018b). According to UN-DFTF(2019), it is the technique of shifting towards digital commerce and amalgamation of the digital tools interested into daily life and routine.

It is observed that in the past where usually the majority of the business models were erected chiefly on tangible or fixed assets but in today's business world this trend is shifting towards intellectual resources and business enterprises are progressively aiming at digitalization of their corporate models and digitalization of their distribution networks to stay competitive. This matter has remained substance to the researchers for a prolonged period and it is repeatedly argued in practice. So after recognizing the prominence and significance of digitalization, the latest research revealed that the major goal for more than 30% of managers of information and technology is to put down the foundations of the digital corporate model within the coming few years. By the same token, those managers were also mindful about the threats of not muddling through the digitalization with 60% bearing in mind that their firms are not fully ready for the future (Eßwein, 2019).

From above discussion where we have acknowledged the importance of digitalization in finance for NVP, we have also recognized the importance of financial availability and modernization. Like digitalization, Entrepreneurship is another product of modernization and we cannot deny its importance in modern business worlds. The merger of finance and Entrepreneurship is simply entrepreneurial finance. For the performance and growth of ventures, one of the key and crucial sources is access to entrepreneurial finance, however, a dearth of adequate finance is reported to be one of the most prominently stated constraints to entrepreneurship (Gichichi, Mukulu, & Odhiambo, 2019). Researchers of Finance are extremely concerned about the financial benefits that are delivered by entrepreneurial financing. As reported by the informal enterprise survey of the World Bank (2013) one of the utmost persistent hurdles faced by the small size new ventures is inadequate access to the availability of requisite entrepreneurial finance

(Publications, 2013). While on the other efficient implication of entrepreneurial finance could increase value, enhance performance, boost profitability and reduce the risk of failure. So it is very important to give entrepreneurial finance importance and see its moderating impact between digital finance and new venture performance while analyzing the performance of new ventures.

Additionally, another important factor that is a stumbling block for the performance of ventures in today's exceedingly volatile, aggressive, and hostile business environment is risk management. The significance or Importance of the risks management has noticeably been increased recently due to the complexity of risk, financial scandals, financial frauds, and pressure from regulatory bodies (Lechner & Gatzert, 2018). However not much is known about the effectiveness of venture risk management (Lukianchuk, 2015). Enterprise risk management is a significant concern in the present-day dynamic market. Those ventures who, while implementing various strategies take ERM (enterprise risk management) seriously shows higher performance similarly performance of companies are reported to be high who use variables and combination of variables in a model of best practice in their attempt to increase the level of risk management(Gordon, Loeb, & Tseng, 2009).

Furthermore, it can be perceived that whenever technology is being applied in the business there is always an abundant amount of risk associated with the technological implications. These risks associated with the technology may be due to the hazard of accounts being hacked or personal data may become available to the public. Similarly, there can be a risk of unsecured financial transaction or risk can also be related to the reliability and validity of financial forums, financial institutions, simulation software, etc. keeping in mind the probability of risk connected to the implication of digital finance it has become significantly crucial to consider the effect of supplementary risk. So to cope with this issue entrepreneurial risk management should be considered as moderating factor. It has become important to study the impact of entrepreneurial risk management practices by any way moderating the relation between digital finance and the performance of new ventures. Additionally, a new venture usually encompasses a high risk of failure because it is fresh, first-hand, stimulating, challenging, problematic, and inexperienced.

In an attempt to combat this risk linked with new ventures it has again turned out to be compulsory to consider risk management practices while measuring the performance of the new ventures. From the above discussion, we see that it is necessary to understand the relation between new: Ventures' performance and digital finance, that how digital finance could affect the performance of new ventures. Additionally, we found out that two very important factors hold a solid place in determining the performance and these variables are enterprise risk management and entrepreneurial finance. So, it would be inadequate to measure the performance of new ventures without incorporating these two most important factors. So, we will use both of these factors as a moderator between digital finance and new venture performance.

The research questions of the study lead to the following research objectives;

1. "To examine the relation between digital finance and new venture performance."
2. "To examine the relationship between enterprise risk management and new venture performance."

3. "To examine the moderating role of enterprise risk management between digital finance and new venture performance."
4. "To examine the relationship between entrepreneurial finance and new venture performance."
5. "To examine the moderating role of entrepreneurial finance between digital finance and new venture performance."

LITERATURE REVIEW

The process of revolution was observed in the industry of financial products and services, after the giant financial crisis that was occurred from 2007 to 2010. New-fangled business models that are centered on high-tech innovation and advancement are making it hard for the traditional business styles to survive and compete. The execution of electronic payments, electronic commerce, and any other digital amenities are letting society and organizations develop a reliable and contagious digital account or distinctiveness (Ketterer, 2017). Moreover, most recently in this time of covid-19 that has entirely changed the whole scenario of the business domain, digital finance has become more popular as well crucial. The use of digital services without the need for physical contact has become new normal. Different studies are done seeking the essentiality of digital finance in the pandemic period and how it has shaped the future of digitalization (Arner et al., 2020),(Agosto & Giudici, 2020; Khakimova, 2022). This chapter will cover the previous research done on dependent variable; NVP, the Independent variable; Digital Finance, and two moderating variables: Entrepreneurial Finance and Risk Management. The objective of this chapter is to get support from the literature in finding the answers to our research questions by developing the hypothesis to meet our research objectives.

Relation between digital finance and performance

Furthermore, it is observed that the use of digital finance can enhance the financial performance of the firm as well as improve the non-financial performance of the firms too. A study done within 29 European and United stated countries and in total 6848 banks shows that implementation of a systematic digital framework has a substantial impact on the performance of banks (Scott, Van Reenen, & Zachariadis, 2017). Moreover, there are more stock returns when firms invest more in fintech ventures (Ozili, 2018a). Additionally, Study shows that the non-financial performance of the banks can be amplified when the bank collaborated with fintech startups. The performance was measured in form of improvement in the customer relationship, enhancement in the portfolio of the banks services as well their products, fulfillments of clientele's real demands, and achieving more trust of the clients (Juengerkes, 2016).

Moreover, studies show that ease and convenience in the usage of digital payment facilities have contributed to increasing customer satisfaction (Lantang, Pangemanan, & Tielung, 2021). Another study showed that employee loyalty was reported to be high and turnover was reported to be below as a result of digital transformation taking place in their firm (Winasis, Riyanto, & Ariyanto, 2020). We see customer satisfaction, quality of goods and services. Employee loyalty and less turnover are important measures of the non-financial performance of ventures, so based upon the above discussion we developed our **Hypothesis 1** *"Digital finance has a significant positive impact on the performance of new ventures"*. This hypothesis will help to fulfill our first research objective of "To examine the relation between digital finance and new venture performance." And will answer the research question of "Does digital finance impact the new venture performance?"

Relation between digital finance and new venture performance

Digitalization of NVs shows a positive impact on the growth, survival, and performance of businesses in the primary stage of life. IT (Information technology) provides digital answers to several issues related to the supply chain. Digitalization help NVs to attain greater adaptability, more noteworthy functional effectiveness, and reserving the assets. So, the new firm who have involved in incorporating digital tools during an earlier phase of the business helps them to attain competitive advantage as well provides the benefit of overcoming the scarcity of resources (Proksch, Rosin, Stubner, & Pinkwart, 2021)

Furthermore, it is realized that because of quick digital progression, overall monetary assistance organizations and specifically the financial business, are progressively trying to transfer towards the web and digital esteem age. Ideas like 'digital money', 'virtual banks' and 'crowd-funding', are building tension for conventional banks and acquiring thrust. These technologies are progressively coping with the time constraints as well as location constraints for the financial sectors (Niemand, Rigtering, Kallmünzer, Kraus, & Maalaoui, 2021). Digital expertise has steadily been altering client dealings, IT, B2B and B2c (Kraus, Roig-Tierno, & Bouncken, 2019), Innovations (Kauffman, Liu, & Ma, 2015) chiefly in financial sectors where, there is the high trend of transferring towards the web bases or online services (Setia, Setia, Venkatesh, & Joglekar, 2013).

Based upon a depth literature study of "digital finance" and "performance of newly initiated ventures" we come to know that there are links between both variables that need to be explored further. So, we come to develop our first hypothesis. It is seen that our **Hypothesis 1** *"There is a significant and positive relationship between digital finance and new venture performance"* which we developed earlier is supported strongly here after reviewing the literature. The measurement of this Hypothesis will help us to meet the first Research objective of "To examine the relation between digital finance and new venture performance." And will answer the research question of "Does digital finance impact the new venture performance?"

Relationship between risk and digitalization

Managing risk has become one of the most important tactics for the organizations to guarantee their endurance and beat vulnerabilities to arrive at their objectives in the context of the outside unconventionality of the ventures that are brought about by the economy, political disputes, environmental dynamics, and technical development (de Araújo Lima, Crema, & Verbano, 2020).

Relationship between risk management and performance

A noteworthy purpose of implementing ERM in business organizations is to improve the value of ventures by assisting upper management and risk managers and to ensure management, monitoring, and identification of the enterprise's overall risk portfolio (Lechner & Gatzert, 2018). Risk management can be proved as an essential tool for generating value but it is also important that how the manager perceives value, in other words, perception of value determines what RM practices should be adopted

(Willumsen, Oehmen, Stingl, & Geraldi, 2019). RM practices assist in recognizing risk, identifying risk in advance, avoiding the probable risk that ventures could face. We can say that the procedure of RM is based on the famous quote "prevention is better than cure". Enterprise RM represents a revolutionary modification in an organization's approach to dealing with risk. Enterprise RM contributes to extending the scope of risk managing attitude by counting each single substantial business uncertainty of the ventures systematically and comprehensively. It is based on the construction of the amalgamated risk portfolio by considering relationships among every type of risk (Bajo et al., 2012).

Given the significance of RM extensive literature is available exploring the strategies of RM in (Bairagi, Mishra, & Durand-Morat, 2020; Dang, Jasovska, & Rammal, 2020; Duong, Brewer, Luck, & Zander, 2019). Application of ERM practices increase and improve the competency of the firm to smoothen the volatility in profits, to reduce costs and losses along with enabling the businesses to earn more ROE and create more value for the owners or in other words realize the aim of wealth maximization (Lam, 2001). It is reported that 4 chief features on which the structure of the risk management is built are (1) identifying the risks, (2) measuring the risk, (3) mitigating the risks, and (4) monitoring the risks, and then finally reporting the risks (Bessis, 2002).

Types of risk

ERM tactics assist the management in handling several types of risks that affect the performance of the firms and these types of risk include "financial risk", "strategic risk", "credit risk", "market risk" and "operational risk" (Banham, 2005). Finance-related risk is categorized into 6 types 1) legal risk; is associated with the risk arousal due to laws and regulations (McCormick, 2010; Timmer, 2021). 2) Market risk or systematic risk; is uncertainty that is attached to any specific market structure or the whole market entirely (Hussain, Ghani, & Razimi, 2019; Pelger, 2020). 3) Operational risk; is the probability and uncertainty confronted by the firms due to carrying out day-to-day occupational activities, processes, and schemes (Altaf, Ayub, Shabbir, & Usman, 2021; K. Chen, Wei, Li, Lin, & Khan, 2021).4) Credit risk; is the uncertainty of repayments of loan obligations to the firms by the borrower (Addo, Guegan, & Hassani, 2018; Hassan, Khan, & Paltrinieri, 2019). 5) Liquidity risk; the risk occurs due to insufficient availability of liquid assets in the firm that is mandatory to meet corporations' short term liabilities (Alim, Ali, & Metla, 2021; İncekara & Çetinkaya, 2019) and 6) counterparty risk; is the possibility of default or inability to satisfy the compulsions by one or more people involved in the transaction (León & Sarmiento, 2021; Teresiene & Gudaviciute, 2021).

Relation between risk management and digital finance

A lot of studies have provided enough evidence that new ventures with effective entrepreneurial finance understanding and implication create more value than those without it. As EF reduce the agency cost and thus boosts the value of ventures (Klonowski, 2014; Wirtz, 2015). Digitization in the process of entrepreneurial finance has also become a trend and a topic of interest to many researchers as it is making the practices of entrepreneurial finance easy convenient and cost-effective (Bertoni, Bonini, Capizzi, Colombo, & Manigart, 2021; Estrin, Khavul, & Wright, 2021; Kenney & Zysman, 2018). Another important dimension that is grabbing more and more attention of the practitioners as well the researchers of EF is crowd-funding which is proving as a key element of entrepreneurial finance and encompasses a huge future scope (Abdeldayem & Aldulaimi, 2021; J. H. Block, Groh, Hornuf, Vanacker, & Vismara, 2021; Dushnitsky & Zunino, 2019). Based upon above literature we can build our fourth hypothesis that is *"There is a significant positive relationship between entrepreneurial finance and new venture performance"*. This review of literature and measurement of this hypothesis will help us to meet the research objective of examining the relationship between entrepreneurial finance and new venture performance. And help us to find answer to our fourth research question of "Does entrepreneurial finance has an impact on the new venture performance?".

Relation between risk management and new venture performance

Taking into account the importance of understanding and implication of entrepreneurial finance for the new ventures a lot of research has been done by the researchers to explore as many aspects of entrepreneurial finance as possible (Cumming & Groh, 2018; Rita & Utomo, 2019). Furthermore Pioneering inventive ventures contain a significant part in the contemporary digitally advanced economies as they are a source of inventions, provide new employment opportunities, enhance value and output and also stabilize the behavior of the mature businesses(J. Block & Fisch). Unluckily, the growth as well survival of new ventures is difficult because these ventures mostly face the constraints of financing and hence are unable to secure adequate funds(Brown & Earle, 2017). A large extent of Literature is available exploring and explaining the subject of financial constraints coped by new ventures (M. G. Colombo, Croce, & Guerini, 2014; Guedes, Saraiva, & Felício, 2020; Petrova, 2012; Y. Zhang & Li, 2010).

Moreover, There are many reasons behind this difficulty of securing investments and funds, for example, Dearth of internally generated cash-flows, dearth of internal collaterals, agency problems between funds providers and new ventures, and lack of organized knowledge and data are the major reasons that worth mentioning (Hall & Lerner, 2010). EF in addition to addressing all such problems also explores how these new and innovative ventures could acquire the capital for financial development, modernization, and globalization(J. H. Block, Colombo, Cumming, & Vismara, 2018). It is observed that financial capital has proved to be much critical for new ventures as this could shield them against uncertainties and risks (Uzuegbunam, Ofem, & Nambisan, 2019; J. Wu, Si, & Wu, 2016). Getting the financing at the earlier phase of business is very much difficult as investors are known of the fact that there are very few chances of success and much more risk of failure(Howell, 2019).

Studies have proved that NVP is positively and significantly influenced by the EF (Gichichi et al., 2019; Khan et al., 2019; Rita & Utomo, 2019). So, it has become evident that we cannot ignore the importance that EF carry in determining the NVP thus we will incorporate EF in this research as a moderator between both variable i.e., digital finance and NVP. This results in generating our fourth and fifth hypothesis checking the direct impact of EF on NVP as well exploring the moderating impact of EF between DF and NVP. So our 5th hypothesis is *"Entrepreneurial finance moderates the relationship between digital finance and new venture performance"*. The measurement of this hypothesis will help us to meet the fifth research objective that is; "To examine the moderating role of entrepreneurial finance between digital finance and new venture performance." Also will help us to find answer to our fifth research question that is; "Does entrepreneurial finance play a moderating role between digital finance and new venture performance?"

HYPOTHESES OF THE STUDY

Now after studying enough literature and developing respective hypothesis, given below are the summarized hypothesis.

H1. "There is a significant positive relationship between digital finance and new venture performance".

H2. "There is a significant positive relationship between risk management and new venture performance"

H3. "Risk management moderates the relationship between digital finance and new venture performance".

H4. "There is a significant positive relationship between entrepreneurial finance and new venture performance".

H5. "Entrepreneurial finance moderates the relationship between digital finance and new venture performance".

CONCEPTUAL FRAMEWORK

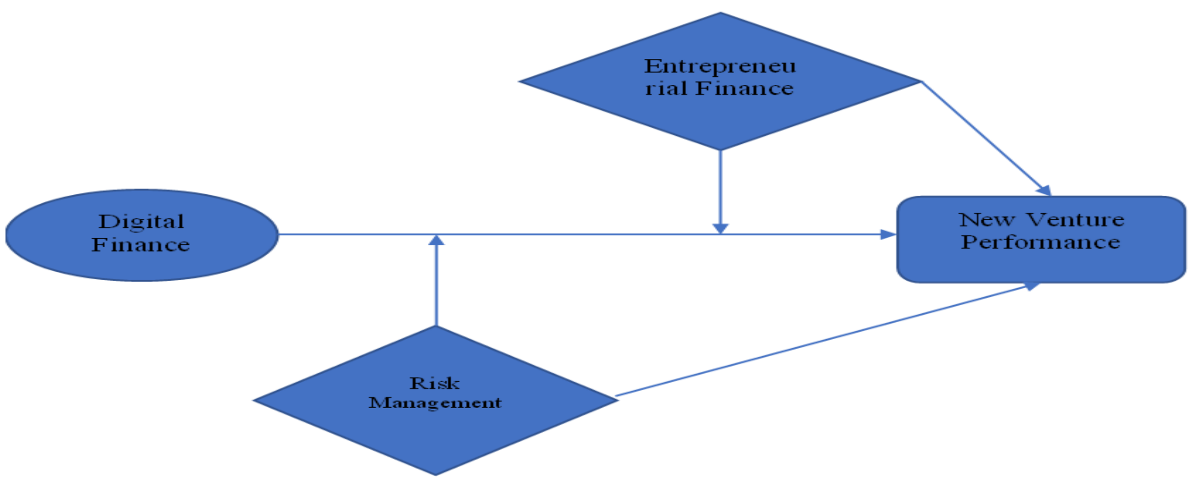

Figure 2.
Research framework

RESEARCH METHODOLOGY

Statistical tools

Smart PLS is used in the current study for the assessment of the data. Data analysis will be done on the PLS software because it work best even with the smaller sample size moreover it provide attractive and flexible outputs that assist researchers in interpretations (Ringle & Sarstedt, 2016). PLS-SEM use two model for the purpose of analysis first step is Measurement Model Assessment and Structural Model Assessment. Measurement Model Assessment is used to measure the quality of data model calculating the reliability as well validity of the variables. The steps in this model and their minimum acceptable requirements are given in table below

Research design

Research methods are broadly divided into two main categories i.e., qualitative research and quantitative research. Quantitative research is technique that involves the collection of numerical data and show the relationship between research and theory as deductive, a preference for natural science tactic, and as having social reality conception that is objective. Qualitative research is research that is based on unquantifiable and non-numerical elements like sounds, words, emotions, feelings etc. If information is not able to be evaluated by using of mathematical procedures and techniques, then its nature is considered qualitative (Kumar, 2018). The type of research approach that is used in our study is quantitative research in attempt to evaluate the direct and moderating relation among the variables.

There are two types of research design, a cross sectional; where data is collected at one time while other type is longitudinal; where data is collected from continuously from same respondents over a specified period of time(Kumar, 2018). Data will be collected by using cross sectional research design via structured questionnaire. Because of limited availability of time longitudinal study is not feasible for this research, so cross sectional approach is adopted. Moreover, data is collected in form of structured questionnaire, for the purpose of easy quantitative analysis and also to lessen the load on respondents.

Target population

The complete group of events, objects or things and people of interest which the researchers want or wish to investigate is termed as target population (Sekaran & Bougie, 2016). In our study the target population is managers and owners who run new ventures that operating from, not more than three years.

Unit of analysis

Sampling unit or element is anything such as a members of an organization, residents of an area, household, individual, family, that becomes the basis to select your sample (Kumar, 2018). Sampling unit of our study are the business managers owners, employees of new venture that are not more than 3 years old and are located in Bahawalpur City. Accordingly, unit of analysis of this research are individuals.

Sampling design

Ranjit Kumar in his book of research methodology has defined the sampling design as a way to selecting and identifying the required sample or respondents from sample population (Kumar, 2018). Appropriate sampling design ensures the true representativeness of sample to population (Sekaran, 2013). Sampling is procedure of selecting right and sufficient number of elements from the population and their analysis will help to draw conclusion generalizable to whole population. Three main types of sampling designs first is random sampling design that is also called probability sampling design second is non-random sampling design that is also called non-probability sampling design and third type is mixed sampling. In random or probability sampling there are independent and equal chances for each element of population to be selected as sample. In non-random or non-probability sampling the sample is not selected on basis of equal chances but is selected on basis of some considerations. Mixed sampling is type of sampling design that have characteristics of both probability and non-probability(Kumar, 2018)

Sampling Method

In our study sampling method used is Convenience sampling. A convenience sample is type of a non-probability sample in which the researcher uses the respondents that are nearest and most easily available to participate in the research study(Crossman, 2019) As a student I have less resource and similarly it is not possible to collect data from all the new ventures operating throughout the entire country so that why target population is new ventures of the Bahawalpur city and also because of limited time the best and most easily available techniques in convenience non-probability sampling.

Sample size

Sample size is number of sampling units from which data will be collected, sample size of this research is 382 respondents. As it is suggested that sample size to such researches should lie between 350-400 respondent. Moreover it is recommended that for the population of more than 100000 sample size must be 382 (Krejcie & Morgan, 1970). In quantitative studies larger the sample size is preferred but size of this research is small because of limited availability of resources and time.

Data collection

The data is collected directly from the respondents in Bahawalpur. The structured questionnaires were administered to the managers, owners and employees of NVs. These questionnaires administered physically to the respondent and also some of the questionnaire were also delivered through virtual platforms like emails, LinkedIn, WhatsApp and other social media platforms.

DATA ANALYSIS

Introduction

The next step after data collection is analysis of data. This is most important section for every research. This section of our research uses different tools and techniques for analysis the collected data. The association among variable is measured here but before that, it is very important to assure that if we are doing valid and reliable analysis. So in this chapter we will discuss the tools for measuring reliability, validity and relation among variables. The first analysis is done to examine the errors in data. Errors can be in form of outliers as well in form missing data. The data statistics, after data screening are shown in table 12. It can be seen from the table that there are no missing values and no outliers. Hence, sufficient quality has been achieved and the data is ready for the further analysis.

Descriptive statistics

Three important demographic characteristics of respondents are being in this study which included age, education, gender. The demographic profile of business includes Age of business and type of business and size of business.

Response rate

Total number of questionnaires distributed were 382 among which 296 respondent submitted their response. The questionnaire was distributed physically by visiting the sites as well through online platforms. The response rate is 77.5%

Table 1.
Demographic profiles of survey respondent.

Demographics	Categories	Frequency (*N* = 296)	Percentage
Gender of respondent	Male	266	89.86%
	Female	30	10.14%
Age of respondent	Less than 20	23	7.8%
	20-30	73	24.6%
	30-40	115	38.9%
	40 years or above	85	28.71%
Education	Matric or below	96	32.43%
	Intermediate Level	123	41.56%
	Bachelor degree	61	20.61%
	Master degree or above	16	5.4%
Age of Business	Less than 1 year	98	33.11%
	1-2 years	152	51.35%
	2-3 years	46	15.54%
Type of Business	Retail	163	55%
	Services	133	45%
Size of business	1-5 employees	73	24.6%
	5-10 Employees	102	34.5%
	10-15 employees	91	30.74%
	15-20 or Above employees	30	10.14%

Gender

The table 11 shows the demographic information of the respondents. We can see clearly as shown in the table that most of the respondents that were 266 out of 296 were male that constitute 89.86 % of total and females were less in numbers that were 30 out of 296 and constitute almost 10.14 % of total. One of the reasons for this lower female participation is that businesses around the world especially in Pakistan are mainly owned by Male

Age

The table 11 shows the age of respondent. The responses shows that the most of the respondents lie in the third age group that are from age (30-40 years). The number of respondents in this group is 115 with percentage of 38.9% of total. After this 85 respondents are from second age group of 40 years or above, with percentage of 38.71% of total respondents. 73 respondents lie in fourth age group 20-30 years that is 24.6% of total. And only 23 that are 7.8% % of total respondent are below 20. These shows that usually, in Bahawalpur new ventures are run by people whose age lies between 30-40 years.

Education

The table 11 shows that most of respondents. In Bahawalpur City 96 out of 296 (32.43%) of total respondents were having education level of matriculation or below, 123 out of 296 (41.56%) of total respondents were having education level up to intermediate level, 61 out of 296 (20.61%) of respondents were having education level up to bachelor Level and 15 out of 296 (5.4%) of total respondents were having education University Level.

Age of New ventures

The table 11 shows that 98 out of 296 (33.11 %) new ventures are of age less than 1 years. 152 out of 296 (51.35%) new ventures are of age between 1-2 years. 46 out of 296 (15.54%) new ventures are of age between 2-3 years.

Type of New ventures

The table 11 shows that 163 out of 296 (55 %) new ventures are into retail business and 133 out of 296 (45%) new ventures are operating as services business.

Size of New ventures

The table 11 shows that 73 out of 296 (24.6 %) new ventures has number of employees between 1-5, 102 out of 296 (34.5%) new ventures has number of employees between 5-10, 91 out of 296 (30.5%) new ventures has number of employees between 10-15 and 30 out of 296 (10.14%) new ventures has number of employees between 15-20.

Partial least square structural equation modeling

Source: (Henseler, Ringle, & Sinkovics, 2009)

The current study is done by using 'Partial least square structural equation modeling'. Data analysis will be done on the PLS software because it work best even with the smaller sample size moreover it provide attractive and flexible outputs that assist researchers in interpretations (Ringle & Sarstedt, 2016). PLS-SEM use two model for the purpose of analysis first step is Measurement Model Assessment and Structural Model Assessment.

Source: (Henseler et al., 2009)

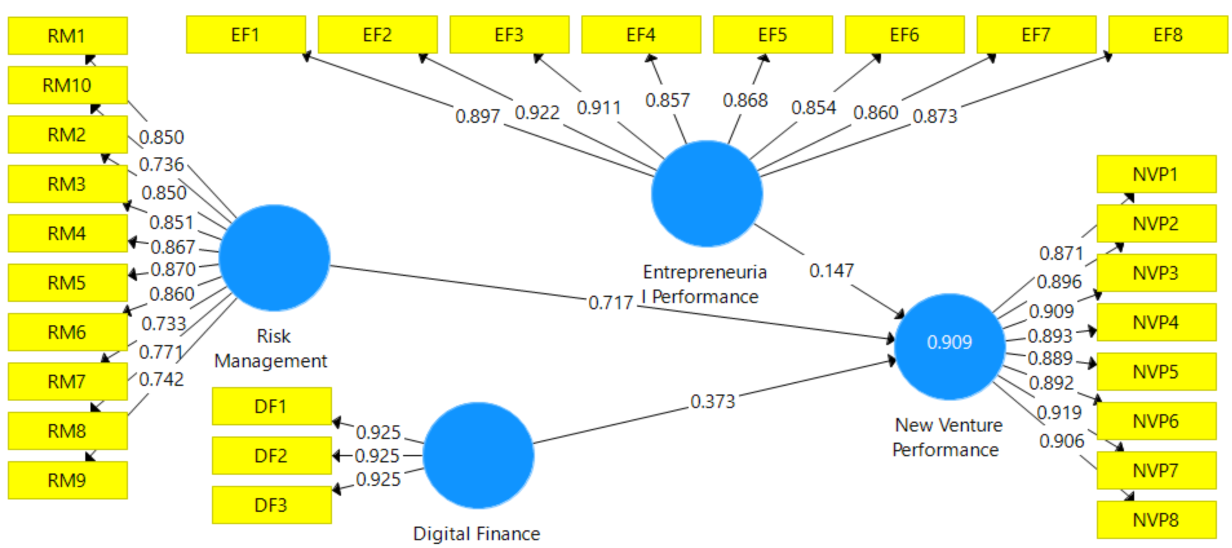

Figure 2.
Measurement model assessment

Table 2.
Data statistics

	No.	Missing	Mean	Median	Min	Max	Standard Deviation	Excess Kurtosis	Skewness
DF1	1	0	3.243	3	1	7	1.497	-0.447	0.091
DF2	2	0	3.243	3	1	7	1.783	-0.547	0.45
DF3	3	0	3.515	3	1	7	1.872	-0.773	0.325
NVP1	4	0	3.481	3	1	7	1.885	-0.751	0.401
NVP2	5	0	3.527	3	1	7	1.708	-0.435	0.316
NVP3	6	0	3.49	4	1	7	1.797	-0.684	0.244
NVP4	7	0	3.494	4	1	7	1.818	-0.87	0.143
NVP5	8	0	3.665	4	1	7	1.858	-0.771	0.21
NVP6	9	0	3.695	3	1	7	1.849	-0.725	0.315
NVP7	10	0	3.657	3	1	7	1.921	-0.754	0.368
NVP8	11	0	3.548	3	1	7	1.869	-0.686	0.388
RM1	12	0	3.573	3	1	7	1.844	-0.604	0.373
RM2	13	0	3.594	3	1	7	1.874	-0.742	0.322
RM3	14	0	3.481	3	1	7	1.78	-0.465	0.45
RM4	15	0	3.523	4	1	7	1.899	-0.894	0.213
RM5	16	0	3.46	3	1	7	1.801	-0.603	0.324
RM6	17	0	3.644	3	1	7	1.758	-0.584	0.27
RM7	18	0	3.029	3	1	7	1.465	-0.031	0.624
RM8	19	0	3.142	3	1	7	1.48	0.582	0.915
RM9	20	0	3.192	3	1	7	1.419	0.951	0.956
RM10	21	0	3.105	3	1	7	1.444	0.529	0.781
EF1	22	0	3.079	3	1	7	1.374	0.585	0.683
EF2	23	0	3.155	3	1	7	1.497	0.37	0.713
EF3	24	0	3.105	3	1	7	1.441	0.646	0.845
EF4	25	0	2.983	3	1	7	1.417	-0.207	0.447
EF5	26	0	3.151	3	1	7	1.358	0.483	0.663
EF6	27	0	3.067	3	1	7	1.436	0.215	0.65
EF7	28	0	3.071	3	1	7	1.463	0.304	0.714
EF8	29	0	3.172	3	1	7	1.408	-0.128	0.524

First of all confirmatory factor analysis is conducted in which reliability and validity is examined. In Measurement Model Assessment the study examines the factor loadings which are given in table 13 and measurement assessment model is given in figure 2. In the current study the minimum level of factor loading is 0.5 so, all other items are required to achieve 0.5 to be considered while other items with factor loading to less than 0.5 must be removed.

As it displayed on the table 13 that all the items of each variable carry factors loading above 0.5, so all of them are retained. After factor loading reliability as well validity is examined shown in table 13 and 15 Composite reliability is used to measure the reliability of variables. The minimum level of composite reliability is 0.7. Table 14 shows that composite reliability of all variables; DF, RM, EF and NVP are above 0.7.

Table 1.
Factor loading

	Digital Finance	Entrepreneurial Performance	New Venture Performance	Risk Management
DF1	0.925			
DF2	0.925			
DF3	0.925			
EF1		0.897		
EF2		0.922		
EF3		0.911		
EF4		0.857		
EF5		0.868		
EF6		0.854		
EF7		0.86		
EF8		0.873		
NVP1			0.871	
NVP2			0.896	
NVP3			0.909	
NVP4			0.893	
NVP5			0.889	
NVP6			0.892	
NVP7			0.919	
NVP8			0.906	
RM1				0.85
RM10				0.736
RM2				0.85
RM3				0.851
RM4				0.867
RM5				0.87
RM6				0.86
RM7				0.733
RM8				0.771
RM9				0.742

Furthermore, this study also calculated Cronbach's alpha to check the reliability and it is shown in the table that all variables has achieved 0.7 Cronbach's alpha. Moreover average variance extracted (AVE) is also shown in table 14. AVE should be above 0.5. Table 14 shows that AVE of DF, EF, and NVP & RM are 0.856, 0.775, 0.805, and 0.664 respectively. The achievement of minimum level of AVE above and composite reliability and Cronbach's alpha above 0.7 shows that composite reliability is confirmed

Table 2.
Reliability and convergent validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Digital Finance	0.916	0.916	0.947	0.856
Entrepreneurial Performance	0.959	0.961	0.965	0.775
New Venture Performance	0.965	0.965	0.971	0.805
Risk Management	0.944	0.952	0.952	0.664

Furthermore, this study measured the discriminant validity by using heterotrait-monotrait ratio, also called HTMT or cross loading shown in Table 15 shows HTMT ratios of all variables are below minimum level of 0.9 so it can be interpreted that research has discriminate validity. Moreover, cross loading shown in table 16 are also above 0.8 hence discriminant validity is proved by both HTMT and cross loading.

Table 3.
HTMT

	Digital Finance	Entrepreneurial Performance	New Venture Performance	Risk Management
Digital Finance				
Entrepreneurial Performance	0.707			
New Venture Performance	0.673	0.702		
Risk Management	0.746	0.878	0.76	

Table 4.
cross loadings

	Digital Finance	Entrepreneurial Performance	New Venture Performance	Risk Management
DF1	0.925	0.684	0.838	0.851
DF2	0.925	0.577	0.852	0.81
DF3	0.925	0.584	0.849	0.816
EF1	0.629	0.897	0.647	0.744
EF2	0.601	0.922	0.623	0.733
EF3	0.645	0.911	0.657	0.749
EF4	0.601	0.857	0.598	0.71
EF5	0.555	0.868	0.561	0.687
EF6	0.528	0.854	0.539	0.655
EF7	0.58	0.86	0.581	0.705
EF8	0.524	0.873	0.548	0.674
NVP1	0.831	0.641	0.871	0.829
NVP2	0.807	0.635	0.896	0.842
NVP3	0.823	0.632	0.909	0.823
NVP4	0.821	0.598	0.893	0.817
NVP5	0.815	0.556	0.889	0.827
NVP6	0.816	0.601	0.892	0.858
NVP7	0.843	0.595	0.919	0.848
NVP8	0.807	0.604	0.906	0.837
RM1	0.801	0.585	0.818	0.85
RM10	0.593	0.865	0.596	0.936
RM2	0.796	0.545	0.847	0.85
RM3	0.804	0.528	0.834	0.851
RM4	0.825	0.596	0.802	0.867
RM5	0.81	0.59	0.838	0.87
RM6	0.777	0.589	0.819	0.86
RM7	0.57	0.828	0.602	0.833
RM8	0.611	0.742	0.633	0.771
RM9	0.583	0.752	0.589	0.782

The next step is PLS structural modeling used by the study PLS structural model to examine the relation between variables. In this study we considered the t value and beta value, t value 1.96 is considered to accept or reject the hypothesis as those hypothesis having value above 1.9are considered to be accepted while those with the value less than 1.96 to consider rejected. On other hand beta value is used to examine the direction of relationship among the variables. This research examined five hypothesis

H1. "There is a significant positive relationship between digital finance and new venture performance".

H2. "There is a significant positive relationship between risk management and new venture performance"

H3. "Risk management moderates the relationship between digital finance and new venture performance".

H4. "There is a significant positive relationship between entrepreneurial finance and new venture performance".

H5. "Entrepreneurial finance moderates the relationship between digital finance and new venture performance".

Structural model is given in figure 3 and their results are shown in table 17. The result shown in table 16 display that there a significant and positive effect of digital finance on new venture performance as the t value is 6.694 that is above the minimum criteria of 1.96 moreover beta value is 0.376 hence hypothesis 1 is supported. Similarly effect of risk management on new venture performance is also significant as well positive as shown in table 16, as the t value is 3.65 that is above the minimum criteria of 1.96 moreover beta value is 0.133 so, hypothesis 2 is supported.

Moreover, as shown in table 17 that there a significant and positive effect of entrepreneurial finance on new venture performance as the t value is 10.275 that above the minimum criteria of 1.96 and beta value is 0.721 hence hypothesis 4 is also supported. Furthermore, two moderation effects are examined it is found that the moderation effect of the risk management between digital finance and new venture performance with t value of 1.999 and beta value 0.014. Similarly, the moderation effect of entrepreneurial finance between digital finance and new venture performance with t value of 3.89 and beta value 0.029. So, it is concluded that the moderation effect of risk management strengthens the relationship between digital finance and new venture performance. Furthermore, the entrepreneurial finance as a moderating variable strengthen the relationship for digital finance and new venture performance.

Table 5.
RESULTS

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Digital Finance -> New Venture Performance	0.376	0.375	0.056	6.694	0
Entrepreneurial Performance -> New Venture Performance	0.133	0.132	0.036	3.65	0
Moderating Effect 1 -> New Venture Performance	0.014	0.014	0.012	1.999	0.046
Moderating Effect 2 -> New Venture Performance	0.029	0.03	0.01	3.89	0
Risk Management -> New Venture Performance	0.721	0.721	0.07	10.275	0

This study examined the quality of the model by using predictive relevance. As it suggested in previous researches the value of predictive relevance must be higher than zero and as shown in figure 4 and table 18 than the value of predictive relevance of NVP is 0.725, therefore it meets the minimum criteria.

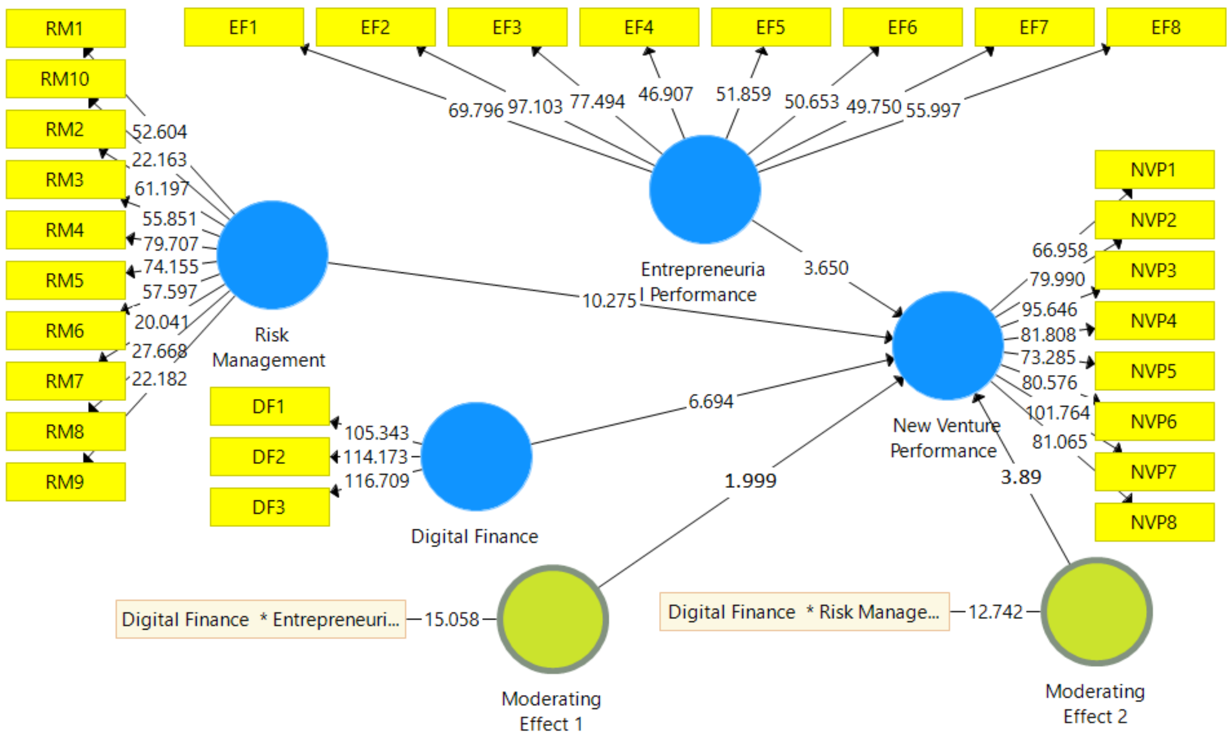

Figure 3.
PLS- structural model assessment

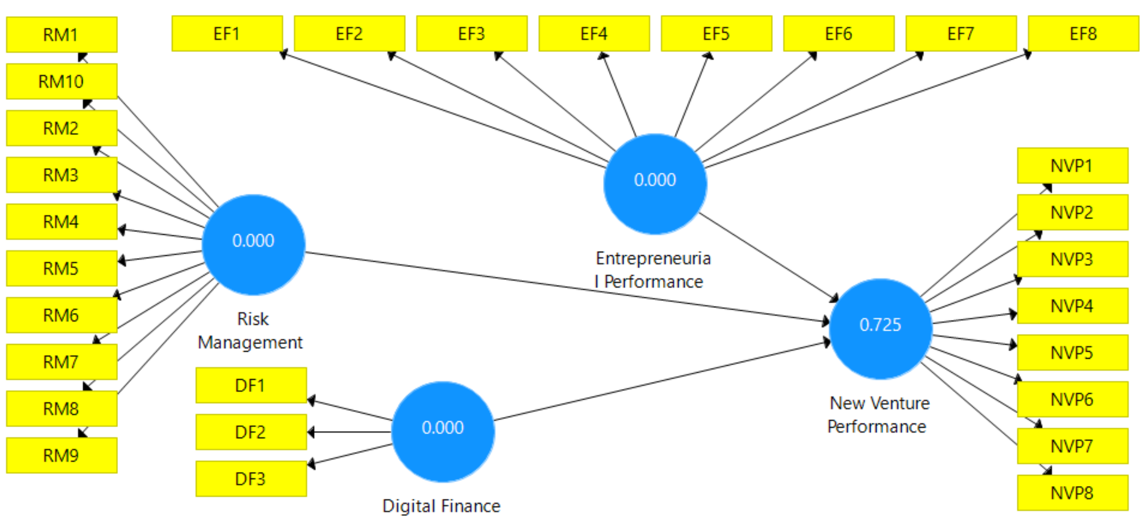

Figure 4.
PLS predictive relevance (Q^2)

Table 6.
PLS predictive relevance (Q^2)

	SSO	SSE	Q^2 (=1-SSE/SSO)
Digital Finance	717	717	
Entrepreneurial Performance	1912	1912	
New Venture Performance	1912	526.451	0.725
Risk Management	2390	2390	

DISCUSSIONS

The objectives of current study were to examine the impact of digital finance on new venture performance in Bahawalpur and in attempt to achieve the research objectives, an extensive literature has been studied and as a result five hypothesis among which three hypotheses were based on the direct impact and while two hypotheses were based on the moderating impact. We developed the hypothesis that DF have direct impact on the NVP moreover EF and RM has both direct impact on the NVP as well they also play moderating role between DF and NVP.

Hypothesis 1 explain the direct relationship between DF and NVP. The results of the study show that DF finance has significantly positive impact in the performance of new ventures which indicates that implementations of digital finance tools and techniques can promote the NVP. These results are also consistent with the previous studies (Luo, Peng, & Zeng, 2021). (Daud et al., 2022), (Anwar et al., 2018). All of these researches are of view that performance of new ventures is impacted by the digital finance and our research has also proved that. However this study is not consistent with the researches of (Bloodgood, Sapienza, & Almeida, 1996) and (H. Li, 2001)

Hypothesis 2 explain the direct relationship between risk management and new ventures performance and the result of this research's data analysis also shows that there is significant positive relation between risk management and NVP. Which demonstrate that those new ventures that implements risk management practices are performing better in both financial and non-financial context as compared to those new ventures that ignore these crucial practices. The results of this study are consistent with the researches of many other researchers (Carvalho & Rabechini Junior, 2015; Ko, Lee, & Anandarajan, 2019; Lukianchuk, 2015).

Hypothesis 3 explain the moderating impact of risk management between digital finance and new ventures performance. The result of this research shows that there is significant positive moderating impact of RM between DF and NVP. Which demonstrate that those new ventures that implements risk management practices along with the DF are performing better in both financial and non-financial context as compared to those new ventures that ignore these crucial practices. The results of this study are consistent with the researches of many other researchers (Ekpe, Razak, & Mat, 2013; Ode, 2020; Ping & Muthuveloo, 2015; Shatnawi, Hanefah, & Eldaia, 2019).

Hypothesis 4 explain the direct relationship between entrepreneurial finance and new ventures performance and the result of this research's data analysis shows that there is significant positive relation between entrepreneurial finance and NVP. Which demonstrate that those new ventures that have better understanding of entrepreneurial finance and have more access to entrepreneurial finance are performing better in both financial and non-financial context as compared to those new ventures that ignore these crucial practices and does not have access to entrepreneurial finance. The results of this study are consistent with the researches of many other researchers (Anwar, Tajeddini, & Ullah, 2020; Fraser et al., 2015; Samuel, Mukulu, & Odhiambo, 2019)

Hypothesis 5 explain the moderating impact of entrepreneurial finance between digital finance and new ventures performance. The result of this research shows that there is significant positive moderating impact of EF between DF and NVP. Which demonstrate that those new ventures that have more understanding and access of entrepreneurial finance practices along with the DF are performing better in both financial and non-financial context as compared to those new ventures that ignore these crucial practices. The results of this study are consistent with the researches of many other researchers (Audretsch, Lehmann, Paleari, & Vismara, 2016; Rita & Utomo, 2019; Tang & Tang, 2007; Wales, Parida, & Patel, 2013)

CONCLUSIONS AND RECOMMENDATIONS

After conducting data analysis using partial least squares software, the current research has presented and interpreted the results in the context of both measurement model assessment and structural model assessments. The findings indicate that our model is of high quality, demonstrating both good reliability and high validity. Consequently, future researchers can confidently consider the outcomes of this study as a solid foundation for their own research endeavors. The results obtained from the structural model assessments played a crucial role in either accepting or rejecting the hypotheses formulated based on a review of existing literature. In this study, five hypotheses were posited, and all five were supported after analyzing data collected from 370 respondents in Bahawalpur city.

The first research objective of our study is "To examine the relation between digital finance and new venture performance" Subsequently, the hypothesis developed by this research after extensive study of the literature is that "there is significant positive relation between digital finance and new ventures performance". And the result obtained after analysis of data collected from the respondents by circulating structured questionnaire is has supported the research hypothesis and hence we are of conclusions that digital finance impact positively the performance of new ventures. So, our firs research objective has been met and we have successfully examined the relation between digital finance and new venture performance. As the research objective has been met, now we are able to reach conclusion and provide recommendations to related parties on the basis of strength and significance of relationship among Variables.

The data analysis has substantiated a significant and positive correlation between digital finance and the performance of new ventures. So, we can say that those who are interested in initiating a new venture must pay a significant importance to the digital finance. They should try utilize digital financing tools as frequently as possible. They should learn the use of digital finance in fact must be aware of optimal utilization of digital financing tools and techniques. They must incorporate the digital finance factor in their planning and policies and even making a new business development model. Managers must calculate the cost incurred and benefits obtained from digital financing. As this will enhance the performance of business in financial context as well in non-financial context. An important benefit created by the digital financing implementation is the customer satisfaction as customers now a days are giving much more preference to convenient and cost effective methods of financing. Moreover, due to better services as well better product quality DF services will not only attract the new customers but it will also help in retaining the customers and as a result new ventures will grow more and more.

Moreover, advanced and convenient digital financing tools can be proved as an important factor that contribute to employee's satisfaction, as this will reduce the load on the employees, and make work easy for them it will also reduce the burden on employees as hence in turn employees would like to prefer to work for firm that is providing them better work environments so, this will reduce the employee's turnover from new ventures. So satisfied and loyal employees work together with the managers and hence add value the firm. Furthermore, now on the bases of this research the investors will be well aware of the factor that while selecting the new ventures weightage must be given to the DF, EF and RM.

As the other objectives of our study are to examine the direct relation of EF and RM with NVP. And both of these research objectives has been met I after data analysis, we have successfully examined the relationship between ER and NVP. Moreover, our research objective of "To examine the relationship between entrepreneurial finance and new venture performance." Has also been addressed effectively. Furthermore, research objectives of examine the moderating role of EF and RM between DF and NVP has also been acknowledged successfully.

Our research leads us to the conclusion that, in addition to leveraging digital financing tools, new ventures should accord considerable importance to implementing effective risk management practices. Furthermore, a comprehensive understanding and application of entrepreneurial finance techniques are crucial. This approach is anticipated to enhance the overall performance of new ventures, offering investors a comprehensive insight into their future. This strategy addresses the challenges of limited investment availability and the liability of newness. Consequently, new ventures are poised to have increased opportunities for both growth and sustainability.

IMPLICATIONS OF THE STUDY

Considering the importance of the topic and presence of gap the current study has gained significant importance and the study has both practical as well theoretical implications the details of which are given bellow separately

Practical Implication

1. This research will help to boost the economy of the country as it will identify the important variable that could contribute to increase new ventures performance and so, the negative consequence of high failure ratio of new ventures on the economy will be reduced.
2. This research will help to increase the employments as if new venture start growing instead of shutting down so, more employments will have generated and hence results in well-off society.
3. This study will motivate people to start their own venture because they will be clearer about dos and don's before starting new venture.

4. Owners investments will be used efficiently and risk of investment loss will be lowered so more people will start investing instead of saving and hence again society and economy will grow.
5. Managers will face less issues of getting financial and other such resources.
6. New ventures will be able to compete with the mature firms.
7. Customers will get more and more convenient, reliable and cost effective ways for their financial transaction.

THEORETICAL IMPLICATIONS

1. This research will help researchers, students and readers to have grip on performance indicators of new ventures
2. This study will help researchers, students and readers to better understand the concepts and importance of digital finance
3. This study will fill gap in literature and hence will open new dimension of research
4. Will research will help student's researchers' readers, investors to better analyze the new ventures for the purpose of investing
5. It will help researchers and students to solve the case studies of new ventures in more efficient way by considering all important factors
6. This research will help researchers to not ignore the moderating role that entrepreneurial finance and risk management practices in future researches.

RECOMMENDATIONS

This research recommends that implications of digital finance tools must be considered by the managers of the new ventures while making policies and plans. As in today world where new inventions are made every day and technologies are being utilized by both the customers and businesses, so the ignorance of digital finance will lead to loss of competitive advantage and customers will shift towards competitors who are providing more convenient and cost-effective financial services. Moreover, as there is always a risk associated with both newness and digitization so it is recommended for the managers to implement risk management practices, they must assess risk and take steps ahead to avoid possible pitfalls.

Similarly, managers must be aware of entrepreneurial finance so they could get enough resources needed to run business this will resolve the major issue of scarcity of resources that cause failure of new ventures. Furthermore, it is also recommended to the investors that before making decision of investing in new ventures they must evaluate new ventures on the bases of DF, EF and RM. This will ensure that their investments will be used wisely and there is more possible return. Thus the problem lack of trust by investors on new ventures will be resolved and investors would put more trust on new ventures that are putting efforts in DF, EF and RM.

DECLARATIONS

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Consent to Participate: Yes
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APPENDIX

Dear Respondents!
I am student of MBA from Islamia University Bahawalpur. I am doing research on the of new venture performance. I invite you to participate in the research. Your response is valuable and highly appreciated.
Note: We assure you that your response would be kept confidential and data will be used solely for the purpose of this research.

Section 1- Demographic Profile
Please tick the most appropriate option

SR#	statement	Response			
1	Your Gender	Male	Female		
2	Your Age	Below 20	20-30	30-40	40 above
3	Your Education	Matriculation or below	Intermediate	Bachelors	Masters or above
4	Age of New venture	Less than 1 year	1-2 years	2-3 years	
5	Type of Business	Retail/wholesale	Services		
6	Number of employees	1-5	5-10	10-15	15-20 or above

Section 2-Answer every question that is given bellow on scale of 1-7 by marking tick on the most appropriate number, where

1 Extremely declined, 2 = Somewhat declined, 3 = Average, 4= Not declined nor improved,
5= Improved 6= somewhat Improved 7= extremely Improved

SR#	Statement	Response						
		1	2	3	4	5	6	7
1	The constant growth in sales has been observed							
2	The constant assets growth has been observed							
3	The constant growth in equity has been observed							
4	The constant growth of return in investments sales has been observed							
5	The employees are satisfied with their jobs and business							
6	The highly employees are towards their jobs and business							
7	The quality of products and services of the business are constantly improving							

8	Customer are highly satisfied with the quality products and services							

Section 2: Please indicate your response to the following statements by ticking the appropriate corresponding choice. Where;

1 = always, 2 = very frequently, 3 = occasionally, 4 = neutral, 5 =very rarely, 6 = rarely, 7 = Never

SR#	Statement	Response						
		1	2	3	4	5	6	7
1	How often your venture uses the internet services to raise funds or to borrow funds							
2	How often your venture invests in financial products like online crowd-funding, online investment, bonds, gold, funds, bank wealth management products, foreign assets, Derivatives, stocks etc.,							
3	How often financing payment method like online banking transfer, mobile banking transfer or any other digital payment methods is used by your business"							
4	Our firm has a policy for handling major risks that could affect the firm's ability to reach its strategic objectives							
5	In our firm, we have standard procedures in place for identifying major risks and opportunities.							
6	Risks and opportunities are analyzed as a basis for determining how they should be managed							
7	We have standard procedures in place for launching risk-reducing measures.							
8	We regularly prepare risk reports for the top management and the board of directors.							
9	We have standard procedures in place for monitoring the developments in major risks and the risk-reducing measures launched							
10	Strategic risk management performance (performed in the last 1 years compared to the sector in general) is improved							
11	We have Ability to hedge important known risks and uncertainties							
12	We have Ability to react to and reduce unforeseen risks							
13	We have Ability to exploit new opportunities.							
14	We have Quick access to finances has led to growth of business							
15	We have Access to finance with flexible terms							

16	We have Access to finance from commercial banks							
17	We have Access to affordable finances							
18	We have Access to finance from micro finance institutions							
19	We have Re-investing back finances							
20	We have Proper management of finances							
21	We have Access to finances from informal sources							