



## The Effective Ways Of Entrepreneurial Opportunities For Small And Medium Enterprise Scheme (SMEs) In Borno State

Umar Mohammed Ali

PHD, Student Of City University Cambodia Nigeria

**Copyright:** Original content from this work may be used under the terms of the creative commons attributes 4.0 licence.

### ABSTRACT

The study investigated effects of insurgency on educational development in Borno State. Basic education is the first level of education for children at primary 1 level to basic 9 which is the junior secondary school level in Nigeria. However, achieving education for all Nigerian children, Borno state need a secured teaching and learning environment. The study examined the effect of insurgent activities such as abduction of pupils and attacks on teachers in basic schools of Borno State and its effect to the development of the education in the state. The sample for the study was 270 teachers of basic schools, selected on the basis of 10 teachers from each of the 27 local government area that constitute Borno State. The instrument for data collection was a 20 items questionnaire title: Boko Haram Insurgency and educational development Questionnaires (HIEDQ). Two research questions were formulated, data collected were converted to mean, standard deviation and used to answer the research questions. It was therefore recommended that the Nigerian government should provide security to the state. The government should show higher commitment in mobilizing the armed forces to end the insurgency in the State and provide adequate security in schools. It was further recommended that the religious leaders should preach against violence act in their respective communities.

### KEYWORDS

Entrepreneurial , enterprise , opportunity , small , medium ,effective , scheme

## INTRODUCTION

**SMEs Constraints** comparison of challenges faced by SMEs in developing countries.

SMEs operation in developing countries are faced with enormous that made their survival a herculean task. Dasarayakar. (2011) identified low level of education and poor entrepreneurial skills as a causative factor noting that the quality of education and entrepreneurial training available has an impact on transfer of product or process technology which is very significant in determining growth of the SMEs but lacking in developing countries. The kind of education offered in developing countries is not in consonance with the entrepreneurial skill required. Dasarayakar. (2011) goes on to identify security challenges and its effect on SMEs growth stating that the resources required to support emerging enterprises are channeled to control crisis and civic unrest which has implication on the industrial development of the country. Onugu. (2005) observed lack of basic infrastructure. Poor quality of service, corruption, epileptic power supply, dilapidated road, airport, sea, customs and railway system as a setback to small business growth in developing countries.

Similarly, Agbonifoh, et' al (1999) identified, one of the major impediment to SMEs growth in Nigeria as difficulty encountered in accessing vital information on technology. Vogue innovative and trend in their respective enterprises.

Onugu (2005) identified that request for business plan by banks as conditions are difficult to be met by SMEs due to high level of literacy. While Banks prefer to grant loan to SMEs operating in urban area than those

operating in rural. Lack of knowledge on financial management and financial discipline, inability to distinguish between business and personal expenditure extravagance and higher expenditure are constraints.

Despite the advancement in technology SMEs operation are negatively affected by lack of effective utilization of technology. Habarades, (2012) revealed that majority of SMEs Malaysia, Thailand and Philippines have low technological capacities and large number are not innovative citing the report of a research conducted by National survey of innovation of Malaysia on 749 firms to determine their innovating performances, 263(25%) indicated presence of innovative in their firm while 486(75%) indicated otherwise. Intavakamnerd cited in Habaradas, (2012) reported that in Thailand majority of the firm have no technological ability, only small minority of SMEs have research and design capability hence they continuously face challenges in design engineering.

Similarly, Okongwu and Saleh (2004) Argued that Nigeria's SMEs faced enormous challenges of selection and acquisition of the right type of technology to undertake their business simple equipment and machineries are easily found in developing countries while the sophisucated one's have to be exported from developed countries with implications such as increased foreign exchange rate, export delay, hitches in port clearance. Absence of local technician and engineer to mount the equipment, all these factors when summed up increased the equipment cost.

Due to low capacity and poor skills SMEs find it difficult to managed machineries and equipment used in their enterprises production. Okongwu and Saleh. (2004) finds

out that maintenance of the equipment used by SMEs is a major challenge claimed that SMEs in Nigeria are reputed for poor maintenance culture. Machines are operated without adherence to operating principles and instruction, operations are unskilled hence cannot make minor repairs and services. Equipment and spare parts are not easily accessible in the country they need to be exported and in case of repair foreign expert are invited to undertake the repairs.

Dasanayaka (2007) noted that SMEs optimism is hampered by lack of found to undertake basic research or indulge in radical innovation, they are unable to identify marketable technology and exploit its benefits. Instead they rely on universities, firm and research centers for technologies significant numbers of developing countries are not known with research break through due to poor research laboratories and infrastructure.

### **Constraints affecting SMEs in Borno State Nigeria**

Similarly, Okpara and Kabongo. (2009) identified financial constraints, management problem, corruption and poor infrastructure, lack of capital and difficulties in obtaining loans from finance institution and development agencies, huge gap existing between business service providers and start up. Lack of basic infrastructure such as road, water, bridge, electricity, reliable telephone and other telecommunication system that would ensure smooth business conduct and success especially the persistent problem of power failure affects movement of goods and services and increase cost of transportation. The procedure and modalities of obtaining loan

and support from government is highly frustrating and full of bureaucratic bottleneck. Bribery and political maneuver.

SME are contributing factor to their challenges due to inability to utilize the abundant opportunities at their disposal, (2004) further argued that SMEs in Nigeria are not utilizing the opportunity of obtaining equity capital due to the restriction of their enterprises to their families who most at time have no capital to invest in the enterprises, Chukwuma. (2012) noted that there are institutional supports of provision of long term loans to entrepreneurs in Nigeria from banks such as Bank for commerce and industries. (BCI) Nigeria industrial development bank (NIDB) etc. However, majority of SMEs in Nigeria are unable to access the loans because of their inability to the requirement stipulated such as; provision of security and documents on ability to utilize the found for the purpose intended. Lack of organizational structure and non-judicious use of loans by SMEs. Agbonifoh, et' all (1999) observed that majority of SMEs in Nigeria are unable to maintain a cordial relationship with lending institution and suppliers due to their inability to adhere to stipulated accounting procedure, proper record keeping and default.

Okongwu and Saleh. (2004) observed that majority of Nigeria's business ownership are sole proprietors. This trend has greatly affected the processes of raising capital as they cannot sell share to raise capital while the rest that are private limited liability companies can only sell shares to limited number of people. The only major way of raising capital by SMEs in Nigeria is through saving or loans from families and friend which most at times cannot raised substantial amount to fund a business.

The altitude of poor record keeping also disqualify the SMEs accessing loans from financial institutes.

Okongwu and Saleh (2004) observed of reliable means of steady power supply affect the equipment as most of the time SMEs experience voltage fluctuation in Nigeria, this reduce the life span of the equipment. Okongwu and Saleh (2004) further noted that absence of this facilities affect both SMEs and foreign nationals since it translates to investing huge sum of money on installation of power generator plant and purchase of diesel to maintain minimum level of production.

Agbonifoh, et' al. (1999) reported that Nigeria's business environment is highly competitive especially for small business owners that lack competitive product. The stiff competition provided by foreign firms also forced SMEs to go out of business. Agbonifoh, et' al. (1999) further noted that both the SMEs and multinational firms share similar market segment hence absence of marketing strategy by SMEs placed them at disadvantage compared to foreign firm.

The Nigerian economic summit. (1999) identifies the following as contributing factor to the impediments of small and medium enterprises growth in Nigeria:

1. Absence of data base
2. Absence or inadequate access to loans and other financial support
3. High leverage
4. Lack of enough tariff regime to support the sector
5. Enterprises vulnerability to official corruption
6. Poor infrastructure and absence of supports to provide substitute

7. Inability to employ and maintain highly skilled personnel
8. Poor network base
9. Discrimination against SMEs product and services
10. Lack of steady payment on product and service rendered by SMEs especially by agencies
11. Insufficient marketing
12. Deficient or absence of research
13. Inconsistent policy and poor public sector support .

### **Opportunity for SMEs in Borno state Nigeria**

Several growth opportunity exist in SME sector in Nigeria which can translate to creation of employment opportunities. Facilitate economic growth. Mitigate the increase poverty level and at the long run advance the status of its citizen. Small and medium enterprises development agency SMEDAN (2004) revealed that of recent Nigeria's economy is favorably growing is however the rate of the growth is not proportional to the number of employment created, as the rate of growth of labor force is higher than the employment opportunities created. National bureau of statistic (2012) report revealed that the percentage of unemployment has been increasing for the past decade, in 2009 it is 19.7%, 21.1% n 2010 and 23.9% in 2011 respectively. With these figure it is very crucial for all stakeholders to devise a means especially through SMEs to tackle the problem stated.

National micro small and medium enterprises survey (2012) revealed that there are 17.28471 SMEs in Nigeria. The enterprises provided 32,414,884 employment opportunities and made a huge contribution of 46.54% to the country's gross domestic products.

SME represent one of the most important employment sector in Nigeria, it provided 96% of the business in Nigeria. Which translate to 15% of the employment opportunities.

Borno state is endowed with several investment and commercial opportunities that can confidently compete with any state in Nigeria. One strategies advantage the state has was the international borders it shares with three African countries, namely Cameroon, chad and Niger republic, locally it shares boundaries with Adamawa, Gombe and Yobe states.

Borno state has a rich history, since time memorial. North African entrepreneurs use the state as a route during commercial expedition. Marketing and investment to Nigeria and other African countries.

The state is blessed with a teaming population that patronize variety of product and services. There is availability of cheap labor that can translate to excellent return on investment as a result of these favorable parameters. The federal government of Nigeria established two unique project which aims at enhancing of entrepreneurial opportunities in the state.

### **Opportunities for SMEs in Borno State**

#### **AGRICULTURAL OPPURTUNITIES**

Livestock and fish farming Livestock and livestock product Borno State has the largest number of cattle sheep, fish poultry and goats in Nigeria these advantage can be seized by willing entrepreneurs as they are used as food meat production of hide and skin bone meal for animal poultry fee and glue production industries the role of fish and fishery product in the dietary of human being is very essential

especially as part of protein needs of the common man Ayinlay & Ezenwas (2022)reported that Nigeria needs about 1.5million metric tons fish annually to satisfy the fish demand , however the total supply fall short of the demand which stood at 450.000mt Ugherugbe. (1977)reported that out of this number only a negligible percentage 22.500mts was derived from aquaculture Okpara (2011) the refore there is abundant entries opportunity to be exploited in the fish farming enterprises in Borno State. Borno States contribution to Nigeria fish production sector is highly crucial which Stood at 25% of the domestic production with one of the largest lake (Lake Chad) producing 24% of the internal production. However, of recent the record and the production figure at the lake chad have greatly depreciated from 200,000ml since decade of drought (1973-1983) to the current production of 34.000ml since decade of drought (Ogunsuyu, et' at 1995). Nigeria is estimated to have the capacity and potential of producing not less than 1 million metric tons of fish from aquaculture annually. Similarly Borno state is capable of producing 20,000mt as reported by Agbonifo et al (1999).

Borno state is agrarian states. About 80% of the state population solely their living through agriculture by cultivating cash and food crop. The state is major source of Source of Supplier of raw material to large number of industries in Nigeria. The State is blessed with variety of climatic Condition such as semi-arid and gunea savannah and a highly productive loamy soil that provides conducive atmosphere for cultion of variety of crop.

#### **RICE PRODUCTION AND PROCESSING**

Boron state has large vast arable land which is conducive for majority of available crops the



has the best opportunity for commercial cultivation and processing. Rice has now become the Staples food of most family in the state in particular and the country in general. The Clayed soil in the lake .Chad. Basin existing infrastructure provided by the federal government under its prostate Chad Basin development authorizer and Boron state government for exploitation the crop can also be cultivated at jere Bowls & Yau irrigation schemes at Abadam local government of the state.

### **Production and processing of fruits and vegetables**

Different types of crop are produced in commercial quality in the state, such as mango, orange, guava and cashew vegetable such as tomatoes, pepper, onion and water melon etc.

Research reveals that one of the challenge faced by farmers are the inability to process and preserve the fruit/vegetable which leads to wastage of the crop and subsequent loses to farmers.

Entrepreneur can seize this opportunity and currently there is only one fruits/vegetable processing industries in Bi local Government according to the Borno State commercial strategy (2012) two of such industries are to be established in Hawul and Mobbar L.G.A (Local areas) endowed with production of vegetables and fruits in large quantities.

### **Gum Arabic production and processing**

Borno State is the largest producer of Gum Arabic in Nigeria; the crop is produced from wild trees and plantations. About 50,000 tones is produced from the state which are exported raw to Asia and Europe, however, there is

absence of local processing equipment hence most firm depend on imported processed gum.

Putting consideration, the suitable environment condition for setting up of huge acacia plantation in the area, the presence of large local and international market for the product and the large quantity of the product being produced by peasant farmers. There is entrepreneur opportunity for exploitation in the Gum Arabic ventures. These opportunities exist in form of setting up exploitation and equipment for refining of the products.

### **Commercial Diary Farming**

Borno State has the largest number of cattle, sheep and goats in Nigeria animal production is dominated by some tribe men such as Fulani and kwayam shores of lake chad, the savannah/Sahel plains of Borno. The hilly and mild climate of southern Borno is excellent avenue for commercial farming.

## **CONCLUSION**

Although the recent security situation in Borno State is a serious constraint towards SMEs existence growth and development, even before this period there are silent set back that impeded the operations of the SMEs such as inadequate power supply, absence of succession plan, lack of political will by the three tier of government, uneasy access to funding poor management practices, absence of viable forum/association that will represent the interest of SMEs and lack of asses to information.

Absence of mission statement/value proposition to guide the enterprises and inability to develop a succession plan has greatly led to failure of major enterprises in the

state. Absence of information and up to date business plan encourage poor management and impeded intervention while the inability of SMEs to employ the services of an expert to efficiently manage the enterprises has been identified as a setback.

Abundant entrepreneurial opportunities that will create employment such as animal production (livestock and fisheries) and engaging in agricultural production crop while investment in the state have been identified.

Proper remedy to the constraint identified will encourage internationalization boost the state's economy and at long run provides employment opportunity to the citizen.

## REFERENCES

1. Agbonifoh, B. Ehiamefor, E. IYAYI [1999] THE BUSINESS Enterprises in Nigeria Published by Longman PLC Abuja
2. Amdan. R. [2009] the internationalization process theory and the internationalization of Norwegian firm, 1945 to 19 journal of business history vol.51 no 3, 445-461
3. Barringer, B. and Ireland, (2006). Entrepreneurship: successful launching new venture Pearson education, Inc. page 16
4. Beaver, G. (2002). Small Business, Entrepreneurship and Enterprises development person education limited page 219.
5. Borno state Government Document on investment opportunity in the state (2010)
6. Borno State government commercial strategy (2012)
7. Bosworth, G. (2009). Education, Mobility and Rural Business Development
8. Journal of small businessmen enterprises development Vol.16 no 4 pp 660-677 carson, D., Cronic, s. and McGowan, P. and Hill, jimmy. (1995) Marketing and Entrepreneurship
9. In SMEs: An innovative approach. Pearson education limited England.
10. Cavestro, L. (2003) Participatory Rural appraisal. Concept methodology and techniques Universidad Deglia studi di padova faculty of Agric
11. Chambers R. (1990) rapid and participatory rural appraisal. Appropriate technology Vol.16 no 4
12. Delmar, F. and Wiklund, J. (2008) the effect of small business manager's growth motivation on firms growth: a longitudinal study. Entrepreneurship theory and practice Vol.32 NO3 PP437-457.