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Survival Strategies for Entrepreneurs in Dwindling Nigerian Economy

Onyenekenwa Cyprian Eneh
Research Fellow I, Institute for Development Studies,
Enugu Campus, University of Nigeria, Nsukka, Nigeria

Abstract: Nigeria's economic development remains sluggish, declining in an environment that does not encourage entrepreneurs, who are globally proven as engines of economic growth. Three out of 4 micro, small and medium enterprises die every year in the country. Nine out of 10 prospective entrepreneurs are discouraged from establishing their dream industries. Many state-owned enterprises have been privatized for insolvency. Multinational corporations are leaving the country. This study examines the strategies adopted by some surviving entrepreneurs in Nigeria. Data were gathered from 80 randomly selected entrepreneurs in the Southeast Nigeria, using questionnaire and interviews. Strategies adopted by most of the surviving enterprises include improved staff education/training, substitution of imported with local raw materials, use of locally fabricated machines, direct marketing approach and research and development programme. These strategies are, therefore, recommended, among others, for entrepreneurs to enable them keep afloat in the ailing Nigerian economy.

Key words: Survival strategies, entrepreneurs, dwindling Nigerian economy

INTRODUCTION

Problem Statement

Myriads of challenges plague the business environment in Nigeria. These include the absence of or decaying infrastructure, weak government commitment and inadequate incentives, poor personal traits and destructive personal attributes of entrepreneurs, underdeveloped human resources and poor manpower management, high rate of HIV/AIDS infection and politico-social factors. Together, these and other challenges militate against the establishment, survival and growth of enterprises. In fact, 3 out of 4 micro, small and medium enterprises (MSMEs) die and 9 out of 10 prospective entrepreneurs are discouraged from establishing their dream industries every year in Nigeria. Many state-owned enterprises (SOEs) have been commercialized or privatized for insolvency. Multinational corporations are leaving the country because of harsh business environment (Eneh, 2005; Nzelibe, 1996; Eze, 1999).

Definitions of Concepts

According to Dees (2004), an entrepreneur is someone who undertakes a significant project or activity, a venturesome individual who stimulates economic progress by finding new and better ways of doing things. He shifts economic resources out of an area of lower and into an area of higher productivity and greater yield, creates value and is the innovator who drives the creative-destructive process of capitalism. The entrepreneur functions to reform or revolutionize the pattern of production by:

- Exploiting an invention or, more generally, an untried technological possibility for producing a new commodity
- Producing an old one in a new way
- Opening up a new source of supply of materials or a new outlet for products
- Reorganizing an industry and so on

Entrepreneurs are the change agents in the economy. By serving new markets or creating new ways of doing things, they move the economy forward.

Enterprises are broadly categorized into four: micro, small, medium and large. Large enterprises include multinational corporations and conglomerates. SME stands for small and medium enterprise or small and medium-scale enterprise or small and medium-sized enterprise in most developing countries. In Canada, it stands for small to medium enterprise.

MSME stands for micro, small and medium enterprise. Different countries define MSME differently. In European Union (EU), a business with less than 10 employees is considered a micro enterprise, a business with less than 50 employees is classified as small enterprise and a business with less than 250 employees is classified as medium-sized enterprise. European Commission classes the micro enterprise as SOHO (small office / home office). In Canada, micro business is one with less than 5 employees, while small and medium enterprise (SME) is any business establishment with more than 5 but less than 500 employees and less than US$50 million in gross revenues. In Belgium, SME is regarded as a business establishment with not less than 100 employees. The Japanese fundamental law of SME defines SME as any business whose capital does not exceed 50 million yen and does not employ more than 300 people. The term, small or medium-sized business (SMB), has become more standard for SME in a few countries (Eneh, 2007a).

LITERATURE REVIEW

Joseph Alois Schumpeter (1883-1950), an economist and political scientist, submitted in his book, The Theory of Economic Development, that the entrepreneur disturbs the equilibrium of the stationary state and is the prime cause of economic development, which proceeds in cyclic fashion along several time scales. He argued that the innovation and technological change of a nation comes from the entrepreneurs. He opined that these individuals are the ones that make things work in the economy of the country. He asserted that the actors that drive innovation and the economy are big companies which have the resources and capital to invest in research and development (Dees, 2004).

Supporting this theory, Ogunsanya (2007) argued that national economies are grown and poverty reduction achieved through the development of enterprises. Slow pace of economic development is largely attributable to poor enterprise development and growth in developing countries.

In most economies, MSMEs outnumber the large-scale enterprises. In EU, MSMEs comprise approximately 99% of all firms and employ about 65 million people. In Nigeria, MSMEs comprise 97.5% of the industrial sector. In contrast to large-scale enterprises, MSMEs have reputation for innovation, but have difficulties attracting capital because they are seen as a high-risk sector. Hence, government fostering of MSMEs is needful.

Enterprises are mainly responsible for the German economic miracle after World War II to recover to a position these days as the third most powerful economy in the world. Also, using enterprises, the Asian Tigers have become strong economic powers (Eneh, 2007b).

Table 1: Manufacturing sector growth rate in Nigeria 2002-2004

Year	2002	2003	2004
Manufacturing growth rate (%)	-5.22	-8.28	-25.01

(NBS, 2006)

Table 2: Percent economic contribution by manufacturing industries 2001-2005

Year	2001	2002	2003	2004	2005
Economic contribution by manufacturing industries	1.78	1.52	1.75	1.74	1.90

(NBS, 2006)

Table 3: Economic productivity by manufacturing industries 2002-2005

Year	2002	2003	2004	2005
Economic productivity by manufacturing industries (million Naira)	0.75	0.57	0.42	0.35

(NBS, 2006)

According to Agbase (2009), Nigeria has become a King Pago among African nations. It has declined to a state of a bewildered nation. No light, no water, no roads, no security, no education, no health. Its human potentials have been neglected and its natural resources put to waste. A phenomenon of constant insecurity and overbearing uncertainty has become characteristic of its national existence. Consequently, Nigerians are confused, burdened by hyphenations.

Entrepreneurs are no exceptions, because enterprises are hard hit in the prevailing situation in Nigeria. Although, the population grew at 2.83%, the population of people in the manufacturing sector grew at 2.09% per annum between 2001 and 2005. The growth rate of manufacturing were (Table 1) -5.22% (2002), -8.28% (2003) and -25.01 (2004) (NBS, 2006).

The percentage economic contribution by manufacturing industries remained abysmally low at between 1.78 and 1.9% from 2001 to 2005 (Table 2).

The average economic productivity profile of manufacturing industries dwindled from very low 0.75 million Naira in 2002 to even much worse 0.35 million Naira in 2005 (Table 3).

The worsening energy problem is forcing many large enterprises or multinational corporations out of Nigeria. Michelin divested from the country as a result of harsh operating environment. Many more companies, including Uilever, PZ and Guinness have divested and relocated to Ghana

Infrastructural facilities are not improved, but keep decaying, with attendant negative impacts on entrepreneurial development and well being of the people. The length of roads increased marginally by 0.8% from 34,122 km in 2001 to 34,403 km in 2003 and remained stagnant till 2005, despite significant increases in the number of vehicles registered per year. Principal roads increased marginally by 1.8% from 15,407 km in 2001 to 15,688 km in 2003 and remained stagnant till 2005, despite significant population growth rate of 2.83% per annum. Paved roads increased marginally by 1% from 27,677 km in 2001 to 27,957 km in 2003 and remained stagnant till 2004, before another marginal increase by 1.7% from 27,957 to 28,453 km in 2005. Bad portion of paved roads remained unimproved at 6,446 km from 2001 through 2003 and degenerated to 6,466 km in 2004 and 2005 (NBS, 2006).

Yet, motor vehicle registration increased by 57.6% from 1.4 million in 2001 to 2.3 million in 2005 at 14.4% annual rate of increase. Of these, newly registered vehicles increased by 158% from 196,000 in 2001 to 506,000 in 2005 at 39.5% annual rate of increase. Little wonder, the number of road accidents increased by 8.6% from 13,801 in 2001 to 14,983 in 2003, involving 29,544 persons in 2001 and 32,175 persons in 2003 and claiming 8,011 lives in 2001 alone (NBS, 2006).

The length of railway lines remained stagnant at 3,505 km from 2001 through 2005. The number of locomotives decreased from 45 in 2001 to 44 in 2002 and remained 46 from 2003

Table 4: Transportation Basic Data in Nigeria 2001-2005

Description	2001	2002	2003	2004	2005
Road transport					
Length of roads (km)	34,122	34,403	34,403	34,403	34,403
Principal roads	15,407	15,688	15,688	15,688	15,688
Paved roads	27,677	27,957	27,957	27,957	28,453
Bad portion of paved roads	6,446	6,446	6,446	6,466	6,466
Motor vehicle registration (000)	1,444	1.734	2,074	2,176	2,276
Newly registered (000)	196	290	340	402	506
No. of road accidents	13,801	14,267	14,983	14,279	8,962
No. of persons involved	29,544	30,542	32,175	22,248	20,298
No. of lives claimed	8,012	2,620	2,817	5,351	4,519
Air transport					
No. of passengers departing	2,633,173	3,074,893	3,607,190	4,124,027	4,207,503
No. of passenger arriving	2,590,782	2,978,625	3,526,398	4,016,061	4,104,303
Rail transport					
Length of railway lines (km)	3,505	3,505	3,505	3,505	3,505
No. of locomotives	45	44	46	46	46
No. of carriages (000)	1,284,022	987,088	1,622,271	1,751,159	752,482
No. of wagons	1,363	1,282	1,288	1,299	1,109
Passenger traffic (000)	363,378,393	279,345,904	459,102,693	495,577,997	75,169,835

Table 5: Lending, interest and exchange rates in Nigeria 2001-2005

Rates	2001	2002	2003	2004	2005
Interest (savings)	5	3.7	3.2	4.4	3.3
Lending (maximum)	31.2	25.7	21.6	20.4	19.5
Exchange (Bureau de change)	133	136.9	141.4	140.8	1.42.56

(NBS, 2006)

through 2005. The number of carriages decreased from 1.3 million in 2001 to 752,482 in 2005 at the rate of 10% per annum. Similarly, the number of wagons decreased from 1,363 in 2001 to 1,109 in 2005. Passenger traffic also decreased from 373.4 million in 2001 to 75.2 million in 2005 (NBS, 2006).

This distressful situation could be responsible for more air passengers leaving the country than those arriving it from 2001 to 2005. Brain drain is a pronounced problem in Nigeria (Table 4).

Table 5 shows cut-throat lending rates by commercial banks and astronomically high and rising exchange rates of Naira to the US Dollar, to the chagrin of entrepreneurs. The savings interest rates were low (3.5-5%), thereby, discouraging savings needed for investment by entrepreneurs. On the other hand, the lending rates were high (19.5-31.2%) and unaffordable to the entrepreneurs. When saving is low, there will be low demand, which leads to low supply, which leads to low production/investment, which leads to low income, which leads to low savings.

This reflects glaringly the circle of poverty (Jhingan, 2006).

Hypothesis

This study assumed that a combination of some strategies helps the survival of some enterprises in harsh operating environment in Nigeria.

Objectives of the Study

The broad objective of the study is to identify the strategies adopted by surviving enterprises in the Nigerian harsh operating environment, with particular reference to Southeast Nigeria-the home of Nigeria’s business minds. The study, therefore, specifically seeks to:

- Probe into the strategies adopted by surviving enterprises in the Nigerian harsh operating environment
- Provide insights into the strategies that could be adopted by ailing enterprises in Nigeria for survival and growth, as well as
- Provide guide for prospective entrepreneurs in Nigeria and other developing and emerging economies

Significance of the Study

An earlier study identified 93 overbearing challenges of MSMEs (Eneh, 2005). Many enterprises are groping in Nigeria, unable to keep afloat due to harsh operating environment in the country.

It is human nature to struggle in harsh environment, against imminent collapse or failure. Even though most enterprises run aground in less than 10 years of their establishment in Nigeria, some of them still keep afloat by adopting some strategies. These apparent surviving success factors need to be identified for the benefit of the groping entrepreneurs in Nigeria and in other ailing developing and emerging economies.

The study, which sought to identify the strategies adopted by some of the surviving enterprises in the ailing Nigerian economy and to recommend them for others, is significant for helping to guide ailing enterprises to survive and possibly grow. Prospective entrepreneurs will also find the guide useful for their decision making.

MATERIALS AND METHODS

Area of Study

The study was carried out in South-East geopolitical zone of Nigeria, usually referred to as the home of Nigeria's business minds. It consists of Abia, Anambra, Ebonyi, Enugu and Imo States.

The South-East zone is in the heart of the former Eastern Region of Nigeria, other parts of which are now Akwa Ibom, Bayelsa, Cross River and Rivers States in South-South zone. The South-Sast zone is bounded in the south by South-South, in the West by South-West and in the North by North-central geopolitical zones. The remaining two of the six geopolitical zones of Nigeria are North-East and North-West.

By 2006 Census figures, the population of South-East zone was 16,381,729 (8,306,303 males and 8,075,423 females) (FGN, 2007). The zone is inhabited by only one ethnic group, the Igbo, that speaks Ibo. It has surviving entrepreneurs in various industrial sub-sectors: food and beverage, chemical, pharmaceutical, textile, agro, oil/gas, education, etc.

Instruments

Primary data were generated using questionnaire administration and face-to-face interview of randomly sampled entrepreneurs selected from the membership lists obtained from the branches of the Nigerian Association of Chambers of Commerce Industries Mines and Agriculture (NACCIMA), Manufacturers Association of Nigeria (MAN), Nigerian Association of Small and Medium Enterprises (NASME) and Nigerian Association of Small Scale Industrialists (NASSI) in the five States of the Southeast zone.

Preliminary interviews provided guidelines for structuring the questionnaire. The face-to-face interview also generated non-verbal information, observed from respondents' facial expressions.

Samples and Sampling Technique

Non-probability sampling technique was adopted to choose 80 respondents out of the 306 entrepreneurs on the membership lists. Selected entrepreneurs must have run their enterprises for a minimum of ten years and had overcome teething problems usually bedevilling young enterprises. This helped to limit the inclusion of enterprises still plagued by the usual teething problems of inexperience. Each of the selected entrepreneurs had sound existing, applied and functional fundamental qualities, to wit, entrepreneurship spirit, talents and drive as indispensable personal goods or possessions for developing enterprises, as well as enterprise development and management skills, such as visioning, identification of service or product gaps that need to be filled, identification of partners and employees to help actualize the dream of the entrepreneur, efficient environmental scanning and business plan development, effective translation of vision to action, creation of customers and awareness on a product or service, competitive price for product or service, keeping abreast with market-related information, maintaining a good environment, record keeping and financial management, succession plan and other management principles for successful businesses. Also, they had business ethics-a set of values, beliefs and culture evolving over a period of time that guides business practice through inculcating in the business owner and his employees how to conduct business responsibly. It was against the backdrop of this apparent level-playing-ground that the strategies employed by these enterprises for survival in the common dwindling Nigerian economy were sought.

The sample was equally stratified among micro, small, medium and large enterprises, with each group having 20 representations.

Secondary information were also obtained from literature.

Data Analysis

Data analyses used descriptive and inferential statistics. A strategy that did not rate 10% for even one of the four categories of enterprises surveyed was considered inconsequential and excluded from the results.

Limitations

Whereas, each of the six geopolitical zones of Nigeria has its industrial peculiarities and ought to be studied separately, the study was carried out in one of the zones and the results were generalized for others. Of particular note is that South-East geopolitical zone happens to be the only zone in the country with 5 States, while most other zones have 6 States and one zone has 7 States.

In difficult times, entrepreneurs tend to bend the golden rule of upright business, in order to make ends meet. Such areas might include padding the company's year-end reports to boost shareholder investments, dishonest scales, etc. The study did not go into the ways of dishonesty taken by the entrepreneurs as means of survival. No entrepreneur would readily expose himself regarding his corner-cutting or sharp practices.

The work is also under-researched, since the enterprises that had failed could not be reached to corroborate their failure as a consequence of not adopting some of the survival strategies identified in the study. The work, therefore, is survivor-biased. It is possible that the survival strategies emerging from the research did not work for some of the companies that had failed.

RESULTS AND DISCUSSION

Table 6 shows 18 significant strategies adopted by some of the surviving entrepreneurs in Nigeria. Ordinarily, staff education/training is not usually taken seriously in micro and small enterprises. However, in the bid to survive in the prevailing business-unfriendly environment in Nigeria, 78% of the micro, 86% of the small and 89% of the medium enterprises surveyed heightened staff education/training by consultants, business support centres, cyber cafes, etc. All the large enterprises surveyed had always appropriated staff education and training and kept to the strategy in harsh times.

When, the exchange rate was low and importation liberalized in Nigeria, business concerns were not careful to minimize the use of foreign raw materials and machines and their spare parts. But, in bad times, the proportion of foreign raw materials was lowered in favour of local substitutes (Eneh, 2007b). Among the concerns surveyed, 100% micro, 96% small, 92% medium and 81% large enterprises reverted to local raw materials. This measure saved huge costs in foreign exchange, in addition to saving procurement time.

Similarly, locally fabricated machines were preferred to foreign ones. Hence, 100% micro, 91% small, 87% medium and 52% large enterprises surveyed changed to locally fabricated machines. Apart from saving foreign exchange costs for the purchase of machines and spare parts, it saves procurement and maintenance time.

All the MSMEs surveyed resorted to direct marketing approach, as did 98% large enterprises. Figure 1 shows alternative distribution channels. Most of the entrepreneurs surveyed used total support or corporate channels (A and B), which had one or no middleman. They sold directly to consumers through sales people knocking door-to-door to peddle the product/service, or an established network of wholly owned retail outlet. This spared them the high cost associated with using middlemen with their undesirable idiosyncrasies and bottlenecks.

In normal circumstances, MSMEs hardly undertake research and development (R and D) programmes/projects, which they usually consider as expensive and avoidable. In the situation under study, 56% micro, 63% small and 84% medium enterprises surveyed embraced R and D, to help them cope with the harsh business environment. All the large enterprises surveyed were all the more neck-deep into R and D projects.

Table 6: Survival strategies by entrepreneurs in Nigeria

Strategy	Micro (%)	Small (%)	Medium (%)	Large (%)
Staff education/training	78	86	89	100
Substitution of imported with local raw materials	100	96	92	81
Use of locally fabricated machines	100	91	87	52
Direct marketing approach	100	100	100	98
Research and development (R and D)	56	63	84	100
Conservation	56	61	79	100
Utility-induced changes	56	61	8	3
Cluster and co-operative	56	61	-	-
Isusu (financial contribution)	55	61	13	-
Salaried employment	52	39	34	-
Change of product/service line	49	47	21	-
Integration	15	51	48	48
Contraction	15	32	26	19
Downsizing	15	24	49	69
Merger	14	8	2	-
Going public	-	-	11	81
Credit facility (people or companies, not banks)	14	7	7	2
Bank loan or microfinance	14	6	68	88

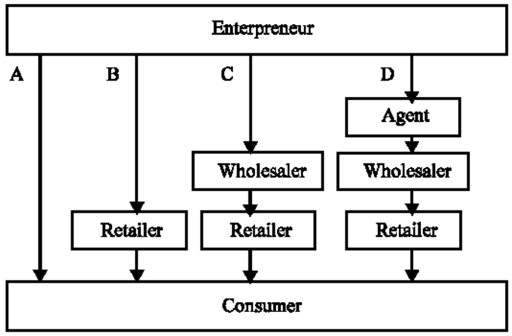

Fig. 1: Alternative distribution channels. Nwokoye (1981)

During times of economic downturn, it behoves entrepreneurs to seek ways of reducing costs. Of the entrepreneurs surveyed, 56% micro, 61% small, 79% medium and 100% large enterprises increased conservation of throwaway items that used to get wasted easily.

Electricity power and water are two most important utilities driving entrepreneurship. Entrepreneurs respond appropriately to their availability and scarcity in the context of their operations. Operational changes were induced by the downturn in the electricity and water sectors in 56% of micro and 61% of small enterprises surveyed. For instance, hair dressing salons, most which belong to the micro and small enterprises sub-sectors, need regular water supply to wash hair and regular electric power to operate their hair driers. When water supply dwindled and electricity disruption became more frequent, many young ladies operating the salons divested by selling off their equipment and changing to hair plating, fruit or newspaper selling businesses, which had less or no need of water and electricity supply to thrive. Much lower proportions of medium (8%) and large (3%) entrepreneurs surveyed undertook similar utility-induced changes. Rather, most of them resorted to acquiring and running electric power generating sets to fill the gap. As this gap widened with longer hours of electricity disruption, production became cost-ineffective. This compelled most of them to close down factories or relocate to other countries or resort to importation and marketing of finished products because it is more cost-effective to import and market finished goods than to produce them locally.

Operators of 56% micro and 61% small enterprises surveyed got involved in industrial clusters and co-operative movements. This enabled them access microfinance and to undertake projects that would defy the lone efforts of any single enterprise. Some of their joint ventures included acquiring standby giant electric power generating plant, to assuage the epileptic public electric power supply and fencing (for security) and maintenance of industrial estates or villages. This measure was different from involvement in networks and umbrella organizations of the Organized Private Sector (OPS), such as NACCIMA, MAN, NASME, NASSI, etc., which may have facilitated it.

In the bid to beat the unfaithfulness of commercial banks in raising capital, operators of 55% micro, 61% small and 13% medium enterprises surveyed resorted to *isusu* or financial contribution. It took two forms: group and mobile savings. In group *isusu,* a number of people came together to contribute a specified amount of money for a specified regular periodic interval (usually a month). The total monthly contribution was given to one of them. Others took turns in subsequent months, until it went round. In mobile savings, the banker came to the entrepreneur on daily (sometimes weekly) basis to collect the money the latter wished to save. At the end of an agreed period (week, month or year), the total amount saved was delivered to the entrepreneur less an agreed percentage withheld for service charge. Both cases involved record keeping in an exercise book, while mobile saving might involve thrift card in addition.

In order to earn regular income to help stabilize their enterprises, operators of 52% micro, 39% small and 34% medium enterprises surveyed took to salaried jobs in government ministries, especially teaching jobs with ample time to run their businesses. None of the operators of large enterprises surveyed was so involved.

When times are hard, essential commodities and services are the priority over and above luxury products or services. Going for the products or services in demand, operators of 49% micro, 47% small and 21% medium enterprises surveyed changed, or added to, the list of their products or services. For instance, one company changed from manufacturing office pins and clips to production of nails and later to extraction of palm kernel oil. This was not noticed for large enterprise operators surveyed, which appeared to have specialized in and accustomed to their product/service line that would be too expensive to change.

As part of their responses to harsh business environment in Nigeria, 15% micro, 51% small, 48% medium and 48% large entrepreneurs embarked on backward and/or forward integration. For example, a press (formally concentrating on running impressions alone) established a printing materials shop for direct procurement of raw materials, computer outfit to process manuscripts and/or sought contract to produce calendar for organizations or produce/supply exercise books. Some breweries established farms to directly procure their needs of cereal adjuncts and/or acquired haulage vans for direct product distribution.

Contraction was observed with 6% micro, 32% small, 26% medium and 19% large enterprises surveyed. One or more of their slow products or services were dropped. The licence or patent might be sold off, in case of large enterprises.

Nigerians are gregarious and ostentatious. In good times, the entrepreneurs could employ people irrationally. Some of those engaged are relations and goodtime-mates, who have no capacity, qualification or relevance in the industry. Besides, downsizing is a natural response to conditions that compel enterprises to operate below installed capacities. Of the enterprises surveyed, 15% micro, 24% small, 49% medium and 69% large enterprises downsized in reaction to the harsh operational environment in Nigeria and therefore, retrenched or disengaged redundant staff.

Merger was also noticed, albeit for only 14% micro, 8% small and 2% medium enterprises surveyed, which resulted from the fusion of two or more enterprises in response to the harsh business environment. This enabled the fused organization to gain strengths, maximize opportunities and overcome weaknesses. Large local enterprises were not so involved, probably because of the individualistic dispositions of the average Nigerian.

Going public is a process in which an enterprise owned by a person or relatively few individuals makes some of its stock available for purchase by the public (outsiders). The motivating factors for going public include a need for additional working capital and the requirement for expansion capital. Reasons for going public include enhancing and supporting growth and to generate prestige and create a public image. Of the enterprises surveyed, 11% medium and 81% large enterprises went public in response to harsh business environment. No micro and small enterprises surveyed went public, apparently because they could not meet the legal and other requirements set by the Nigerian Securities and Exchange Commission (SEC) and the Companies and Allied Matters Decree 1990.

Entrepreneurs take to credit facilities from companies and people from which they procure inputs during difficult times. Of the enterprises surveyed, 14% micro, 7% small, 7% medium and 2% large enterprises got involved with credit acquisition of their needs in the bid to make ends meet.

Entrepreneurs may resort to taking bank loans and microfinance credits to enable them cope with harsh business times. Of the enterprises surveyed, 14% micro and 6% small enterprises got involved with microfinance credits, while 68% medium and 88% large enterprises surveyed got involved with commercial bank loans. Micro and small enterprises cannot meet the commercial banks' stringent conditions for loans, especially collateral securities. Hardly does any micro or small entrepreneur own a property to collateralise a commercial bank loan. Therefore, the banks believe they are a high-risk sub-sector (Eneh, 2005).

CONCLUSION AND RECOMMENDATIONS

Guided by their perspectives, local entrepreneurs are responding in different ways to business milieu in Nigeria. Most enterprises run aground every year because of unfriendly business environment. Having over exercised, overtaxed their brains, many entrepreneurs in the country are gasping for breath in encephalitic lethargia. Confused and groping in the troubled economic milieu, many entrepreneurs, the counterparts of whom have propelled the Asian Tigers from the status of developing to that of developed economies and Germany to the third most powerful economy, are operating in murky business environment in Nigeria. The situation has seen to the closure of many factories or relocation to other countries or resorting to importation and marketing of finished products.

This study identified most of the survival strategies for entrepreneurs in dwindling Nigerian economy. Rather than give up or resign to fate, entrepreneurs in similar situations in developing and emerging economies should adopt some of the following recommended strategies, as applicable, which are apparent surviving success factors for their counterparts in the ailing Nigerian economy:

- Improve staff education/training to keep them abreast of modern development and best practices and to improve their productivity
- Emphasise substitution of imported with local raw materials to save the high cost of foreign exchange for procuring foreign raw materials, as well as save procurement time
- Lay emphasis on the use of locally fabricated machines to save the high cost of foreign exchange for procuring the machines and their spare parts and for engaging foreigners in their maintenance, as well as save procurement and maintenance time
- Embrace direct marketing approach to avoid the costly middlemen, their idiosyncrasies and bottlenecks
- Make research and development (R and D) a priority programme for innovations, trendiness, etc.
- Reduce costs by conserving the throwaway items that used to get wasted easily
- Undertake utility-induced changes
- Get involved in industrial clusters and co-operative movements, apart from the networks and umbrella organizations of the organized private sector (OPS)
- Adopt isusu or financial contribution, to beat the unfaithfulness of commercial banks in raising capital
- Explore salaried employment in order to earn regular income to help stabilize their enterprises
- Change, or add to the list of, their products or services, in alignment with changes in the prevailing demands of consumers
- Embark on backward and/or forward integration

- Contract activities by dropping one or more of their slow products or services and concentrating efforts on fast moving ones
- Explore downsizing to drop redundant staff
- Merge with enterprises with similar goals and aspirations, so as to gain strengths, maximize opportunities and overcome weaknesses
- Go public
- Take credit facilities from suppliers
- Take bank loans or microfinance credits

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