

EXPLORING THE SURVIVAL STRATEGIES FOR SMALL BUSINESS OWNERSHIP IN NIGERIA**Dr. Nana Shaibu Akaeze and Dr. Christian Akaeze*****ABSTRACT**

Notwithstanding the unstable nature of Nigeria economy small business owners created approximately 32 million jobs and contribute almost 45% to the nations GDP. However, startup small businesses fail at rate over 80% the first five years. Guide by theory of constraints, the purpose of this qualitative multiple-case study was to explore survival strategies required by some small business owners to sustain business in Nigeria beyond 5 years. Data collection was through semi-structured interviews with 3 owners with up to 5 years of experience in small business management from 3 different regions of Nigeria. The 3 major themes from final data analysis were cost efficiency, informal crediting and aggressive marketing which participants said were crucial for business survival. Data analysis also revealed two critical constraints confronted by small business owners as Government Policy and capital constraints. Findings of this study contribute to social change by indicating some strategies which prospective and existing small business practitioners may use to sustain for survival beyond first five years. The findings may prove useful for small business programs and training schedules to practitioners, managers and owners.

Key Words: Small business, Unstable Economy, NGN.

JEL Classification: L26, E26

I. INTRODUCTION**Foundation of the Study**

Nigeria runs a monolithic economy solely dependent on oil production and exports. Changes in oil prices affect the Nigerian markets and overall economy resulting to economic instability. Rahman (2015) suggested that increase in oil price has direct impact on output due to the change in marginal cost of producing goods. When an economic stagnates, consumers are anxious about their job stability and become cautious about spending which results to lowered revenue for small business owners.

Small businesses are forced to cut back on their workforce during economy stagnation which limits their ability to serve customers. The cutback results in high unemployment rate and further economy slack. Consequently, economic instability leads to small business failures up to 50 percent from startup in Nigeria. The intent of this study was to explore survival strategies which some successful small business owners use to sustain business beyond 5 years in Nigeria. Few strategic management research data on SMEs in Nigeria exist (Oyedijo, 2012).

Background of the Problem

Nigerian economy is unstable and monolithic centering on crude oil production and export. Nigeria is one of the most oil-dependent economies in the world (Sampson, 2013). According to Zannawaziri, Kyari and Masud (2012), Nigerian economy is exposed to volatility because of oil price fluctuations and output unpredictability. In addition, oil sector in Nigeria has witnessed disruptions in recent times due to pipeline destruction, incidents of unlawful bunkering and theft of crude (Agbaeze, Udeh & Onwuka, 2015). Currently the United States and China who are major buyers of crude oil have vigorous plans to attain energy independence as early as 2017. Given the plans by US and China to enter oil market in a big way, Nigerian economy may further destabilize because of heavy dependence on oil production and exportation.

Akaze (2016) argued that owners of small businesses are the economic engine of nations. Over 70 percent of workers in Nigeria are employed in the small scale Industries sub-sector (Ikharehon, 2014). However, small businesses in Nigeria fail at an alarmingly high rate up to 50 % in Nigeria. Continued failure of small businesses may lead to worsened economy which could result in reduction of Nigeria's GDP and employment opportunity.

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This study is with the intent to explore the survival strategies which some small business owners use to sustain business beyond 5 years in Nigeria. In general little research has been conducted about constraints to the growth of small businesses in Nigeria (Okpara & Wynn, 2007).

Problem Statement

Small and Medium Enterprises (SMEs) contribute approximately 30 per cent of the Gross Domestic Product in Nigeria (Ilori, 2015). Over 70 percent of industrial workers in Nigeria are employed in the small scale Industries sub-sector (Ado & Mallo, 2015; Ikharehon, 2014). The problem is failure rate of startup small businesses at over 50% before the first five years (Akpomi & Nnadi, 2010). In specific, some small business owners in Nigeria lack survival strategies required to sustain business beyond five years.

Purpose Statement

The purpose of this qualitative multiple-case study was to explore survival strategies required by some small business owners to sustain business in Nigeria beyond 5 years. A purposeful sample of three small business owners between the ages 18 and 65 years was interviewed from three different regions of Nigeria in 2016:

- Abuja in the north central province.
- Port Harcourt: in the south southern province.
- Lagos: in the south western province.

Results from this study may assist some small business owners in countries going through economic instabilities to learn successful strategies required for business practices within unstable economies. Information from findings may result to decrease the high rate of business failures in Nigeria and beyond. Data from this study may help small business owners survive business in a changing and unstable business environment.

Nature of the Study

For this study, we used a qualitative method with an exploratory case study design. Qualitative method was most suitable for this study than the quantitative or mixed methods as the study did not involve used of numerical data or statistical extrapolations. Data collection for this study was through qualitative interviews with three participants. Case studies use contextually rich data to study a focused phenomenon on its real-life context, providing an in-depth understanding of the nature and complexity of a phenomenon (Alex, Naslund & Jasmand, 2012). Welford, Murphy and Casey (2012) suggested that case study is significant for its use by researchers to clarify finding or set of findings in their study. For this study we used the qualitative multiple case study.

Research Question

For this study central research question was: What survival strategies do successful small owners use to sustain business in Nigeria beyond 5 years?

II. THEORETICAL OR CONCEPTUAL FRAMEWORK

The conceptual framework for this study is theory of constraints (TOC) which formed basis to understand successful strategies required by small business owners facing constraints by Nigeria unstable economy. The TOC is useful for improving productivity and quality (Ifandoudas & Gurd, 2010). According to Goldratt, organizational performance is dictated by constraints. Tasthan, and Demircioglu (2015) posited that TOC is a management philosophy which emphasizes that a company's' main goal to make money is always hindered by at least one constraint. The constraint prevents an organization from maximizing performance and reaching its goals.

Managers may use TOC to find critical resources of a system and focus, thereby increasing throughput, reducing inventory and cutting down on operating expenses (Rhee, Cho & Bae, 2010). Ifandoudas and Gurd (2010) described TOC as a significant predictor on what, why and how to change existing practices for desired results. The principle of TOC is basis of conceptualizing successful management strategies within an unstable economy in this study. The Thinking Processes are used to answer three questions that are essential to TOC:

- What needs to be changed?
- What should it be changed to?
- What actions will cause the change?

The Thinking Processes are designed to effectively work through these questions and resolve conflicts that may arise from changing existing policies. The TOC Process of Ongoing Improvement is show in figure 1.

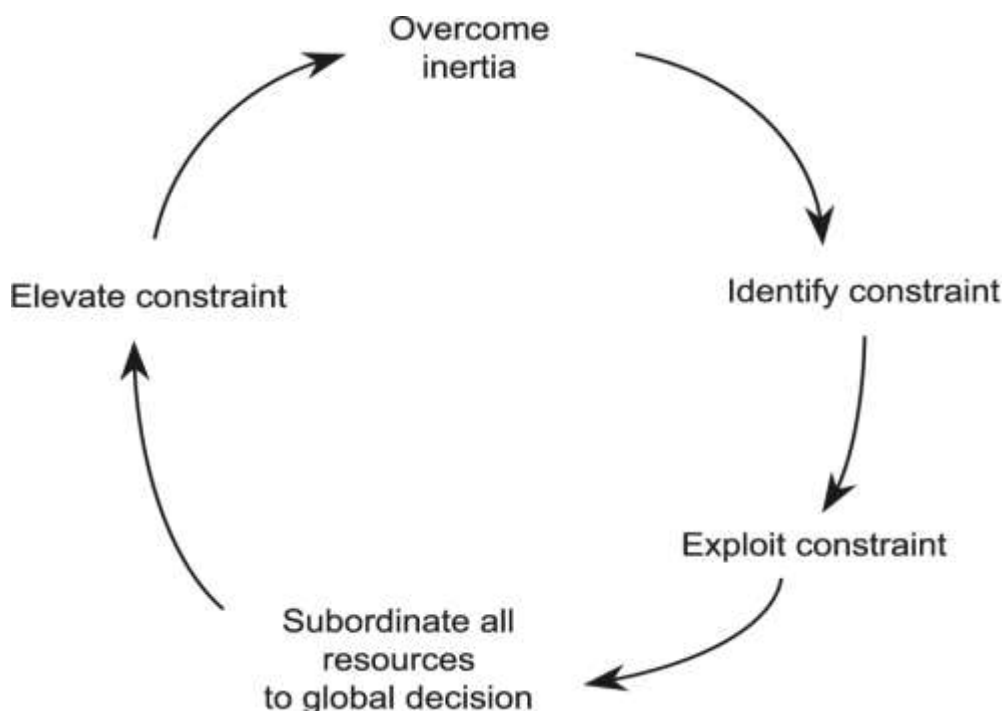


Figure 1: TOC Process of Ongoing Improvement

Operational Definitions

NGN. NGN is the Nigerian currency known as Naira (Ubhenin, 2012).

Small business owner: Small business owners are individuals who establish and manage a business for the principal purpose of making profit and growth (Yallapragada & Bhuiyan, 2011).

Unstable Economy: When the number of employees in a nation is redundant and unemployment is negative, the market is potentially unstable (Dunaev, 2011).

Assumptions

First assumption was that participants would provide valuable information and insight to the research question. Second assumption was that participants would give honest, thoughtful, and comprehensive responses during interviews. Third assumption was that sample of participants was representative of small-business population throughout Nigeria for the purpose of saturation and sufficiency. We selected research design and methodological procedures to mitigate impact of any potential problems.

Limitations

Sample size of three small business owners who volunteered to participate from three provinces was not large enough to represent entire small-business population in Nigeria. The three chosen locations were heterogeneous with high population densities and results may not apply to areas with either medium or low population densities.

Shideler and Badasyan (2012) suggested that small businesses are more significant in rural locations than urban locations. Furthermore, exploratory case studies by nature involve the limitation of not being fully generalizable (Mistarihi, Al Refai, Al Qaid, & Qeed, 2012). Therefore data may not reflect the enthusiasm of rural small business owners. Participants may not openly disclose their business strategies and may have withheld information. Nevertheless, the focus of qualitative research is to form an understanding of events rather than generalize results (Kolb, 2012).

III. SIGNIFICANCE OF THE STUDY

Value of Study to Business

Approximately 50% of small startups survive for more than 5 years (Arasti, Zandi, & Talebi, 2012). Most Nigerian small business owner lack adequate organizations, qualifications and trainings which seriously hampers their performance and international competitiveness (Mambula, 2002). Very few studies on small business performance relative to strategies required for sustenance of business in challenging environments

exists (Latham & Braun, 2011; Tuanmat & Smith, 2011). By exploring the survival strategies which successful owners use to sustain business in Nigeria may demonstrate strategies that small business owners need in adverse situation. Information from this study may facilitate increase in success, sustenance, and survival rates of small businesses beyond 5 years and improve management of small businesses.

Contribution to Business Practice

Small business sector in Nigeria is a principal driving force for sustainable economic development. Small business owners create jobs and stimulate entrepreneurial skills, and private ownership of businesses (Katwalo & Madichie, 2008). However, small businesses fail at an alarming rate (Farrington, 2012). Therefore, exploring survival strategies is crucial to determine survival strategies which small business practitioners require in unstable economies. The study results may facilitate improvement to business practice by providing business survival strategies to Nigerian small business owners. Managers may then identify knowledge, financial, and management constraints within their organization and work to resolve them.

According to Noor (2013), without knowledge of strategies for potential growth small business owners may perform below expectation and place the survival of their business at risk. Information from this study may encourage economic empowerment, expansion for knowledge of small business management, and ensure the survival of small businesses. Small business ownership skills facilitate planning and predictions of important factors that affect business survival (Chwolka & Raith, 2012). Exploring and documenting the strategies that successful small business owners use to succeed beyond 5 years within an unstable economic could potentially contribute to a reduce failure rate.

Implications for Social Change

Any business in decline affects jobs, families, and communities (Boyd, 2011). Results from data in this study may contribute new insights into how practitioners of small businesses can succeed beyond 5 years. Vlad (2011) posited that small business practitioners contribute to economic growth through job creation and total production output. Owners of successful small firms may continue to provide employment for the employees who depend upon these jobs for their livelihood (Boyd, 2011). In Nigeria, unemployment is over 17% for the entire population and approximately 60% for the youths (Adebowale, 2011). High and persistent unemployment may become a threat to democracy (Coetzee, Preez & Smale, 2013). Therefore, what small business owners need is new strategies and practices to sustain business.

Small business owners may develop strategies and practices that increase viability and profitability, leading to creation of sustainable employment (C. Akaeze 2016). The implication for social change is potential reduction of unemployment through reductions in small business failure rates. Cant and Wiid (2013) posited that leader's risks stagnation of their nation's economy without the creation and sustenance of small businesses for economic prosperity. Successful business owners create economic empowerment within their communities. Economic empowerment may allow individuals to realize the dreams of home ownership and financial security which increases the quality of life in the society. Successful small businesses result to increased employment opportunities within communities benefiting the society and economy in general.

IV. REVIEW LITERATURE

Currently, Nigerian small business owners use mixed management strategies for performance and sustenance (Oyedijo, 2012). The lack of successful survival strategies are traceable to lack of knowledge relating to planning, financial management, human resource development, and competitive pricing of products and services (Mellish, 2016).

Small Business Constraints

According to Odongo and Wang (2016), constraints are restrictions on perfect operations of small businesses. Constraints to small business development includes, lack of constant flow of credit, inferior planning, lawful and political linkages, improper financing, limited savings, inadequate training facilities, absence of excellent skills essential in commencing and managing their business and weak infrastructure (Odongo & Wang, 2016). For this study we divided small business constraints into internal and external constraints.

Internal Constraints to Small Business Success

Internal constraints relates to the characteristics and attitude of small business owners and the firm in general. They include:

- Lack of motivation and drive
- Lack of background and experience in the business

- Capital constraint
- Location
- Lack of proper record keeping
- Inadequate education and training
- People factor/lack of needed talent
- Improper professional advice and consultation

External Constraints to Small Business Success

External constraints to small business success relate to decisions, rules and policies which a firm has not control over but affect a small firm directly. They include:

- Corruption
- Competition
- Government policy
- Technological barrier
- In access to finances/funding
- Unfavorable economic factors

Generic Management Strategies

The concept of business competitive strategy is based on Porter's (1980, 1985) classifications of generic strategies. Porter (1985) provides an in-depth coverage of the theory of competitive forces and generic competitive strategies. The three generic strategies for achieving above average performance in an industry include cost leadership, differentiation, and focus. The focus strategy has two forms, cost focus and differentiation focus.

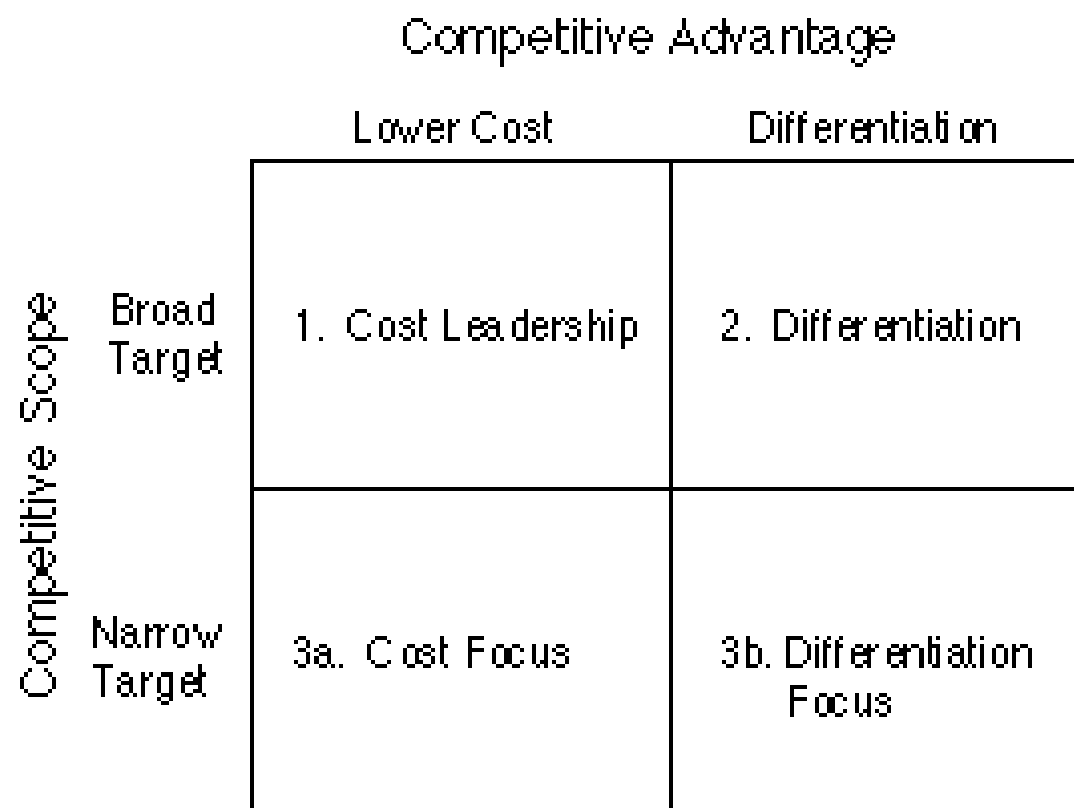


Figure 2: Porter's Generic Strategies

Small Business Success and Survival Strategies

According to Besser and Miller (2010), the first five years of a business' startup is the most vulnerable period which majority of businesses do not survive beyond. Factors responsible for small business failures are both internal relating to the owners individual characteristics, managerial abilities, and so on and external factors which are conditions that are outside the business owner's control such economy, government regulations, and

so on (Albuquerque, Filho, Nagano, Junior & Philippsen, 2016). The knowledge of small business successes may result in to actions that mitigate impact of small business failure (Lee, & Stearns, 2012). Lee and Stearns (2012) determined reasons for business successes or failures to include: capital, record-keeping and financial control, industry experience, managerial experience, planning, professional advisors, education, staffing, product/service timing, economic timing, age, partners, parents, minority, and marketing. According to Lee and Stearns (2012) both individual factors like specialized skills and good character and environmental factors such as governmental aid, political and traditional demands, and need for balancing these demands with business commitments are important to success of small business.

According to Stafford, Bhargava, Danes, Haynes and Brewton (2010) a businesses must first survive in order to succeed. However, firm survival and success are separate elements of business operation and survival is not merely a measure of business success. Therefore, the indicators of business survival are not automatically the same as those for success. Albuquerque, Filho, Nagano, Junior and Philippsen (2016) classified the major factors causing mortality of small businesses into internal and external factors. The internal factors classifications are those directly related to the owner like individual characteristics, managerial abilities, and so on. The external factors are those conditions that are outside the business owner's control such as economy, government regulations, and so on. In this study, we considered the internal factor element of small business mortality. The internal factors relate to the business owners and their firms, whereas the external factors are related to the environments (Albuquerque et al., 2016). The measures of survival and ultimately the success of small businesses resides in size of turnover, number of employees and amount of the market share and profits realized (Strydom, 2015). According to Ligthelm (2012), some of the indicators of small business survival are:

- Age of Business
- Location:
- Financial Record keeping
- Turnover
- Education Levels
- Maturity
- Competition

Nigerian Economy

Oil economies are countries that cannot satisfy the needs and wants of their population nor effectively prevent outside power encroachments without oil resources or income (O'Reilly, 1999). Nigerian economy, like that of any other oil producing and exporting country is exposed to volatility in the crude oil market. Rafindadi (2015) determined that the Nigerian GDP strength is derived from oil revenues. In 2011 alone, Oil and gas accounted for about 97.4% of Nigeria's GDP while in 2014 the contribution of oil to the Nigerian economy amount to over \$73 billion to the GDP (Rafindadi, 2015). The relative shares of employment by sectors are 14.98% in Chemical-Petro-Chemicals, 4.01% in Construction, 3.13% in basic industries, 2.06% in public utilities, 6.04% in Government, and 10.27% others (Imegi, 2015). However, volatility in the crude oil market sometimes leads to disruptions in macroeconomic performance and inhibits cash inflow because of oil price fluctuations and output alternations. One of the major manifestations of serious economic depression in Nigeria is the increasing lack of capacity to create new jobs or maintain existing ones. The Nigerian economy is unable to sustain employment giving rise to existing large number of unemployed unskilled labor along with a consequential resulting social and economic problem.

Since the discovering oil in the mid-1950s, Nigeria remained a mono cultural economy, depending mainly on oil revenues (Prince Umor, 2004). However, after a brief oil boom of the 1980s Nigeria's, petro-monolithic economy has been unsettled (Prince Umor, 2004). Despite the enormous revenue from oil, Nigeria's economy is saddled with double digit inflation and degenerating infrastructure and poverty with approximately 70.8% of the over 150 million population living on less than \$1 a day (Zannawaziri, Kyari & Masud, 2012). The consumption of renewable energy by Nigeria's dominant energy importers along with unrest in the Niger delta region impact negatively on the Nigerian economy resulting to a decline of Nigeria's oil and gas export in recent years.

Unstable Market Economy and Small Business

A capitalist economy depends on the successful accumulation of privately appropriated capital for its sustenance. Therefore, to promote economic development it is very important that managers ensure financial stability (Thiam, 2012). Small business owners' are concerned about the state of economy, with respect to rising

inflation, increasing trade deficits, energy problems, and the collapse of the dollar factored against adverse international exchange rates (Vlad, 2011).

Small businesses face significant challenging times when national economies struggle to improve (Geho & Frakes, 2013; Li, Cai, Zhu, Huang & Shi, 2012). Ghosal and Ye (2015) found that uncertainty has a negative impact on growth of employment and significantly affects smaller businesses than large businesses. Overall developing countries experience higher uncertainty relative to GDP growth and growth rate of firms from events like war and climate change (Bloom, 2014). Vlad (2011) found that some reasons why small businesses fail include the form of proprietorship and to overall consumer sentiment.

Challenges to Small Businesses Organizations in Nigeria

Nigerian small business owners face serious challenges that are multifaceted by nature mainly due to economic instability. Ado and Mallo (2015) found that deficit of electricity supply is a significant challenge to firms in Nigeria who suffer tremendous costs that greatly hampers businesses especially in the small scale subsector. Small business owners are compelled to invest significant amount of their resources to self-provide electricity because public power is unreliable or of lower quality. Also, unlike SMEs in Western and Asian economies, most small business owners in Nigeria generally lack access to funds and structured government support in spite the existence of such institutions (Oyedijo, 2012).

The real exchange rate is determined at black market values regardless of the government quoted rates making the situation worse for some business owner. Under the Nigerian monetary system, business men are not allowed to go outside the country to purchase dollars and the banks hardly have dollars to sell legitimately. Additional business constraints confronted by the Nigeria small owners also include the lack of information, skills and strategies to succeed in an unstable business environment. Ojo, Akinsunmi and Oluwatimilehin (2015) determined that lack of access to business information for SME owners to attain sales and improve overall performances is a notable challenge. According to Gorondutse and Hilman (2013), small business owners in Nigeria lack instruments necessary to implement responsible business policy.

Literature Gaps

Human capital is one of the key factors of economic and social progress (Đekic, 2015). Human capital is a set of knowledge, strategies, skills and abilities that employees incorporate into production and service processes of firms that contributes to the growth. Business managers create and develop human capital through education (Đekic, 2015). Human capital increases the owner's productivity, which results in higher profits, thereby enhancing business survival (Vinogradov & Isaksen, 2008). Few studies exist that answers the question on strategies required by some small business owners to survive business beyond 5 years in an unstable economy in Nigeria.

V. RESEARCH METHOD AND DESIGN

Research Method

The research method for this study was qualitative research. Qualitative researchers can collect and present rich data, especially when they perform data collection through interviews (Seidman, 2012). Qualitative researchers have a naturalistic, interpretative attitude towards life (Flynbjerg, 2011). Focus of this study was the exploration of survival strategies which some Nigerian small-business owners use to succeed in business beyond the first five years. Qualitative studies are valuable in helping researchers to understand the social dynamics of societies and business alike as they focus on their traditions, principles, ethics, values, and philosophies, as well as behavioral patterns (Bloor, Sampson, Baker, & Dahlgren, 2013).

Research Design

For this qualitative study, we used a qualitative case study design. The qualitative case study design approach involves analyzing the meaning and description of experiences of circumstances in a particular context (Moustakas, 1994). A case study design is an empirical enquiry conducted to explore a contemporary phenomenon in a real-life context (Yin, 2014). We used a case study design for this study to explore the how and why of the research question: What strategies do successful small business owners in Nigeria use to survive in an unstable economy beyond 5 years?

Data Collection Instruments

Leedy and Ormrod (2013) argued that qualitative researchers are the primary instrument who may reuse existing instruments or create new data collection instruments. For this study we were the primary data collection instrument as the interviewers. Interviews are a useful means for addressing the research questions in a case

study (Yin, 2014). Unlike other forms of surveys or studies, Interviews enable interviewer to make observations with great insights (Yin, 2014).

Esling and Agon (2012) recommended semistructured interviews, examination of existing documents, and participant observations as data collection instruments. According to Qu and Dumay (2011), open-ended questions enables interviewers and interviewees talk about the subject of study in detail thereby explaining the phenomenon under study. For collection of data, the open-ended semistructured interview was the secondary instrument which we used to obtain elaborate information on the business strategies which Nigerian small-business owners may utilize to succeed beyond the first five year.

Open-ended questions facilitate the supply of clear responses by interviewees while being able to broaden their explanation (Rubin & Rubin, 2012). Effective interview guide enhanced the credibility and quality of the instruments in this study (see Appendix A). Yin (2014) suggested researchers may use the interview protocol as a guide towards accomplishing data collection and for increasing dependability of a case study. Data collection is credible when the collection process is steady and consistent (Leedy & Ormrod, 2013). We used the same interview guide and questions for all participants to improve the confirmability, dependability, and credibility of this study.

Data Collection Technique

For this study, we first developed an interview guide with the open-ended research questions (see Appendix A). We used a digital voice recorder to retain each participant's individual interview responses. The interviews continued as long as participants were willing to divulge further information even though we set each session to last approximately one hour. The data collection process continued until reaching validation of data saturation. We gathered data in the form of sentences and phrases that represented the verbatim answers of participants to the interview research questions. We used member checking as a vital means for establishing accuracy and reliability of this qualitative research (Houghton, Casey, Shaw & Murphy, 2013). After interviews, member checking allowed all participants the opportunity to validate the accuracy of our interpretations of their responses (Harper & Cole, 2012).

Data Analysis Technique

Thematic analysis is the qualitative analytic method for identifying, analyzing and reporting patterns within data collection (Braun & Clarke, 2006). Nvivo trademarks software, a qualitative program for data analysis, facilitates thematic coding and grouping of raw data in the analysis stage (Bergin, 2011). We used Nvivo trademarks software program to search and identify themes within study data collection. For this study conceptual framework was grounded in the TOC. Simsit, Gunay and Vayvay (2014) suggested TOC as a methodology for identifying the weakest points in any outfit to improve efficiency of systems. In line with Richards and Morse (2013), we used verbatim quotes from participants to back the analysis of the research data.

Reliability and Validity

Credibility, dependability, confirmability and transferability are the four criteria that form the frame work for determining the rigor of research in a qualitative study (Houghton, Casey, Shaw & Murphy, 2013). For this study we sustained an audit trail to improve credibility of the study. To improve transferability, we appropriately detail original context of this research using thick description to enable other researchers reach informed decisions (Houghton et al., 2013).

We addressed all study problems through our choice of research method, design and interpreting of data to eliminate the risks. To maintain reliability in the study, we avoided using any leading questions, and gave participants the space to answer questions freely. Research questionnaire was validated by interviewing the interviewer method. To enhance internal validity, we established chain of evidence in the data collection phase, by using notes and journals. To establish the transferability in this study, we defined the scope, boundaries, and use purposeful sampling.

Findings and Discussion of Study

We identified two critical constraints confronted by owners as Government Policy and capital constraints. The three themes relative to strategies that Nigerian small owners use for success in business beyond the first five years included (a) cost efficiency, (b) informal crediting, and (c) aggressive marketing. Data analysis aligned with TOC, the conceptual framework for this study. Data analysis involved identifying and evaluating themes related to external and internal constraints such as effect of government policies, operation cost, financing, and marketing strategies used by successful Nigerian small business owners. The themes from data analysis are

related to the TOC five focusing steps methodology for identifying and eliminating constraints. The research question was further broken into three to address change in each phases of the TOC Thinking Process (TP) including:

- What to change?
- What to change to?
- How to make the change happen?

Applications to Professional Practice

The findings and recommendations might serve as the basis for owners to adopt changes in operations which may result to development of the small businesses sector of the Nigerian economy. The results may become a guide for small business owners striving for survival within unstable economies to improve strategies, operations and practices. The results of the research may help managers identify the strategies required by small business owners to succeed in an unstable market environment. The findings and recommendations added to the knowledge of business management by identifying critical constraints and the significance of small business strategies. The information in this study may prompt increase in the knowledge, financial and marketing strategies for Nigerian small business owners to succeed and survive in their business.

Implications for Social Change

Implications for social change include potential to develop strategies for small business survival, growth, and profitability in unstable economic environments through effective business management practices. Successful owners are profitable and contribute to improve Nigerian economic and small business sector growth. Improvement of small business sector may contribute to poverty reduction resulting to economic and social growth in Nigeria. Information would potentially (a) benefit small business owners within unstable market environments, (b) guide prospective and startup small business owners to create and market successfully.

Having the right business knowledge increases a business owner's chance of survival and improved profitability (Mavunga, 2014). The information from study data may facilitate expansion which could impact social change through reduction of unemployment rate and crime. Successful business ownership results to economic empowerment for diverse communities in Nigeria. Residents realize their dreams of home ownership, financial security and increased quality of life through economic empowerment.

Conclusion

Small scale businesses make substantial contributions to the economic development of any nation. However, the economic contribution of small business owners in Nigeria is significantly below expectation because of harsh economic environment (Osotimehin, Jegede, Akinlabi & Olajide, 2012). As a result additional strategies may help small owners to improve the operations for profitability, sustenance and survival of the business (McCoskey, 2011). The problem of small business in Nigeria is the alarming high mortality rate of small businesses which has been linked to factors such as poor management, financing, poor infrastructure, little access to technologies amongst others (Thomas, Adekunle, Olarewaju & Folarin, 2015). According to Thomas et al., (2015) proper management of the financial resources of any small business firm is a necessary condition for its survival.

The purpose of this qualitative multiple case study was to explore the strategies required by some small business owners in Nigeria to survive business beyond 5 years within an unstable economy. The findings may serve as the basis for improving the small business sector and achieve economic growth in Nigeria. The results may become the guide for prospective or existing small business owners who are struggling with the knowledge about successful strategies and practices required to improve and survive harsh economic environment.

Qualitative exploratory multiple case study facilitated an in-depth analysis of data from three small business owners who have succeeded in business beyond the first five years in three different geographical regions of Nigeria. The study conceptual framework was the TOC proposed by Goldratt (1984) for business owners based on the principle that managers can determine the weakest point in an organization processes to improve their performance.

Semistructured interviews with the three small-business owners help capture details on the survival strategies used by each participant. Data analysis revealed two critical constraints confronted by owners as Government Policy and capital constraints. Three major strategies that Nigerian successful small business owners used to sustain business beyond the first five years included Cost efficiency Strategy, Informal Credit Strategy and Aggressive marketing strategies.

In conclusion, the exploratory multiple case study facilitated the insights into the understanding of Nigerian small business owners about their business survival strategies. Effective cost efficiency, informal crediting and aggressive marketing strategies which are critical influences on small business success, are useful for sustainability. Knowledge from study may guide small business owners in Nigeria to improve business profits, sustainability, and economic growth.

VI. RECOMMENDATION OF STUDY

Recommendations for Action

Findings from the study indicated that strategies which small business owners may use to survive in unstable economic environment to include cost efficiency, informal crediting, aggressive marketing and prior industry knowledge strategies. Leitner and Guldenberg (2010) found that SME owners that pursue the cost efficiency strategy notably perform better than others in financial terms. Jean-Louis, de Vries, Frese and Jan-Peter Goutbeek (2007) suggested that if the underlying causes of small business failure or success are predominantly internal the government policies are best directed at the level of the firms. When the underlying causes of failures are predominantly external, the government policy is best directed at changing the economic environment within which small businesses operates. Many small business owners acquire loan from money lenders because of the ease of requirement, exercising trust as the collateral even though higher interest costs must be paid (Farida, Siregar, Nuryartono & Intan, 2015; Pradhan 2013). Many small business owners acquire loan from money lenders because of the ease of requirement, exercising trust as the collateral even though higher interest costs must be paid (Farida, Siregar, Nuryartono & Intan, 2015; Pradhan 2013).

Recommendations for Further Research

Additional research using the TOC may reveal more knowledge about the strategies which small businesses owners use to sustain and survive business constraints in for additional profits in unstable economies. Conducting quantitative studies may widen the scope and expose other perspectives to the significance of these strategies to small business survival and profitability. Further study using small business owners from other geographical locations in Nigeria may yield useful information. The results of more research, when considering other variables, would provide small business owners an exhaustive analysis of business success strategies.

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