Understanding and Overcoming Barriers to Small Business Growth: Nigerian Evidence

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ABSTRACT

This study sought to understand the barriers hindering the growth of small businesses in Nigeria, and to investigate the various strategies small business owners and managers develop to overcome these barriers. A qualitative research design using in-depth, semi-structured, face-face interviews was utilized to obtain the barriers to growth as well as strategies developed to overcome them by 15 sachet water company managers in Minna, the capital city of Niger State in North Central Nigeria. The major internal barriers to growth identified included unmotivated employees, lack of modern machinery, lack of storage capacity and poor marketing and distribution strategies, while the major external barriers included weather conditions, poor electricity, bad roads and competition. Strategies to overcome these barriers included creating a family atmosphere, hiring more workers, using alternative power and forming a union to control prices. This study was limited to 15 sachet water companies in Minna, Niger State, so it is difficult to generalize the findings to other states and to other industries. The results of this study will be beneficial to several stakeholders: sachet water companies in Minna and beyond, other SMEs as well as policy makers. For sachet water companies in Minna and beyond, by understanding the various strategies which the interviewed managers use to overcome their internal and external challenges, a diffusion of learning will occur, whereby other sachet water company managers can inculcate some of these effective strategies into their own operations. As for other SMEs, some of the identified barriers will also be the same ones they face. The strategies the interviewed managers use to overcome these challenges can also provide guidance for these SMEs. Finally, by clearly identifying the barriers hindering the growth of these sachet water companies, this study provides policy makers with clear guidance on what policies need to be instituted to help these SMEs overcome their challenges and contribute their quota to the growth of the Nigerian economy. By utilizing semi-structured interviews in surveying the 15 sachet water managers in Minna, Niger State, this study overcomes the weakness of the vast majority of prior studies which utilized questionnaires. The major disadvantage of adopting questionnaire to measure attitudes and perception is that, respondents will be denied the opportunity to air out their views about the subject matter.

Keywords: Barriers, Growth, Nigeria, Policies, Strategies, SMEs

I. INTRODUCTION

Entrepreneurship plays a very vital role in the growth and development of the economic and social activities of a nation (Jabeen et al., 2017). Entrepreneurs across the globe have been recognized for creating jobs for the unemployed, contributing to a country’s gross domestic product (GDP), and to the
development of the community through various corporate social responsibility projects (Cowling et al., 2017). Major economic giants such as China, Japan, Germany, UK and the US are thriving on entrepreneurship and their industrialization has been brought about by entrepreneurship contributions (Teixeira et al., 2018).

A survey by the International Council for Small Business (ICSB) revealed that SMEs constitute over 90 per cent of all businesses, create 60 per cent of all jobs and contribute to about 50 per cent of the Gross Domestic Product (GDP) of any country (Pucci et al., 2017). SMEs are described as businesses with between one and five hundred workers (Foroudi et al., 2017). Whilst these SMEs form the vast majority of businesses globally, very few of them last very long, with a majority of them folding up within three years of opening due to different internal and external barriers to their growth (Abe & Proksch, 2017). Some of the internal barriers include a lack of managerial skills, inappropriate marketing strategies and poor customer service (Rahman et al., 2017), while the external barriers include a lack of access to finance, lack of government support, tough market competition, and high cost of business registration (Neirotti et al., 2018).

Considering the vital contributions of SMEs to any country’s sustained development, there is a need for smart policy makers to give attention to the set of barriers that hinders the growth of these SMEs (Oosthuizen et al., 2018). These policy makers need to institute and execute policies to create an enabling environment for SMEs to thrive, so as to enable them to flourish and contribute to the economic and social development of the country (Asante et al., 2018). The creation of an enabling environment for SME growth is perhaps even more crucial for a country like Nigeria, where unemployment amongst graduates continues to increase year by year, with graduates scrambling for limited government jobs (Sadeghloo et al., 2018). The development of an enabling environment for Nigerian SMEs to grow and prosper will create a variety of job opportunities for these graduates, which will help reduce unemployment as well as the resultant negative consequences of joblessness such as theft and other social vices (Gupta & Mirchandani, 2018).

An important pre-requisite for Nigerian policy makers to institute policies that will create an enabling environment for SMEs is a crystal-clear understanding of the various internal and external barriers hindering their growth, as well as the strategies these SMEs have developed to try to overcome these challenges. As the saying goes, ‘You must diagnose before you can prescribe’ (Mayhew, 2014). This is where this study steps in, by attempting to provide a clear understanding of the internal and external barriers hindering the growth of Nigerian SMEs from the perspective of the entrepreneurs themselves. Specifically, this study focuses on the managers of sachet water companies (popularly known as ‘pure water’) in Minna, Niger State who provide the citizens of the town with vital drinking water, as the government has failed to provide sustained potable water to these long-suffering people.

II. LITERATURE REVIEW

In this section, a review of the findings of prior studies that explored barriers to small business growth is presented. These prior studies were categorized into two groups based on their conceptualization of small business growth: 1) Owner perception perspective (Baporikar et al., 2016; Makhitha, 2017; Conley, 2018), and 2) Objective measure perspective (Gashi, 2016; Owen et al., 2016; Mekonnen, 2017).

Owner-perception perspective studies

Prior studies that conceptualized small business growth from the Owner perception perspective simply asked small business owners how they intended to grow and what they perceived were the barriers hindering growth ambitions (Doern, 2015; Baporikar et al., 2016; Conley, 2018). These studies were subdivided into two categories based on their specific objectives. The first category sought to determine the internal barriers hindering small business growth (Dumbrava & Demian, 2009; Doern, 2011; Ismail & Karlsson, 2013), while the second category sought to determine the external barriers hindering small
business growth (Gill & Biger, 2012; Gill & Mand, 2013; Alrabeei & Kasi, 2014; Baporikar et al., 2016; Conley, 2018). Studies in each category are discussed in detail in the succeeding paragraphs.

For the first category of studies, Dumbrava and Demian (2009), Doern (2011), and Ismail and Karlsson (2014) all adopted qualitative approaches to determine the internal factors that hinder the growth of SMEs. Dumbrava and Demian (2009) conducted telephone interviews with 32 SMEs owners in Moldova lasting between 15 and 20 minutes. They found that Moldovan SME owners have the willingness and desire to expand their businesses but fail to materialize their intentions in practice due to a lack of management skills. As for Doern (2011), he conducted semi-structured interviews with 27 owner-managers in St Petersburg, Russia and found that a lack of management skills, inappropriate marketing strategies and poor customer service are barriers to SME growth in Russia. As for Ismail and Karlsson (2014), they conducted semi-structured interviews with 15 SMEs in Swedish and found that the ability to manage finance is more of a prerequisite than a barrier since capital is required to achieve growth in a business. Rather, they concluded that the entrepreneurs themselves can be a barrier to growth since they are responsible for managing the finance needed to achieve growth (Ismail & Karlsson, 2014).

Moving on to the second category of studies, Gill and Biger (2012) surveyed 60 small business owners in Western Canada. They found that these owners felt that a lack of access to finance, market challenges, and regulatory issues were the main barriers preventing them from achieving their growth ambitions. As for Gill and Mand (2013), they surveyed owners of small businesses in India. They found that difficulties in obtaining loans, lack of government support, tough market competition, high tax, erratic power supply, high transportation cost and high cost of registration are barriers to the growth of SMEs in India.

On the other hand, Alrabeei and Kasi (2014) conducted a focus group interview with 15 SMEs owner-managers in the Kingdom of Bahrain. They found that the main barriers to SME growth are a scarcity of qualified human resources that can fit the needs of SMEs, inadequate access to finance, fees procedures, imposition of the Bahrainization percentage and fierce competition. As for Baporikar et al. (2016), semi-structured interviews and observations were used to gather information from 45 owners and 35 customers of SMEs in Namibia. He found that SMEs experience stealing, security problems, and fight from customers, which hinder business growth. In addition, though SMEs understand the importance of technology in boosting growth, they are not able to keep pace with changes in technology which have impacts on their business growth (Baporikar et al., 2016). He further found that access to finance, lack of skilled manpower, and lack of government support also hinder their business growth. Similarly, Conley (2018) also conducted semi-structured interviews, but with 28 SMEs owners in the UK. He found that the barriers to SMEs growth in UK are categorized into internal and external. External barriers include economic pressures, rivalry competitions among similar businesses, regent industry policies preventing growth, and the internal barriers include poor managerial structures which constitute poor communication structure (Conley, 2018).

Objective measure perspective studies

The studies in this subsection can be subdivided into four categories based on the objective measure they used to determine small business growth. The first category represents the studies that sought to measure the growth of SMEs using annual sales turnover (Alam, 2010; Owen et al., 2016). The second category of studies sought to measure SME growth by comparing the number of employees a business had from one period to another: an increase in employees signified positive growth, while a decrease in employees signified negative growth (Louis & Macamo, 2011; Kularatne & Lopez-Calix, 2012). The third category of studies sought to measure SME growth using a combination of annual sales and amount of total assets (Lemar & Nekzada, 2014; Gashi, 2016). The fourth category of studies sought to measure SME growth using a combination of profits and market share (Arthur-Aidoo et al., 2016). Studies in each category are discussed in detail in the succeeding paragraphs.

For the first category of studies, two studies (Alam, 2010; Owen et al., 2016) adopted a quantitative approach to determine the barriers to SME growth. Alam (2010) surveyed 52 SMEs owners...
in Malaysia and found that the financial barriers have the most negative impact on the growth of SMEs, meaning that the higher the financial barriers the lower the growth of SMEs in Malaysia. Similarly, Owen et al. (2016) surveyed 503 SMEs in the UK and found that SME growth is associated with access to external finance, particularly relating to innovative, potential high-growth SMEs. They also found that besides access to external finance, other barriers to SME growth include government policy, competition among similar firms, and inappropriate marketing strategies (Owen et al., 2016).

Moving on to the second category, Louis and Macamo (2011) administered 58 questionnaires to SME owners via internet and intranet in Maputo, Mozambique and found that financial barriers, organizational barriers, external barriers, social barriers and legal barriers hinder the growth of SMEs. On the other hand, government policies assist SME growth in Maputo (Louis & Macamo, 2011). In Pakistan, Kularatne and Lopez-Calix (2012) surveyed 70 SMEs and found that customs and trade regulations, political instability, practice of competitors in the informal sector and unsteady power supply are barriers to the growth of SMEs in Pakistan (Kularatne & Lopez-Calix, 2012).

As for the third category Lemar and Nekzada (2014), conducted telephone interviews with 37 SMEs owners in the UK and found that barriers to the growth of SMEs exist due to a set of certain factors which can be detected in different departments such as marketing, finance, accounting, procurement, production and administrative departments. As for Gashi (2016), he surveyed 800 SMEs in Kosovo and found that lack of access to finance, economic policy and general situations, fiscal policy barriers, lack of basic infrastructures, lack of access to raw materials and equipment, market barriers, lack of supply of equipment and machinery, lack of workspace and lack of qualified human resources are the barriers that hinder SME growth in Kosovo (Gashi, 2016).

Comprising the fourth category of studies, Arthur-Aidoo et al. (2016) conducted semi-structured interviews with 21 owners of SMEs in Serbia and found that business growth is linked with the number of products or services a business produces or offers, the number of employees managed by the business and the turnover rate of the business. They also found that the strategy of a business, the level of influence of a business policy, and the level of motivation of human capital within the business are all determinants of business growth (Arthur-Aidoo et al., 2016).

III. METHODOLOGY

Research Design
This study adopted a qualitative research design by using in-depth, semi-structured, face-to-face interviews were with managers of sachet water companies in Minna, Niger State. This design was adopted because scholars have discussed that interviews are most appropriate for obtaining detailed information from respondents about a particular topic as compared to using questionnaires (Ataman & Coban, 2018). As for this study, the key objectives were to understand the perceived barriers these managers felt were hindering their company’s growth and to investigate the strategies they developed in attempt to overcome these barriers. In the researcher’s opinion, interviews would be the best approach to successfully fulfill these objectives.

Population and sample
As this study was focused on sachet water companies in Minna, the researchers visited the Corporate Affairs Commission to ascertain the total number of registered sachet water companies operating in Minna. It was discovered that there are 119 registered sachet water companies in Minna, and these represented the population of the study.

When it comes to determining an ideal sample of the population to study, there is a distinct difference between quantitative and qualitative studies (Marshall et al., 2013). For quantitative studies, the main concern is ensuring that the sample is representative of the entire population (Elliot et al., 2018).
However, for qualitative studies like this current study, the main concern is achieving saturation (Buckley, 2018).

For a study that utilizes in-depth interviews such as this current study, saturation is reached when interviewing one more manager will not provide any additional information to the study (Guest et al., 2017). It answers the question, ‘What is the ideal number of in-depth interviews to conduct?’ (Guest et al., 2017). Unfortunately, there is no scholarly consensus on what this ideal number is (Bolkvadze, 2017). However a majority of scholars suggest between 10-15 interviews, particularly if the population is homogenous (Weller et al., 2018). In this study, all the interviewees are managers of sachet water companies in Minna, and thus they are homogenous. For this reason, the upper limit of 15 interviews was adopted to ensure that saturation was reached.

The Interview Process

Each interview lasted about 30-45 minutes, and permission was received from each manager to record the interview for later transcription. The interview had two parts: The first part consisted of questions aimed at collecting demographic information from the managers. They were asked the following questions: i) How old are you? ii) What is your highest educational qualification? iii) How long have you been manager of this company?

As for the second part of the interview, the 15 managers were asked the following questions:

i. Where do you see your company in the next five years?
ii. What are the internal challenges you feel have hindered your company’s growth?

iii. What strategies have you implemented to overcome these internal challenges, and how successful have they been?
iv. What are the external challenges you feel hinder your company’s growth?
v. What are the strategies you have developed to overcome these external challenges, and how successful have they been?

Each question represented one objective that this study sought to fulfill in order to achieve its overall aim. Each recorded interview was later transcribed to enable its contents to be thematically analysed.

Data Analysis

Thematic analysis was used to discover meaningful themes from the transcribed texts of the interviews of the 15 sachet water companies in Minna. For the first objective, thematic analysis enabled the researcher to identify similarities and differences in the growth ambitions of sachet water managers in Minna. For the second objective, this technique enabled the researcher to discover common internal and external barriers to growth amongst these companies, as well as barriers unique to specific companies.

As for the third objective, thematic analysis enabled the researcher to pinpoint similar strategies utilized by these managers in an attempt to overcome internal and external barriers to growth, as well as identify unique strategies developed by specific companies which others could replicate. All in all, by fulfilling the study’s five objectives, thematic analysis allowed the researcher to fulfill the overall aim of this study which was to investigate the barriers to growth amongst sachet water companies in Minna, Niger State.
IV. FINDINGS AND DISCUSSION

Demographic characteristics of managers

Table 1 presents the demographic characteristics of the 15 managers. It can be observed that all the managers interviewed were male, 60% of which were between 30 and 35 years old. A little more than half (53.4%) of the managers had a Bachelor’s Degree, while a little less than half the managers (46.7%) had managed the company for between eight and eleven years.

Table 1: Demographic characteristics of managers

<table>
<thead>
<tr>
<th></th>
<th>%</th>
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<tbody>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>15</td>
</tr>
<tr>
<td>Female</td>
<td>0</td>
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<tr>
<td>Total</td>
<td>15</td>
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<table>
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<tr>
<th>Age</th>
<th>%</th>
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<td>1</td>
</tr>
<tr>
<td>30-35</td>
<td>9</td>
</tr>
<tr>
<td>36-39</td>
<td>5</td>
</tr>
<tr>
<td>40-45</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
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<table>
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<tr>
<th>Education</th>
<th>%</th>
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<tbody>
<tr>
<td>Secondary school</td>
<td>3</td>
</tr>
<tr>
<td>Diploma</td>
<td>2</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>8</td>
</tr>
<tr>
<td>Master’s Degree</td>
<td>2</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
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</table>

<table>
<thead>
<tr>
<th>Management Experience (Years)</th>
<th>%</th>
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<tbody>
<tr>
<td>1-3</td>
<td>3</td>
</tr>
<tr>
<td>4-7</td>
<td>2</td>
</tr>
<tr>
<td>8-11</td>
<td>7</td>
</tr>
<tr>
<td>12-15</td>
<td>2</td>
</tr>
<tr>
<td>16 and above</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
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</tbody>
</table>
The growth ambitions of sachet water company managers in Minna

Table 2 presents the growth ambitions of the 15 managers interviewed. It can be observed that seven of the managers had financial growth ambitions in the next five years. Three of the managers hoped to improve their brand recognition and positioning by becoming “the best sachet water company” in the state. Two managers hoped to increase their workforce, while another two hoped to vertically integrate their production process by producing their own packaging material. One manager had ambitions of increasing the company’s product range to include bottled water along the traditional sachet water produced.

Table 2: Growth Ambition of the 15 Sachet Water Company Managers in Minna

<table>
<thead>
<tr>
<th>S/N</th>
<th>Growth ambitions</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Increase in profits</td>
<td>7</td>
<td>46.7</td>
</tr>
<tr>
<td>2</td>
<td>To become the best sachet water company in Niger State.</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>Employ more workers</td>
<td>2</td>
<td>13.3</td>
</tr>
<tr>
<td>4</td>
<td>Produce own packaging material</td>
<td>2</td>
<td>13.3</td>
</tr>
<tr>
<td>5</td>
<td>Increase product range</td>
<td>1</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>15</td>
<td>100</td>
</tr>
</tbody>
</table>

Internal barriers hindering business growth and strategies to overcome them

Table 3 presents the internal barriers to business growth identified by the 15 managers, as well as the strategies developed to overcome them. Almost half of the managers identified employees’ negative attitudes towards work as the biggest internal barrier to growth. Four strategies were developed by the managers to overcome this major barrier: 1) Improved communication, 2) Family atmosphere, 3) Improved reward system and 4) Punitive measures.

Two managers felt that improving communication with their employees, they would all be on the same page, and this would hopefully improve their attitude towards work. For example one manager said “The main strategy I have implemented to overcome employees’ negative attitudes to work is by communicating clearly my company’s aims and objectives to my employees”. On the other hand, two other managers identified the creation of a family atmosphere at the workplace as an effective means of improve employee motivation; one of them said: “The major strategy that I have implemented to overcome my employees’ negative attitudes towards work is unity and what do I mean by unity? I have to create an environment of one happy family working together to achieve a single purpose.”

Finally, two managers decided to adopt a “carrot” approach by introducing a new reward system to motivate employees to work harder, whilst one manager adopted a “stick” approach by introducing a new punitive measure to deal with employees who were lazy. Representing the former approach, one manager said, “the main strategy I have implemented to overcome my employees’ negative attitudes toward work is the introduction of reward system. From time to time, I provide some working incentive like bonuses and providing other financial assistance to my workers”. As for the “stick” manager, he said, “the main strategy I had to implement to overcome my employees’ negative attitudes towards work was the introduction of a new punishment system in the sense that any employee who is absent from work or who is not punctual to work without any good reason, some percentage of his /her salary will be deducted”.

Understanding and Overcoming Barriers to Small Business Growth: Nigerian Evidence

Friday Ogbole, Umaru Zubairu, Afisat Ayorinde, Mohammad Dokochi

192
Table 3: Internal barriers to business growth and strategies to overcome them

<table>
<thead>
<tr>
<th>S/ N</th>
<th>Internal barriers</th>
<th>Frequency (%)</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employees’ negative attitudes towards work</td>
<td>7 (46.7)</td>
<td>-Improved communication</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-Family atmosphere</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-Improved reward system</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-Punitive measures</td>
</tr>
<tr>
<td>2</td>
<td>Lack of machinery</td>
<td>3 (20)</td>
<td>-Proactivity</td>
</tr>
<tr>
<td>3</td>
<td>Inappropriate distribution/marketing strategies</td>
<td>3 (20)</td>
<td>-Redrafting business plan</td>
</tr>
<tr>
<td>4</td>
<td>Lack of capacity</td>
<td>2 (13.3)</td>
<td>-Employ more workers</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>15 (100)</td>
<td></td>
</tr>
</tbody>
</table>

Three managers complained about a lack of modern machinery as their biggest internal challenge. To overcome this barrier, proactiveness was identified as a viable strategy. For instance, one of the manager said “The main strategy that I think I implemented to overcome my lack of machinery was to be proactive in the sense that I ensure that the few machines that I have are properly maintained before they break down.”

Another three managers cited ineffective distribution and marketing strategies as their biggest internal challenge. To overcome this barrier, they had to re-examine their business plans and develop more realistic distribution and marketing strategies. One manager explained this as follows: “The main strategy I have developed to overcome the problem of inappropriate distribution/marketing strategies is to re-draft my company’s business plan because what we put in place before as distribution and marketing strategies were not actually feasible.”

Two managers felt that they lacked the capacity to produce and store the maximum number of sachet water packs that would enable them to meet their profit margins. They felt that employing more workers would help solve these problems; one of the managers explained this point as follows: “The main strategy I have developed to overcome the fact that my factory’s capacity is limited is to employ more workers in the area of packaging and selling as much of my product as possible immediately after production, so that there is no need to store them.”

External barriers hindering business growth and strategies to overcome them

Table 4 presents the external barriers to business growth identified by the 15 managers, as well as the strategies developed to overcome them. Six of the managers (40%) identified weather conditions as their biggest external barrier to growth. This was because during the rainy season, sales declined as people did not drink as much water compared to the dry season when the weather is very hot. To offset low sales during the rainy season, managers understood that they needed to save a portion of profits made during the lucrative dry season.

Table 4: Internal barriers to business growth and strategies to overcome them

<table>
<thead>
<tr>
<th>S/ N</th>
<th>External barriers</th>
<th>Frequency (%)</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Weather conditions</td>
<td>6(40)</td>
<td>-Saving money during the dry</td>
</tr>
</tbody>
</table>

Understanding and Overcoming Barriers to Small Business Growth: Nigerian Evidence

Friday Ogbole, Umaru Zubairu, Afsat Ayorinde, Mohammad Dokochi
On the other hand, three managers (20%) felt that the main external barrier to their growth was the market competition. As mentioned in the methodology section of this paper, there are 119 registered sachet water companies in Niger state, so competition is fierce amongst these companies. To reduce the impact of competition, the managers formed a union to regulate the selling price of each bag of sachet water.

Two of the managers identified compliance with cumbersome and expensive government regulations as their main external barrier to growth. The managers admitted that the best strategy to deal with this barrier was too comply so as to avoid paying extra fees as penalties. Two other managers identified the lack of regular supply as their biggest obstacle in achieving their growth ambitions. To overcome this obstacle, they resorted to the use of alternative power supply such as generators and solar power.

Finally, the deplorable state of government roads in Minna was the biggest external barrier to growth for two of the managers interviewed. In order to mitigate the problem of bad roads which caused damaged to the company’s delivery vans, thus increasing overall selling costs, one manager offered customers a discount if they came to the factory themselves to purchase the water. This would limit the amount of time his vans were on the bad Nigerian roads, reducing maintenance expenses on these vans, and thus reducing overall costs of distribution.

### Implications of the findings

The findings of this study have three major implications. Firstly, it provides evidence on how resilient, resourceful and innovative Nigerian SMEs have to be to have any chance in an environment that is not conducive for sustainable SME growth. The use of alternative power supply, discounts to attract customers to come to the factory and saving during the rainy seasons are just a few examples of strategies Nigerian SMEs have to adopt.

Secondly, the findings provide an opportunity for SMEs to learn from one another. Specific strategies to combat internal barriers such as improved communication and the use of positive and negative reinforcement can help SMEs perform better in a competitive market place. Finally, the findings revealed that government policy makers really need to improve the business climate in the country of all the rhetoric about the importance of SMEs can truly be realized in the country. Good roads, constant power supply and other basic infrastructure must be in place in addition to the formulation of small business friendly policies if the lives of the Nigerian citizenry are to be enhanced through entrepreneurship.

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*Understanding and Overcoming Barriers to Small Business Growth: Nigerian Evidence*

Friday Ogbole, Umaru Zubairu, Afsat Ayorinde, Mohammad Dokochi
V. CONCLUSION

This study investigated the barriers to the growth of sachet water companies in Minna, Niger State. It also sought to understand the strategies the company managers utilized to overcome or at least mitigate the impact of these barriers. Interviews of 15 managers revealed that the main internal barriers to growth was unmotivated employees, lack of modern machinery and lack of storage capacities, while the main external barriers were weather conditions, lack of steady electricity and bad roads. Strategies such as creating a family atmosphere, saving money during profitable period and using alternative power supply were a few examples of techniques this business had to develop in an environment that is not conducive to business growth. Government has a key role to play in enhancing SME growth in the country by providing crucial entrepreneurial infrastructure such as good roads, steady power supply, and conducive policies.

The study had one major limitation which future studies can address: The study focused only on 15 registered sachet water companies in Minna and there are 119 registered sachet water companies in Minna and this limits the generalizability of the results as other sachet water companies were not considered. Future researchers can include more companies in their sample size so as to obtain more insight into the barriers to the growth of SMEs in Nigeria.

This study confirmed the brutal reality of doing business in Nigeria: Any SME who wants to survive in Nigeria must continually develop and modify its internal and external strategies to remain relevant in a highly competitive and un-conducive business landscape in Nigeria.

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Understanding and Overcoming Barriers to Small Business Growth: Nigerian Evidence

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**Understanding and Overcoming Barriers to Small Business Growth: Nigerian Evidence**

Friday Ogbole, Umaru Zubairu, Afsat Ayorinde, Mohammad Dokochi

196


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*Understanding and Overcoming Barriers to Small Business Growth: Nigerian Evidence*

Friday Ogbole, Umaru Zubairu, Afisat Ayorinde, Mohammad Dokochi