

THE ROLE OF GOVERNMENT AND PRIVATE INITIATIVES IN ENTERPRENEURSHIP

PRESENTATION BY

**BANK OF INDUSTRY (BOI) LIMITED
AT**

WORKSHOP ON ICAN ENTREPRENEURSHIP LAUNCHING PROGRAMME

**ORGANISED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
NIGERIA**

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WEDNESDAY, FEBRUARY 24, 2016**

Introduction: Entrepreneurship & Entrepreneur

Entrepreneurship – Process of designing, launching and running a business, i.e. a company offering a product, process or service.

Capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit.”

The Entrepreneur

- ❑ Person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk.
- ❑ Person who employs productive labour.

Neil Patel (*Helped companies like Amazon, NBC, GM, HP and Viacom grow their revenue.*):

1. **Quit your job.**

- If that job is keeping you from a successful path towards entrepreneurship, maybe it's time to quit.
- Entrepreneurship isn't about taking a big risk. It's about taking thousands of small risks. Your first risk could be to quit your job.
- You might discover something shocking: Risk catalyzes you to do explosive things. Suddenly, you're there — no job, no security, no safety net, no retirement plan.
- You're in charge of your destiny. And you have all the time in the world to bring your passion to fruition.
- You are on your way to financial freedom!!!*

2. Find a mentor

❑ Many potential entrepreneurs don't have mentors, either because they don't realize they need them or because they don't know where to find one.

❑ If you have entrepreneurial passions but haven't made progress toward your goal, seek out a mentor, and things might change.

3. Connect with other entrepreneurs

❑ Jim Rohn once said: *"You are the average of the five people you spend the most time with"*.

❑ If you hang out with positive, encouraging, driven entrepreneurs, you will change — becoming more positive, more encouraged, and more driven.

❑ If you are surrounded by entrepreneurs, you'll probably catch the bug. You may begin small, but eventually, you'll realize that you have the desire, passion, and ability to start a business as well.

4. Sell whatever you're good at

- Entrepreneurs don't just create stuff. They sell stuff.
- They sell themselves, ideas, products, a dream, their vision.
- One easy way to jumpstart your selling skills is to sell whatever skill you have.

5. Spend 90 minutes a day on your business idea

According to the science of energy management, we do our best work in 90-minute cycles. This natural rhythm makes it possible for us to be incredibly productive in short bursts.

If you spend just 90 minutes daily on your personal business plan, you will go places. You can develop a business plan in 90 minutes!

6. Grow your personal brand

One of your most valuable assets is your personal brand. It gives you a platform, credibility, an audience, and even a sales funnel.

7. Purchase education

Some people never develop into entrepreneurs because they don't take the time to invest in themselves.



SMEs AS THE PATH TO FINANCIAL FREEDOM

- ❖ **Small and Medium Enterprises (SMEs):**
 - ❑ Acknowledged for their ability to propel the economic growth, productivity and competitiveness – **37 million MSMEs in Nigeria (SMEDAN/NBS)!**
 - ❑ High propensity for job and wealth creation – **Half of Nigeria's GDP; Employing 60 million people (84% Of total labour force)!**
 - ❑ Major catalyst for rapid industrial development and dispersal.

- ❖ **The United Nations Conference on Trade and Development (UNCTAD) summarized the roles of SMEs as follows:**
 - ❑ Promotion of national and regional development through local resources mobilization, generation of employment and creation of wealth.
 - ❑ Poverty alleviation and a more equitable distribution of income and opportunities through empowering specific groups of people such as women and youths or those on the margins of society.
 - ❑ Provision of a more flexible, innovative and competitive economic structure, as SMEs have considerable competitive advantage over larger enterprises, which enable them to respond more quickly and effectively to changing global trends.
 - ❑ Easily amenable to structural adjustments in response to technological development and they have revealed the ability to absorb lay-offs occasioned by large enterprises.

- Poorly conceived Business Model/Absence of bankable Business Plan
- Lack of relevant skills /experience
- Absence of corporate governance and sound management
- Poor record keeping systems
- Inability to meet Collateral and Equity contribution requirement.
- High transaction cost (processing time and cost of C of O, Consent to mortgage, company registration, etc.).
- High interest rate.
- Lack of enabling supporting infrastructure
- Relatively Poor understanding of SMEs by most financial institutions
- Lack of access to quality support services
- The prevalence of insincerity among business promoters.
- Business promoter's reluctance to open up their businesses to outsiders.
- Policy inconsistencies
- Multiple Taxation.

THE ROLE OF GOVERNMENT

- The role of Government is mainly to provide the **enabling environment** for enterprises to thrive particularly in the areas of:
 - ❑ High transaction cost - (processing time and cost of land title documents, Consent to mortgage, company registration, etc.).
 - ❑ Provision of basic infrastructure (power, roads, water, etc.)
 - ❑ Policy inconsistencies
 - ❑ Multiple Taxation
 - ❑ Speedy dispensation of justice by the judiciary in respect debt recovery cases instituted by lenders.

THE ROLE OF GOVERNMENT AGENCIES: BOI EXAMPLE

As an agency of Government, the role of Bank of Industry (BOI) in entrepreneurship promotion is guided by **Government's economic development objectives** with focus on the following:

❖ Structured industrialization of the country through the stimulation and development of SMEs geared towards:

Expansion/diversification

Pro-employment

Local Raw Material Utilization

Export potentials

Cluster development

Continuous **advocacy** to Governments and relevant government agencies on the need to remove or reduce to the barest minimum fees being charged SMEs in the country in a bid to reduce cost of doing business.

FUNDING PRODUCT OFFERING

- National Automotive Design and Development Council (NADDC) Fund
- Rice Processing Fund
- Cotton, Textile and Garmenting Fund
- Sugar Fund
- BOI/Dangote Fund
- CBN Intervention Fund on SME , Power & Aviation
- MSME Development Fund in collaboration with State Governments
- Lending under Product Programs
- Graduate Entrepreneurship Fund (GEF) – For serving members of the NYSC

FUNDING PRODUCT OFFERING

Financial support to enterprises is usually provided under some of the following products and services offered by the Bank:

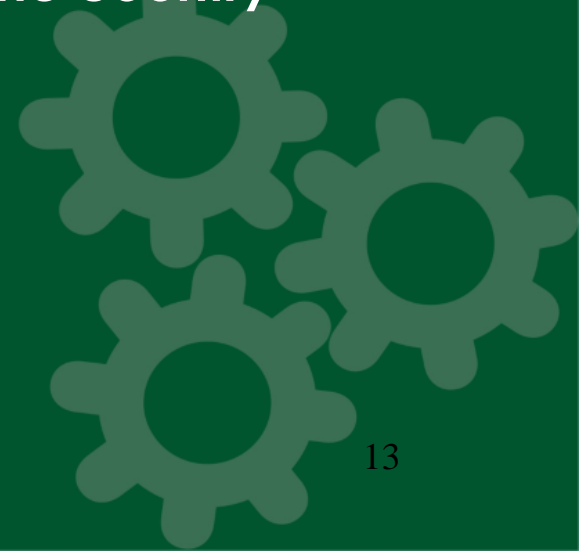
- Term Loans
- Working Capital Loans
- Micro Enterprises Loans – Bottom of the Pyramid Scheme through Micro Finance Banks.
- Small and Medium Enterprises (SME Loans).
- Large enterprises (LE Loans)
- Leasing [Lecon Financial Services].
- Business Advisory, Investment and Trusteeship [BOI - Investment & Trust Company Ltd].
- Insurance Brokerage Services [Industrial and Development Insurance Brokers]

BOI's SME DEVELOPMENT INITIATIVES

- ❑ Engagement of 200 Business Development Service Providers (BDSPs)
- ❑ Partnering with 10 SME-Friendly Commercial Banks: to provide working capital for its SME customers at a negotiated interest rate of Monetary Policy Rate (MPR) + 6%.
- ❑ Branch Expansion: from 7 to 16 in order to bring its services closer to SMEs nationwide.
- ❑ Process Automation: - to enhance service delivery efficiency to the Bank's customers by drastically reducing process down time.
- ❑ Accreditation of Audit Firms, Estate Valuers and Insurance Companies to provide professional services at reasonable costs for SMEs customers.
- ❑ Digital Products:
 - ❖ SME Mobile App
 - ❖ SME Accounting Application (SAAPP) Software
 - ❖ Online Loan Application Portal (www.boi.ng/apply)
 - ❖ Online Loan Application Tracking Portal
 - ❖ SME Customer Portal

□ Collaboration with Research Institutions in the Country - to expose SMEs to modern indigenous and innovative technological developments for greater efficiency and competitiveness. The research institutes include the Federal Institute of Industrial Research, Oshodi (FIIRO), National Agency for Science and Engineering Infrastructure (NASENI), Project Development Institute (PRODA), etc.

□ SME Product Programs - 35 SME Clusters identified in the country



S/N	PRODUCT CLUSTER
1	Adire (Tie and Dye)/Aso Oke
2	Animal Feeds
3	Aquaculture
4	Bakery
5	Blocks and Interlocking Stones
6	Ceramics & Tiles
7	Cosmetics (Shea Butter, etc.)/Hair Products
8	Dairy
9	Digital Printing/Multimedia Publishing
10	E-Commerce/Information & Communications Technology (ICT)
11	Fashion/Garmenting
12	Fish Smoking/Drying/Cold Storage
13	Food Processing (comprising processing of agricultural products)

SME CLUSTERS.....

S/N	PRODUCT CLUSTER
14	Foundries/Metal Fabrication/3-D Printing
15	Furniture/Wood Processing
16	Gemstones
17	Greenhouses
18	Groceries Packaging
19	Laundry and Dry Cleaning
20	Leather/Footwear
21	Light Manufacturing (Paper Products/Packaging, Paint, Roofing Sheets, Lube Blending, Cotton Processing, etc.)
22	Liquefied Petroleum Gas/Compressed Natural Gas
23	Meat Processing
24	Mechatronics/Autocare
25	Health Care (Medical Diagnostics Laboratory/Orthodontist/Ophthalmology/Physiotherapy)
26	Movie Production (Nollywood)
27	Plastics



SME CLUSTERS.....

S/N	PRODUCT CLUSTER
27	Quick Service Restaurants
28	Quarries
29	Recycling
30	Solar (off grid)
31	Technical/Vocational Schools with City & Guild Certification
32	Theme Parks
33	Water/Beverage Packaging
34	Water Transportation
35	Groceries Packaging

CONCLUSION

What can you do right now to launch your entrepreneurial journey?

Chinese proverb: *The best time to plant a tree was 20 years ago. The second best time is now.*

The best piece of advice I can give you is to *simply start, right now!*



Thank you

