

Imperative of SMEs to economic growth, by experts

By Roseline Okere

THE role of the Small and Medium Enterprises (SMEs) in economic development cannot be overemphasized.

Specifically, the SMEs sub-sector had resulted in the strengthening of businesses and entrepreneurial development in Nigeria.

However, its pivotal role, problems such as lack of access to capital, infrastructural decay and inconsistency in government policies had impeded the sector's growth.

As part of its mandate as a catalyst for advancing the global policy agenda on women's entrepreneurial development, the Federal Ministry of Women Affairs and Social Development, in conjunction with Bank of Industry (BOI) recently held a special boot camp for women entrepreneurs in Lagos where issues and challenges facing development of small and medium scale enterprises among women were discussed.

With the theme: "Accessing Business Tools and Services to Empower the Nigerian Women in today's challenging global economy," the conference was to explore women empowerment challenges and proffer solution to them.

Setting the ball rolling for discussion, the Minister of Women Affairs and Social Development, Mrs. Salamatu Hussaini Suleiman disclosed that to empower women entrepreneurs, two funding programmes; Women's Fund for Economic Empowerment and Business Development Fund for Women, have been created to assist them access soft loans at lower interest rates without the bureaucracies associated with bank loans.

Suleiman also said the Shelter for Victims of Gender Based Violence in the Federal Capital Territory (FCT) had been completed and urged states to replicate same to cater for immediate needs of victims of domestic violence.

According to her, the assistance of the institutions and NGOs in dissemination of information at the grassroots and mobilising support for women and children related issues have brought out the 'voicelessness' of women in a patriarchal society, which often threatens their ability to enjoy fundamental freedom.

Suleiman, who was represented by the Director General in the ministry, Hajia Fatima Hassan, stated that the collaborative programme with the state governments and non-governmental organisations is a demonstration of government's interest in addressing issues affecting women and other vulnerable groups, and improving the lives of all citizens irrespective of gender.

On women economic empowerment, she said several interrelated socio-economic factors have led to the poor economic status of a large segment of Nigerian women, such that 70 per cent of people living below the poverty line are women.

"To further boost economic empowerment through income generation activities among women, the ministry in collaboration with Nigeria Agricultural Co-operative and Rural Development Bank (NACRDB) has created a Women Fund for Economic Empowerment (WOFEE), which the state has benefited from," she disclosed.

Speaking also at the event, the Managing Director of Bank of Industry (BOI), Ms. Evelyn Oputu listed specific obstacles to women entrepreneurial development to include type of

education, lack of role models in women entrepreneurship, gendering of women entrepreneurship, weak social status, competing demands on time and access to finance.

She said the constraints affecting SMEs is the same with the challenges facing men entrepreneurs, "but women more intensively include a lack of access to financing, information, and productive resources and markets," she added.

She disclosed, "low levels of skills and knowledge can be more difficult for women since their double work burden and childcare responsibilities make them less able to attend formal and informal training than men."

Oputu stated that it was important to remove the constraints so that firms owned by women in Africa can grow into SMEs.

"Given the potential contribution of dynamic SMEs to economic growth, greater attention should be paid to both encouraging their development and identifying the factors that help them to ascend beyond the micro enterprise level."

She urged women entrepreneurs to examined both at the individual level (i.e. the choice of becoming self-employed) and at the firm level (the performance of women owned and managed firms) in order to fully understand the differences between men and women entrepreneur, since they play an effective role for contributing a mite to the economic development of the country.

"Women entrepreneurship must be molded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena," she added.

Delivering a paper titled: "Key Considerations for Starting & Growing Businesses in Africa," at the event, which was widely attended by women entrepreneurs, President of Lark-Horton Global Consulting, a Washington D. C base consulting firm, Dr. Sharon Freeman focused on developing strategies to promote the growth and export development potentials of small, minority and women owned firms in different regions of the world.

Freeman educated the women on the important things to take cognizance of in their quest to start a business.

She said, "an entrepreneur should first of all know the type of product to be engaged in. Who will be your customers, who are the owners and what do you think the future holds for your business and your industry?"

She advised, "if applying for a loan, state clearly how much you want, how you are going to use it, and how the money will make your business more profitable repayment."

She said that there is need for women entrepreneurs to identify their targeted customers, their characteristics, and their geographic locations, otherwise known as their demographics.

Freeman added, "what products and companies will compete with you? List your major competitors. Will they compete with you across the board, or just for certain products, certain customers, or in certain locations? Will you have important indirect competitors? How will your products or services compare with the competitors?"

Also, the Director of the Office of Partnerships and Grant Services, Mr. Lafayette Barnes urged entrepreneurs to determine their organisation's funding goals and priorities, and identify potential funders that match their programme needs.

He added, "know the funder's history and grant requirements, develop an effective cultivation strategy for the funder, make a realistic request of grant support in your proposal, prove you have the capacity to effectively manage the grant, keep good communications and relations with the funder and develop a plan to sustain your programme after the grant ends."