UNIVERSITY OF LAGOS
ENTREPRENEURSHIP AND SKILLS DEVELOPMENT CENTRE (ESDC)

ENT 211: ENTREPRENEURSHIP AND INNOVATION

BY

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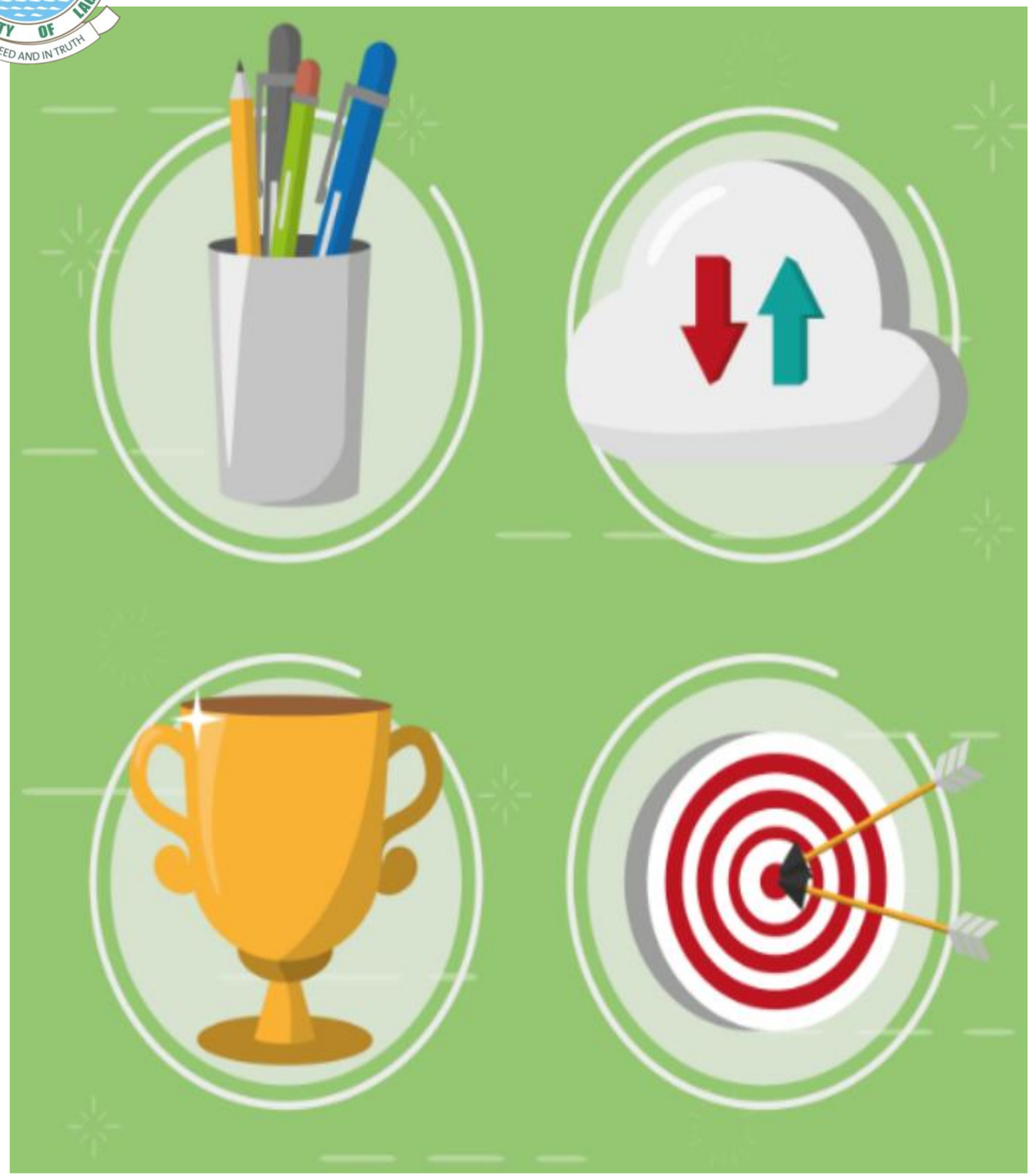
WEEK 1

Concept of Entrepreneurship

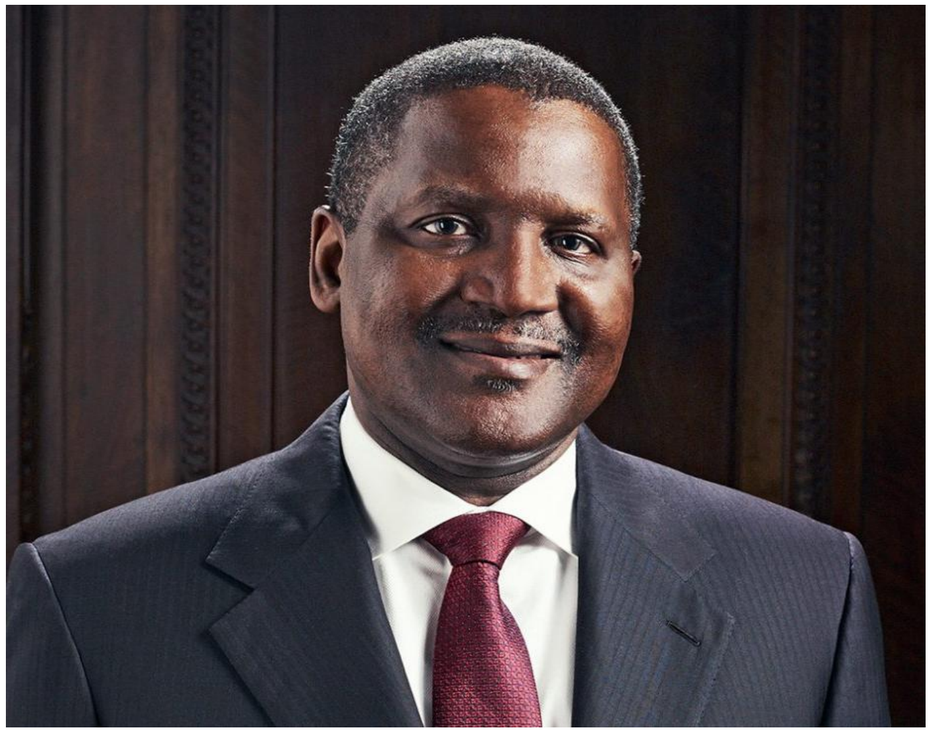


LEARNING OBJECTIVES

By the end of this lesson, you should be able to:

- Define Entrepreneurship.
- Describe the Scope and Dimensions of Entrepreneurship.
- Understand the Characteristcs of an Entrepreneur
- Understand the Dimensions of Entrepreneurship

INTRODUCTION





- A young man at 21 years old from Kano State started a small trading business with a loan from his uncle.
- He bought and sold sugar, rice and cement delivering goods himself to customers.
- Over time, he noticed that Nigeria imported almost every products it consumed, he saw a **bigger opportunity**- Produce locally what the country was importing.
- He took the **bold step** into manufacturing starting cement. Today his companies produces cement, sugar, salt, pasta, fertilizer, petroleum products, creating jobs and transforming industries.
- **Aliko Dangote** shows that entrepreneurship begins with **spotting opportunities, taking risks and creating value** that meets national needs.

WHAT DOES ENTREPRENEURSHP CONNOTE?



- **What is Entrepreneurship?** Entrepreneurship is the process of **identifying opportunities, mobilizing resources, creating innovative products or services and taking risks to generate value and achieve profit.**
- It is the **mindset** and process of **discovering problems**, designing **innovative solutions** and delivering **value** to society, markets or organisations.
- In Simple Terms: Entrepreneurship= Opportunity + Innovation + Value Creation + Risk

SCOPE OF ENTREPRENEURSHIP

Technological

- Tech-driven solutions. Example, Paystack and Flutterwave revolutionizing digital payments

Social Entrepreneurship

- Innovative solutions to solving social problems, Example; *Leap Africa* tackling youth development challenges.

Agricultural

- Innovative ideas to agriculture for profit. Example: *FarmCrowdy* using Crowdfunding for farming

Educational

- Innovation in teaching, learning and educational services. Example: uLesson

OTHER SCOPE OF ENTREPRENEURSHIP

Creative Entrepreneurship

Creativity, talent and cultural expressions to produce value, e.g. Nollywood film, music and fashion brands

Corporate Entrepreneurship

Innovative activities carried out inside large organisation to create new products, services or processes e.g. MTN MoMo, Gmail at Google

International Entrepreneurship

Activities across national borders- exporting, expansion &foreign partnership, e.g.Dangote Cement in 10 African countries

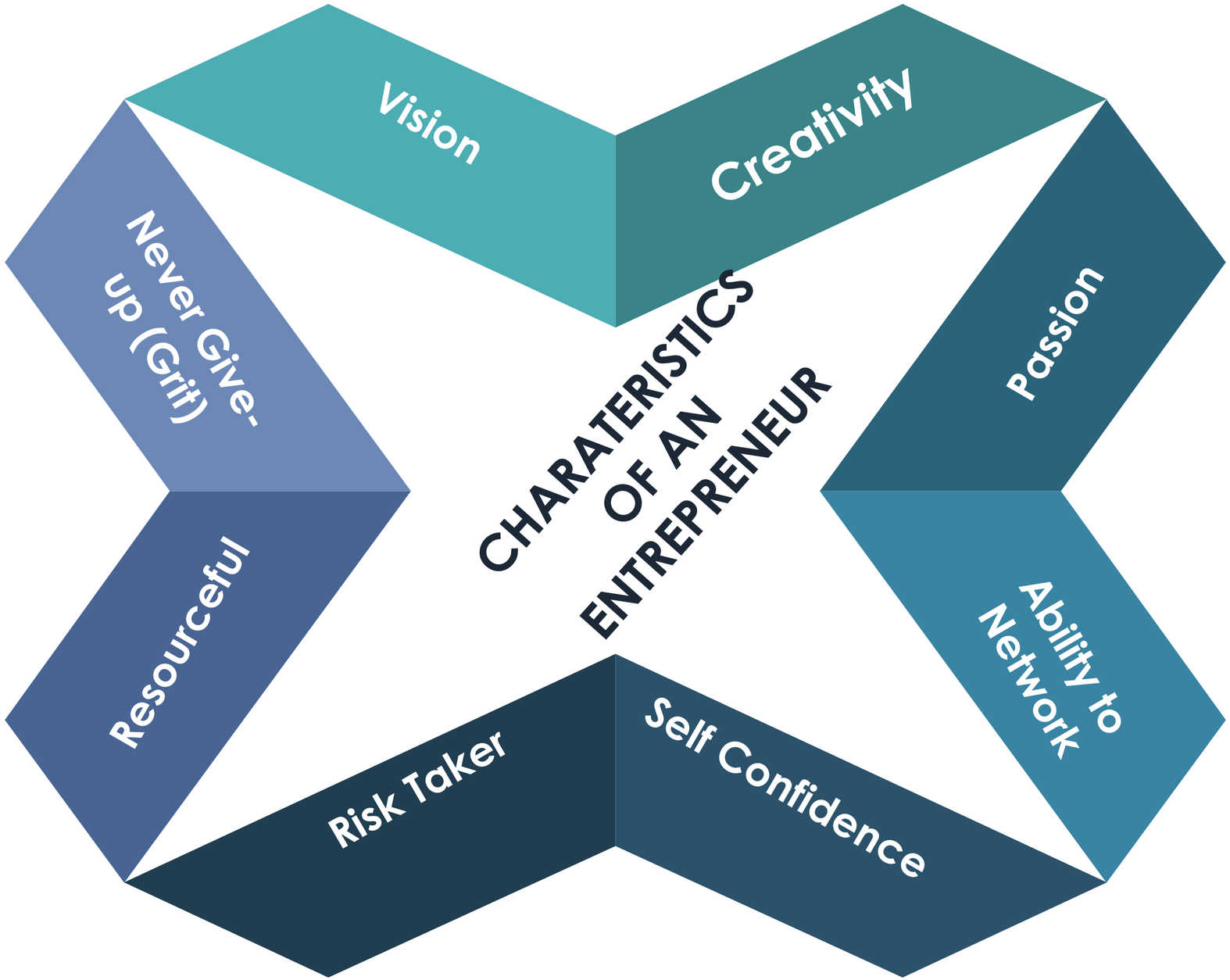
Public Sector (Government)

Innovating within the public agencies to improve service delivery e.g. Digital tax collection systems, online passport application portals

Green/Environmental

Developing solutions that protect the environment or promote sustainability e.g. Sahara Energy Renewable Project.

CHARACTERISTICS OF AN ENTREPRENEUR



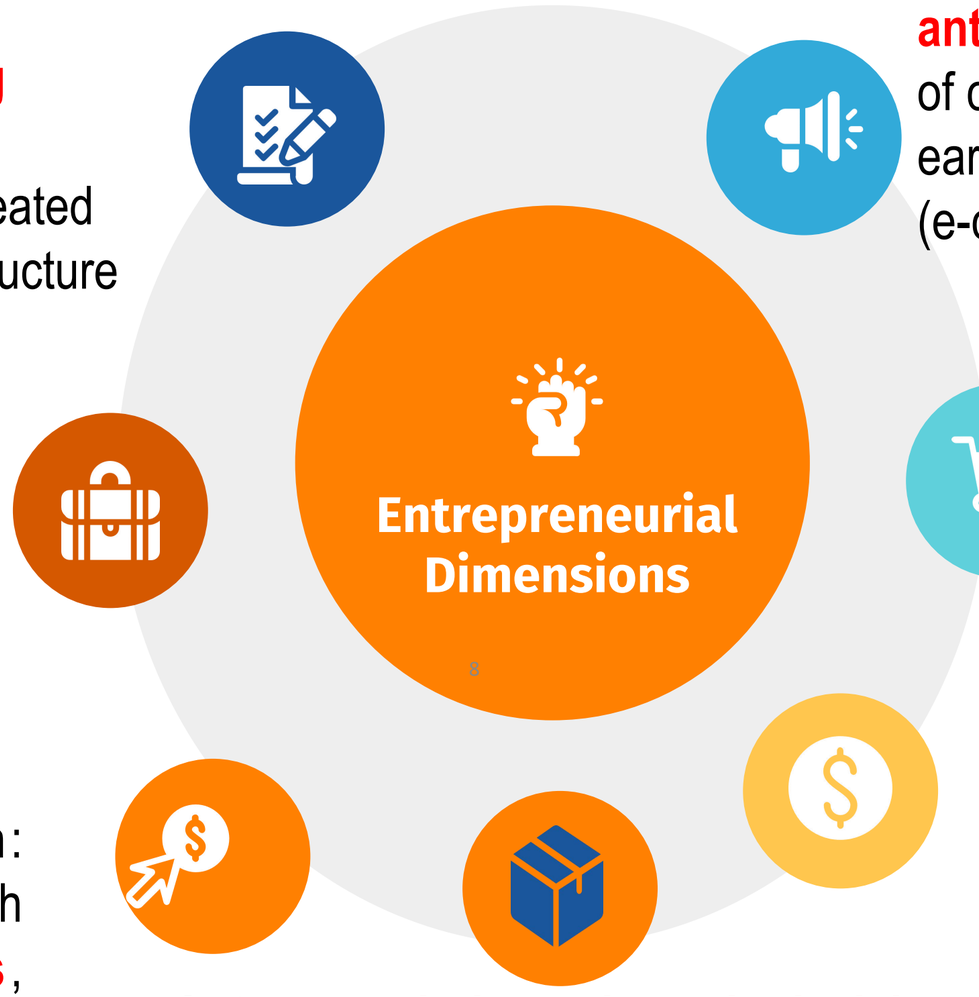
DIMENSIONS OF ENTREPRENEURSHIP

Entrepreneurship has several dimensions that describes behaviours, processes and characteristics that drive entrepreneurial activity;

Innovativeness: **Creating something new** or **improving existing** products, services or processes e.g. Flutterwave created an innovative payment infrastructure

Risk taking: Entrepreneurs **take calculated risks** in uncertain environments. e.g. Dangote invested in local industries despite import dominance and market uncertainty

Opportunity Recognition: Entrepreneurship begins with **identifying unmet needs**, market gap or solutions to problems e.g. Flutterwave innovative payment structure.



Autonomy: **independence in decision-making and control** over their goals and action e.g. startup founders starting enterprises

Proactiveness: Entrepreneurs **anticipate the future trends**, acts ahead of competitors, and seize opportunity early, e.g. Sim Shagaya pioneered Konga (e-commerce) online shopping

Value Creation: **create value** - economic, social or environmental e.g. FarmCrowdy connected farmers with digital funding and agricultural support.

Resource Mobilisation: Entrepreneurs know how to **gather and manage** the resources needed to bring ideas to life. e.g. Tony Elumelu turned UBA into a global bank

REFLECTION CASE



- Tunde noticed that in his neighborhood, people often struggled to find clean, affordable drinking water. Many relied on bottled water, which was expensive or unsafe local sources. He decided to start a small business producing purified bottled water.
- He rented a small space, bought equipment, hired staff and marketed his product to local shops and households. Within a year, his business became profitable, and he started expanding into nearby towns.

Required

i. Identify the opportunity Tunde recognised.

ii. What resources did Tunde mobilise to start his business?

iii. What risks did Tunde take in this venture?

iv. How did Tunde create value for the community

Further Reading

1. *Entrepreneurship and Innovation ToolKit by Lee Swanson*
2. *Introduction to Entrepreneurship by Katherine Carpenter, KPU Open Education*



WEEK 2 & 3

Entrepreneurship Traits

ENTREPRENEURIAL TRAITS

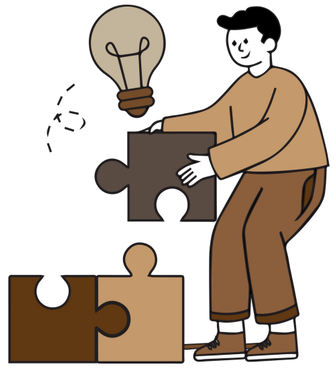
Entrepreneurship is not just about starting a business; it’s a mindset and a process of creating value by identifying opportunities, taking risks, and innovating.



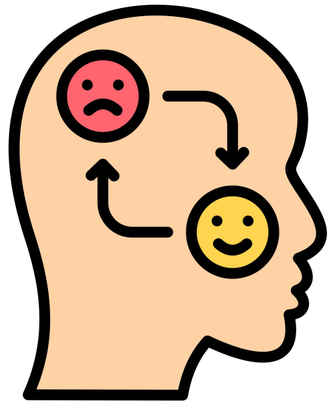
Opportunity seeker



Risk-taker



Problem solver



Change agent

THE OPPORTUNITY SEEKER

The ability to identify and capitalize on market gaps or unmet needs. It involves market awareness, proactiveness, and visionary thinking.



Sim Shagaya saw the low penetration of formal retail and the growing internet use in Nigeria. He identified the opportunity for a trusted online marketplace, leading him to found **Konga**, one of Nigeria's earliest e-commerce giants

Opportunity-seeking isn't about waiting for a "eureka" moment. It's about actively looking for frustrations and inefficiencies around you. Sim Shagaya didn't invent e-commerce; he applied it to the specific challenges and opportunities of the Nigerian market.

THE CALCULATED RISK-TAKER

Willingness to take calculated risks after assessing potential downsides. It involves risk assessment, tolerance for failure, and a high-risk, high-reward mindset.

Aliko Dangote invested heavily in cement production and Oil & Gas in Nigeria when others were skeptical about local manufacturing capacity. This calculated risk built a multi-billion-dollar industrial empire



Dangote's risk was calculated. He understood Nigeria's infrastructure deficit and bet on the long-term need for local production. Entrepreneurial risk is about managing uncertainty, not eliminating it.

THE PROBLEM SOLVER & THE CHANGE AGENT

A solution-oriented mindset focused on fixing inefficiencies and driving change, often creating social impact.
Entrepreneurs thrive on solving real problems.



Dr. Akintonwa Oluwayemisi (DentistAtYourDoor): Solved the problem of dental care access in traffic-heavy Lagos by launching the first mobile dental clinic.

Chinedu Azodoh (MAX.ng): Solved the problem of unsafe, informal motorcycle taxis (“okada”) by creating a tech-enabled, safer, energy-saving and more reliable ride-hailing and delivery service



The most sustainable businesses solve a persistent problem. Dr. Oluwayemisi didn’t just complain about the traffic in Lagos; she built a mobile clinic to bring the service to the people. That’s being a change agent.

ARE ENTREPRENEURS BORN OR MADE? (NATURAL VS. NURTURED)

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The "Natural Traits (Born)" Argument:

Some people have high energy, natural charisma, and high risk tolerance from birth. For some, inherent qualities like resilience, creativity, or extraversion appear early.

The "Nurtured Traits (Made)" Argument:

Skills developed through education, mentorship, and experience:
Accounting, management, marketing, and emotional intelligence are learned skills.

The Igbo Apprenticeship System (Igba Boi)

The world's largest business incubator is right here in Nigeria.



Young people are picked (often with no capital).



They are nurtured through years of mentorship.



They are "settled" (funded) to start their own.

If entrepreneurship was only natural, the Igba Boi system wouldn't have a near 100% success rate. It proves entrepreneurs can be made. It is the perfect example of Nurture. These boys aren't born knowing the price of spare parts. They are taught trade, negotiation, and supply chain management.

Assess Your Entrepreneurial Profile

Problem-Solving

How quickly do you move from identifying a problem to brainstorming solutions?

Risk Tolerance

How comfortable are you with calculated, uncertain outcomes?

Creativity

How easily do you generate new ideas or unconventional approaches?

Opportunity Seeking

How often do you spot problems or gaps around you?

Resilience

How do you bounce back from setbacks?

INNOVATORS AND CREATIVE THINKERS

Innovation introduces new products, services, or business models. Creativity is thinking outside conventional frameworks to develop unique solutions. Creativity involves having a better idea and innovation involves making it a reality.



Bolanle Austen-Peters (*Terra Kulture*): Reimagined the cultural space in Lagos, creating a vibrant hub for arts, dining, and theatre



Jason Njoku (iROKOtv): Revolutionized Nollywood content distribution by moving it online, solving piracy and access issues





Olugbenga Agboola & Iyinoluwa Aboyeji (Flutterwave): Solved payment challenge in Africa by providing a payment infrastructure for global merchants and payment service providers across the continent.



WEEK 4 & 5

Innovation and Change

By the end of this presentation, you will be able to:

- *Define innovation and explain its various dimensions.*
- *Analyse the relationship between knowledge and innovation.*
- *Apply the principles of change management to entrepreneurial ventures.*

CONCEPTS AND DIMENSIONS OF INNOVATION

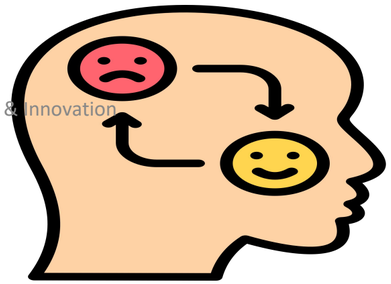
Innovation is the systematic practice of developing and marketing breakthrough products and services for adoption by customers (Mckinsey, 2022). Innovation is the successful implementation of new ideas that create value. It's not just invention; it's about making an idea work in the real world.

The Four Dimensions of Innovation:





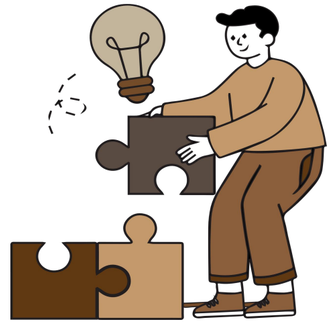
Product Innovation:
What you sell.



Process Innovation:
How you create it.



Market Innovation:
Who you sell to and how you reach them.



Organisational Innovation:
How you structure and manage your company.

DIMENSIONS OF INNOVATION

Product Innovation

Improving a product or creating a totally new one.



piggyvest

cowrywise

Cowrywise and **Piggyvest** took the traditional wooden Kolo (savings box) and moved it to an app with interest rates.

Process Innovation

Changing how a product is created or delivered to lower cost or increase speed.

Chowdeck

Glovo

Chowdeck and Glovo The innovation is the logistics process of using bikes/bicycles that allowed delivery in Lagos traffic within 30 minutes (beating the traffic).

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Market Innovation (New Targets)

Finding new markets or packaging for existing products.



The "Sachet Economy": Companies realized most Nigerians can't buy big tins of **Peak Milk**. Innovating the packaging (sachets) opened a massive market for low-income earners.

Organizational Innovation (New Structures)

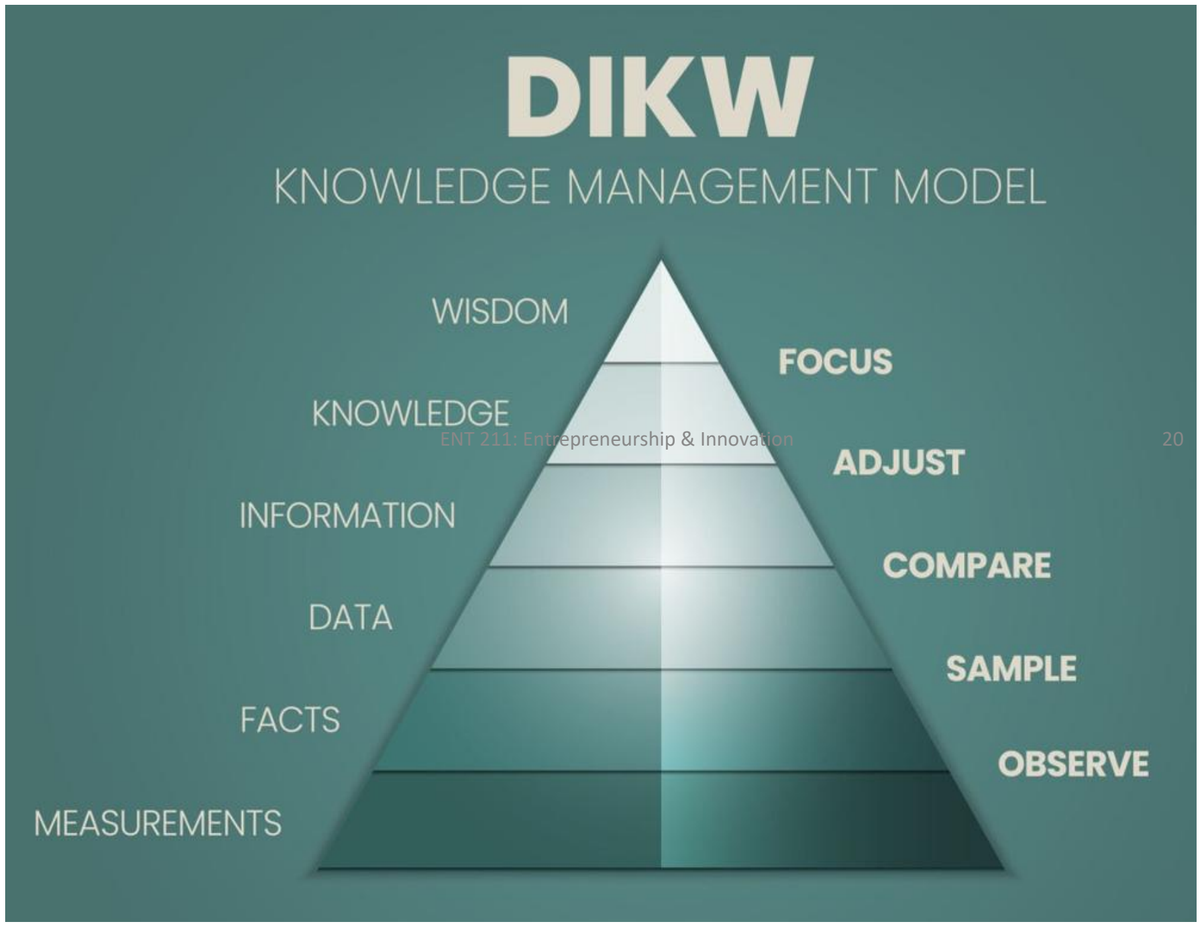
Changing workplace culture or structure.



Andela/Tech Startups. Moving from the "Oga must see you at your desk" mentality to a results-based culture where you can work from home.

KNOWLEDGE AND INNOVATION

Innovation doesn't happen in a vacuum. It is fueled by knowledge.
Knowledge Management (KM) is the systematic process of creating, sharing, using, and managing an organization's knowledge and information.



The Pyramid

- Data: Raw facts (e.g., "Rice is 80k per bag").
- Information: Context (e.g., "Rice price went up because of the border closure").
- Knowledge: Application (e.g., "I should switch to selling local rice or cassava alternatives").
- Innovation: Creating value from that knowledge.

Every trader in Balogun market has data (prices). Only the innovators use that data to predict what will sell next Christmas.

CHANGE AND INNOVATION

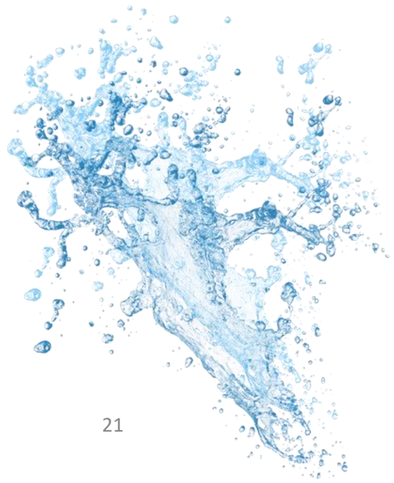
Naturally, humans are averse to change. They prefer "The Devil they know." Kurt Lewin proposed a 3-stage model for planning change.

Kurt Lewin's Model



Unfreeze

Realizing the old way (e.g., Kerosene stoves) is dangerous or expensive



Change

The messy transition to the new way (e.g., Switching to Gas Cylinders).



Refreeze

Making the new way the habit.

Remember when Lagos banned Okadas in certain areas? The "Change" phase was chaotic. People had to trek. Eventually, we "Refroze" into using buses or trekking. You cannot just announce innovation. You have to 'Unfreeze' people first—convince them why the old way is bad.

ADAPTING TO EXTERNAL CHANGE (THE PIVOT)



External shocks (Dollar rate, Fuel subsidy removal) force innovation.

A Case Study of Fuel Subsidy Removal (2023/2024)

- Reaction: Transport costs tripled.
- Innovation: Companies shifted to remote work (Organizational Change) or staff buses. Some mechanics started converting cars to CNG (Product/Process Change).

Lesson: Change is not always voluntary. Sometimes the economy forces you to innovate.



WEEK 6 & 7

Enterprise Formation: (Business Plan)

By the end of this presentation, you will be able to:

- Identify the different forms of business ownership in Nigeria.
- Evaluate the Advantages and Disadvantages of each ownership type.
- Develop the outline of a simple business plan.

BASICS OF A BUSINESS PLAN

A business plan serves as a strategic roadmap detailing a company's goals and the methods to achieve them (Bank of America, 2025). A business plan is not just for investors; it's your foundational roadmap that forces you to think through every step, identify weaknesses early, and align your team. You don't need 50 pages, start with a clear, practical and brief mini plan.

Core Components of a Simple Plan:

Executive Summary: Summary of the plan

Company Description: What your company does?

Business Opportunity: What is the market potential?

Competitor Analysis: What makes you stand out?

SWOT Analysis: Strength, Weekness, Opportunities and Threats.

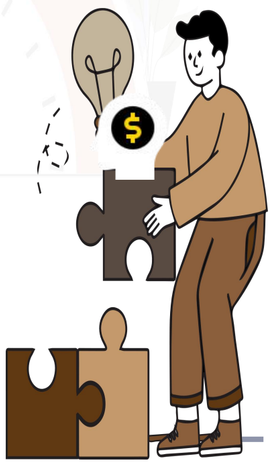
Revenue Model: How will you make money?

Financial Projection: Company's growth prediction

Team: How you structure and manage your company.

CASE STUDY

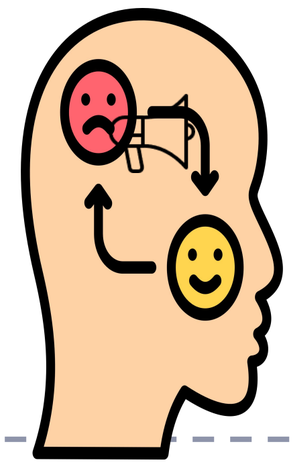
A Lagos-based Idea Mobile Laundry Service Startup (Swift Clean)



Students waste time and money on unreliable laundry services. We offer scheduled pickups, transparent pricing, and 48-hour turnaround.

Problem & Solution:

STAGE 2



Student-friendly pricing, free pickup/delivery on campus, and a loyalty points system.

USP

STAGE 4

Per-kg pricing, with discounted monthly "bulk" plans for hostels and couples.

Revenue Model

STAGE 6

STAGE 1

Business Idea:

On-demand laundry pickup and delivery via an app for students in Akoka and Yaba.

STAGE 3

Target Market:

15,000+ undergraduate students in UNILAG and YabaTech hostels.

STAGE 5

Go-to-Market

Campus ambassador program, targeted Instagram/Facebook ads, partnerships with student associations.

STAGE 7

Milestones (First 90 Days)

Launch app, onboard 200 customers, secure 1 hostel partnership.

FORMS OF BUSINESS OWNERSHIP

Sole Proprietorship



- A single owner with no legal difference between the owner and the business, meaning the owner has total control, keeps all profits, but also has unlimited personal liability for all debts and losses.
- It is simple to register and it is often called '**Business Name'.** Someone who owns an unincorporated business by himself or herself is a **sole proprietor** (Tyler, 2025).

FORMS OF BUSINESS OWNERSHIP



Limited Liability Partnership (LLP)

- A Limited Liability Partnership (LLP) is a business structure blending features of partnerships and corporations, offering partners limited personal liability for business debts and obligations, protecting their personal assets from business failures or co-partners' misconduct, while allowing flexibility in management (Beattie, 2025).
- It's a distinct legal entity with perpetual existence, separate from its members, enabling it to own property, sue, and be sued, making it ideal for professional services like law, accounting, or consulting.

FORMS OF BUSINESS OWNERSHIP



GENERAL PARTNERSHIP

- A general partnership is a business arrangement by which two or more individuals agree to share responsibilities, assets, profits, and financial and legal liabilities associated with a jointly-owned business (Bloomenthal, 2025).
- They are less expensive to form than a corporation and are common for small, trusted teams (e.g., a boutique firm run by spouses).

FORMS OF BUSINESS OWNERSHIP



COOPERATIVE OWNERSHIP

- A cooperative (co-op) is a business owned and democratically controlled by its members, who are also its customers, workers, or producers (Lip, 2024).

- Co-op focuses on meeting shared economic, social, and cultural needs rather than just profit, with profits often returned as patronage refunds or reinvested for member benefit. Key features include voluntary membership, equal voting rights (one member, one vote), collective management, and mutual benefit, differing from traditional corporations where control is based on share ownership. Types include consumer (grocery), worker (employee-owned), and producer (farmers pooling resources) co-ops.

COMPARING FORMS OF BUSINESS OWNERSHIP

Form of Ownership	Liability	Key Disadvantage	Best For	Key Advantage
Sole Proprietorship	Unlimited (Owner is the business)	Personal risk, hard to raise capital	Solo vendors, freelancers	Simple, low cost, full control
General Partnership	Unlimited (Partners are jointly liable)	Potential for conflict, shared personal risk	Small teams with high trust (e.g., family business)	Shared skills/resources, easy to form
Limited Liability Co. (Ltd)	Limited (To shares owned)	More complex/expensive to register & run	Most scalable startups, any business seeking investment	Protects personal assets, credible for investors
Cooperative	Varies	Can be slow to decide	Agricultural groups, credit unions, collective retail	Member-owned, democratic control



WEEK 8 & 9

Business Registration

By the end of this presentation, you will be able to:

- Understand what Business Registration means.
- Process of Business Registration.
- Common Pitfalls to avoid.

BUSINESS REGISTRATION IN NIGERIA

- Registering your business is a legal requirement within 28 days of starting.
- It gives your business a legal identity, protects your name, builds trust with customers and banks,
- It is essential for government contracts, and is needed to open a corporate bank account.



Name Protection



Legal Identity



Trust Building



Contracts

THE REGISTRATION PROCESS

- In Nigeria, business registration is managed by the Corporate Affairs Commission (CAC) under the Companies and Allied Matters Act (CAMA).
- As of 2026, the process is primarily completed online through the iCRP Portal.
  1. Choose & Reserve a Name: Have 2 alternative names. Check for and reserve an available name on the CAC portal.
  2. Complete Pre-Registration Form (CAC-BN01): Submit details online: business activity, proprietor/partner details (NIN, address, photo).
  3. Pay Filing Fees: Pay the prescribed fees online.
  4. Submit & Await Approval: CAC processes the application. If approved, you download your electronic Certificate of Registration and Certified Extract.

Post-Registration: You must then obtain a Tax Identification Number (TIN) from the Federal Inland Revenue Service (FIRS).

COMMON REGISTRATION PITFALLS TO AVOID

Based on common errors, here is how to ensure a smooth registration:



- ❌ Don't Skip the Name Search: Conflicting names cause rejection.
- ✅ Do: Conduct a thorough search and have backups.
- ❌ Don't Provide Inaccurate Information: Errors in documents cause delays.
- ✅ Do: Double-check all names, addresses, and NIN details.
- ❌ Don't Forget Tax Registration: It leads to penalties.
- ✅ Do: Proceed to FIRS for your Tax Identification Number immediately after CAC registration.
- ❌ Don't Miss Deadlines: You will be asked to pay a default fee after the 28-day grace period.
- ✅ Do: Register as soon as you decide to start the business.
- Consider Professional Help: For companies (Ltd), using a CAC-accredited agent can prevent costly mistakes



BUSINESS COLLABORATION









- **Partnership:** A formal business arrangement where two or more parties combine resources and share management responsibilities, profits, and liabilities for an ongoing business. The partners operate the business with a common view of making a profit.
- **Strategic Alliance:** A collaborative agreement between two or more independent organizations to pursue mutually beneficial goals while maintaining their autonomy. Alliances are generally more flexible and less integrated than JVs, often involving contractual agreements for specific activities like joint marketing, research, or distribution, without creating a new company. The Wintel (Microsoft and Intel) alliance is a famous example in the tech industry.
- **Joint Venture (JV):** A specific type of strategic alliance where the partnering firms create a new, jointly owned, separate legal entity to pursue a shared, often time-bound, objective. This structure allows companies to pool significant resources, share risks and costs, and access new markets or technologies they couldn't alone, with a clear legal and governance framework in place.
- **Networking**: The informal process of building relationships and connections with other professionals or businesses for potential future collaboration, information exchange, and career development. Unlike the other forms, networking does not involve formal agreements, shared capital, or a common business goal at the outset.

BUSINESS COLLABORATION COMPARED

In business, collaboration can be in form of partnerships, alliances, joint ventures, and networking, differing primarily in their formality, legal structure, and objectives. The main distinction lies in whether a new legal entity is formed and the level of integration and commitment involved.

Feature	Strategic Alliance	Partnership	Joint Venture (JV)	Networking
Formality	Formal agreement, but looser than a JV	Formal, typically long-term	Highly formal, contractual agreement	Informal relationship building
Legal Entity	No new entity created; partners remain independent	Single entity (two or more persons/companies)	Creates a new, separate legal entity, jointly owned	No new entity
Objective	Specific, mutually beneficial goals (e.g., R&D, marketing)	Ongoing general business for profit	Single, specific project or objective	Information exchange, relationship building, future opportunities
Risk/Control	Greater flexibility, less control/commitment than a JV	Shared management and liability	Pooled resources and shared risks/costs; shared control	Minimal financial risk

A SIMPLE 4-STEP NETWORKING PLAN

Goal:

What do you need?

It could be a technical co-founder for an app idea or feedback on a product from 10 potential customers



Identify Venues

- Online: Optimize your LinkedIn. Join groups like "Nigeria Tech Community".
- Offline: Attend events like Lagos Startup Week, Techpoint Build, or meetups at hubs like Hub One by FCMB in Yaba

Maintain

Nurture relationships. Share useful information, make introductions, and check in periodically.

Engage

Don't just collect cards. Offer value, ask insightful questions, and follow up within 48 hours with a personalized message.

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WEEK 10 & 11

Importance of Micro & Small Enterprise

By the end of this presentation, you will be able to:

- Define Micro and Small Enterprise, State the Characteristics of Micro and Small Enterprise and identify its community
- Distinguish between Micro and Small enterprise, State the role and importance of micro and small businesses in wealth creation, employment, financial independence and poverty reduction

DEFINITION OF MICRO ENTERPRISE



- A Micro Enterprise is a very small business operation that employs a minimal number of people and operate with low capital investment. It is often owner-managed and may be informal in nature.

- World Bank (2020) defines Micro Enterprises as firms with fewer than 10 employees.

- In Nigeria, SMEDAN (2017) defines micro enterprise as a business with;
- Less than 10 employees and
- Total Assets (excluding land and building) not exceeding N5million

CHARACTERISTICS OF MICRO ENTERPRISE

Low Start-Up Capital:
Requires minimal financial investment to start and operate

Limited Use of Technology
Rely on basic tools and manual processes rather than advanced technology



Owner-Dependent Operations: Business success is largely dependents on owners' skills, effort and decisions

Restricted Market Coverage:
Serve local or community-based markets rather than national or international markets.

Informal Business Structure:
Often operate without full registration or formal documentation

Limited Access to Credit: Face challenges accessing bank loans due to lack of collaterals and financial records

High Business Mortality Rate: More vulnerable to economic shocks, inflation, and policy changes.

EXAMPLES OF MICRO ENTERPRISES

1. Retail and Trading Micro Enterprises;

- Provision stores and neighborhood mini-shops
- Phone accessories and gadget sales outlets
- POS (point of Sales) agency businesses
- Small-Scale online vendors on Instagram, WhatsApp and Facebook

3, Service-Based Micro Enterprises

- Hairdressing salons and barbing shops
- Fashion designers and tailoring shops
- Laundry and dry-cleaning outlets
- Photography and videography

- **4. Manufacturing and Craft Micro Enterprises**
- Local soap and detergent producers
- Small-scale cosmetic and skincare producers
- Furniture and carpentry workshops
- Welding and metal fabrication shops

5. ICT and Creative Micro Enterprises;

- Freelance graphic design businesses
- Social media management services
- Content creation and digital marketing freelancers
- Small printing and business centre operators

2. Food and Beverages Micro Enterprises:

- Local food vendors (Bukaterias, roadside food sellers)
- Small bakeries producing bread and pastries‘
- Pure water (sachet water production Units)
- Small catering and home-based food services

6. Agriculture-Based Micro Enterprises

- Poultry farms with small stock size
- Fish farming (catfish and tilapia ponds)
- Vegetable and crop farming enterprises
- Agro-input retail sellers



Definition of Small Enterprise

- According to Small and Medium Enterprise Development Agency of Nigeria (SMEDAN, 2017), a small enterprise is defined as;
- An enterprise with 10-49 employees and total assets between N5million and N49million, excluding land and buildings

- The World bank (2020) defines a small enterprise as:
- A firm that employs 10-49 people.
- Organisation for economic Co-operation and Development (OECD) describes small enterprise as ;
- Firms that employ fewer than 50 people and operate with limited resources compared to large firms

CHARACTERISTICS OF SMALL ENTERPRISES

- Moderate Capital Base
- Formal Business Registration
- Structured Management Systems
- Improved Record-Keeping
- Better Access to Finance
- Wider Market coverage
- Use of Technology
- Higher Productivity Levels
- Growth and Expansion Orientation
- Employment of Skilled Labour
- Lower Business Mortality rate
- Compliance with Labour and Tax Laws



TYPES OF MICRO ENTERPRISES

1. Production and Craft Small Enterprises
- Shoe making and leather works
- Furniture carpentry
- Soap and detergent production
- Bead making and jewelry
- Local bakery or snacks production
- Small-scale tailoring

2. Service-oriented Micro Enterprises
- Hairdressing/barbing salon
- Laundry and dry cleaning services
- Mobile phone repairs
- Car wash businesses
- Catering and small food vending

3. Retail and Trading Micro Enterprises
- Small grocery or provision stores
- Roadside fruit and vegetable sellers
- Cosmetic and beauty products retail
- Recharge card and SIM card vending
- Keke/okada small transport business

TYPES OF SMALL ENTERPRISES

1. Manufacturing-Based Small Enterprises
- Small-scale food processing companies (e.g. packaged snacks, bread, fruit juice
- Furniture and carpentry workshops
- Soap, cosmetic and detergent production companies
- Garment and textile production companies

2. Service-oriented Small enterprises
- Private schools and tutorial centres
- Small hospital, clinics and diagnostic centres
- Accounting, auditing and consulting firms
- Logistics and courier service companies

3. Trade and commerce Enterprises
- Wholesale distribution businesses
- Supermarkets and mini-marts
- Import and export trading companies
- Building materials distribution firms

TYPES OF SMALL ENTERPRISES

4. ICT and digital Small Enterprises
- Software development companies
- Digital marketing agencies
- Web design and IT support firms
- Fintech startups operating on a small scale

5. Hospitality and Tourism Enterprises
- Hotels and guest houses
- Restaurants and catering services
- Travel and tour agencies
- Event management companies

6. Agriculture-based Small Enterprises
- Commercial farms (poultry, fishery, crop farming)
- Agro-processing firms (rice milling, cassava processing)
- Agricultural input supply companies

DISTINGUISHING BETWEEN MICRO AND SMALL ENTERPRISES

Micro Enterprises

- Less than 10 employees
- Moderate capital Investment
- Less than 5million naira (excluding land and buildings
- Sole proprietorship, often family-owned
- Owner-managed with no formal structure
- Mostly informal, limited registration
- Very limited access to bank credit
- Minimal or manual processes
- Local or neighborhood markets
- Limited scalability
- High vulnerability to shocks
- Poor or informal records

Small Enterprises

- 10-49 employees
- Moderate capital investment
- 5-49million naira (excluding land and buildings)
- Sole proprietorship or partnership
- Semi-formal management with defined role
- Mostly formal and registered
- Better access to loans and government support
- Moderate use of technology
- Local, regional and sometimes national markets
- Higher growth and expansion potentials
- More stable and sustainable
- Basic structures accounting records

IMPORTANCE OF MICRO AND SMALL BUSINESSES

Wealth Creation

1. Enable individuals to generate income through ownership of productive assets
2. Support capital accumulation and reinvestment at the household and community levels
3. Encourages entrepreneurship and venture creation across various sectors of the economy.
4. Promotes inclusive economic growth by distributing wealth broadly

Employment Generation

1. Major source of job creation, especially in developing economies
2. Absorb unskilled, semi-skilled, and skilled labour.
3. Provide employment opportunities for youth, women and vulnerable groups. Reduce pressure on the public sector and large firms to create jobs.

IMPORTANCE OF MICRO AND SMALL BUSINESSES

Financial Independence

1. Provide self-employment and income autonomy
2. Reduce dependence on salaried employment and government support
3. Enable individuals to manage personal and household finances independently
4. Foster a culture of savings, investment and financial responsibility.

Poverty Reduction

1. Create livelihood opportunities in rural and urban areas.
2. Increase household income and purchasing power.
3. Reduce income inequality through inclusive participation in economic activities
4. Support community development and improve living standards

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WEEK 12 & 13

Contemporary Issues in Entrepreneurship

By the end of this presentation, you will be able to:

- Understand the Role of Knowledge and Skills in Modern Entrepreneurship.
- Access the Impact of Digital Technology and apply relevant Digital Tools for Entrepreneurship.
- Demonstrate basic understanding of E-Commerce in Business Operation, and apply basic E-Commerce Strategies to Entrepreneurship

KNOWLEDGE AND ITS TYPES



Definition of Knowledge

- Knowledge in entrepreneurship refers to the information, understanding and expertise that entrepreneurs acquire through education, training and experience, which enable them to identify opportunities, make informed decisions and manage business activities effectively.
- Major Types of Knowledge
- **Tacit Knowledge:** Knowledge embedded in experience, skills, and intuition
- **Explicit Knowledge:** Knowledge that can be codified, documented and easily shared.

Types of Entrepreneurial knowledge

- **Market Knowledge:** Understanding customer needs and competitors.
- **Financial Knowledge**: Budgeting, costing , pricing.
- **Technical Knowledge**: product or service development
- **Legal Knowledge**: business laws and regulations

Source: (Drucker, P.F. (1985). Innovation and Entrepreneurship. Harpers and Row; Shane, S. (2003). A general theory of entrepreneurship: The individual-opportunity nexus. Edward Elgar

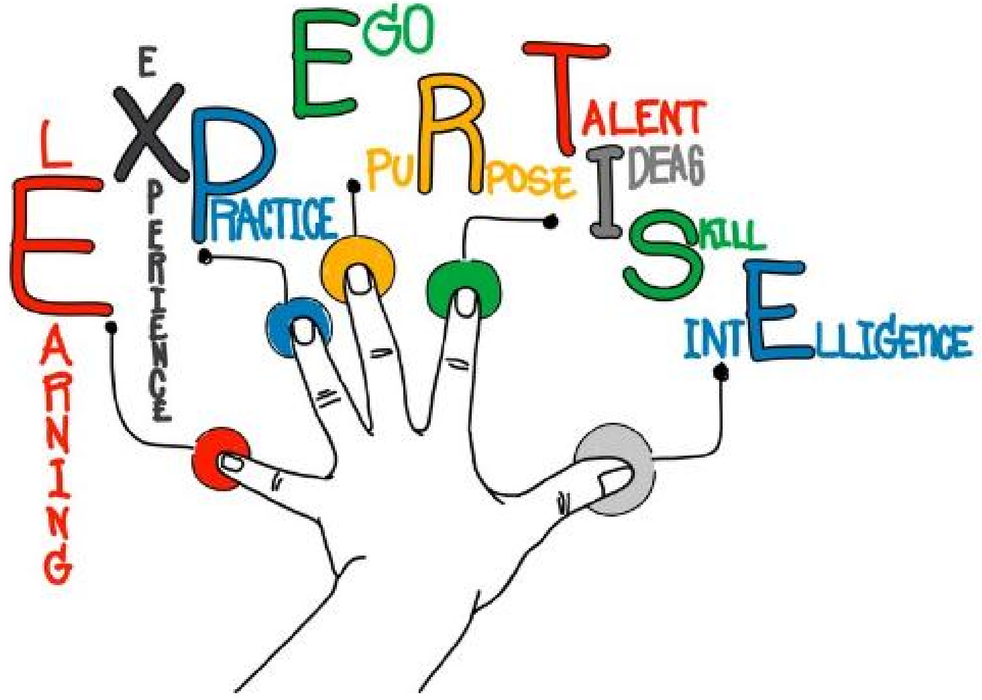
SKILLS AND ITS TYPES

Definition

- Entrepreneurial Skills are the practical abilities and competencies that enable entrepreneurs to apply knowledge effectively in planning, organizing, managing resources and solving problems in order to create and sustain business ventures.
- Entrepreneurial Skills are the capability to perform entrepreneurial task effectively, such as opportunity recognition, relationship building and strategic decision-making

Types of Skills

- Managerial Skills: Involves planning, organizing, controlling.
- Communication and negotiation
- Problem-solving and decision-making skills
- Digital and technological skills



- Technical Skills
- Financial and Budgeting Skills
- Marketing Skills
- Strategic Skills
- Personal and Creative Skills

ROLE OF KNOWLEDGE AND SKILLS IN ENTREPRENEURSHIP

Opportunity Recognition

Knowledge helps entrepreneurs understand market trends and customers needs.
Skills enable them to analyse information and recognise viable business opportunities.

Innovation and Creativity

Knowledge support research, idea generation and technological adoption.
Skills allows entrepreneurs to transform ideas into innovative products and services

Efficient Resource Management

Financial and operational knowledge guide optimal resource allocation.
Skills help entrepreneurs manage capital, labour and time effectively

Effective Business Planning

Financial knowledge improves budgeting, costing and pricing decisions.
Skills ensure profitability, cash flow management and long term survival

Financial Performance and Sustainability

Knowledge aids in preparing business plans, market analysis, and feasibility studies.
Managerial Skills ensure proper planning, organizing and control of business activities

ROLE OF KNOWLEDGE AND SKILLS IN ENTREPRENEURSHIP (CONTD)

Adoption of Digital Technology

Knowledge enables understanding of digital tools and platforms.

Digital Skills support e-commerce, online marketing and virtual operations

Risk-Management and Decision Making

Knowledge improves assessment of business risks and uncertainties.

Skills enhance problem-solving and informed decision-making.

Business Growth and Competitiveness

Knowledge helps entrepreneurs understand competitive strategies and market positioning.

Skills enable scaling customer retention, and market expansion.

Ethical and Sustainable Entrepreneurship

Knowledge of laws and ethics promotes responsible business conduct.
Skills support implementation of sustainable and socially responsible practices

Continuous Learning and Adaptability

Knowledge acquisition support lifelong planning.

Skills enable adaptability to changing business environments and technologies

THE CONCEPT OF DIGITAL ENTREPRENEURSHIP

Digital entrepreneurship

- Digital entrepreneurship refers to the creation, development and growth of business ventures through the use of digital technologies**.**
- Digital entrepreneurship is defined as the creation of new ventures and the transformation of existing businesses through the development of novel digital technologies and innovative business models.
- Digital entrepreneurial activities rely on digital artifacts, digital platforms and digital infrastructures for value creation and delivery.







EXAMPLES OF DIGITAL BUSINESSES

1. E-commerce Businesses (Online retail stores): Jumia, Konga, Amazon, Slot etc.

2. Digital Service Businesses

- Online Education platforms: Coursera, LinkedIn, Udemy etc.
- Software as a service : Zoom, Dropbox, Google, Slack etc.

3. Digital Media Services: (Subscription-Based)

- Streaming Services: Netflix, Disney
- Podcasting platforms: Spotify, Apple Podcasts, YouTube channels

4. Digital Health Business: Telemedicine platforms, Wellness apps, Online Pharmacy Services

5. Digital Finance Businesses: Online banking and payments, Crypto currency exchanges. PayPal, Flutterwave, Paystack, Opay





DIGITAL TECHNOLOGY AND ITS EXAMPLES

- **Digital technologies** are tools and systems based on digital computing that enable the collection, storage, processing and exchange of information.
- **Digital technologies** are platforms and infrastructures that enable new forms of entrepreneurial activity, innovation and value creation.

Examples of Digital Technologies;

- Internet and Cloud computing
- Computers, smartphones, and tablets
- Software applications and mobile apps
- E-commerce platforms
- Social media and digital marketing tools.
- Social media and digital marketing tools
- Artificial Intelligence (AI) and data analytics
- Financial technologies (FinTech)



RELEVANT DIGITAL TECHNOLOGY TOOLS FOR ENTREPRENEURIAL GROWTH

E-Commerce Platforms

- Shopify, Jumia, Temu e-commerce enable online selling and digital storefronts.
- Digital Marketing tools:
- Social Media Platforms (Instagram, Facebook, LinkedIn)
- Google Ads and Search Engine Optimization (SEO) tools
- Email Marketing platform (Mailchimp)









Financial and Accounting Tools

- Mobile payment System (Paystack, Flutterwave, Paypal)
- Accounting software (QuickBook, Wave).





Communication and Collaboration Tools

- Zoom, Microsoft Teams, Google meet
- Slack, WhatsApp Business support virtual offices and Team work



Data Analytics and Customer Management Tools

- Google Analytics
- Customer Relationship (CRM) systems (HubSpot) support data-driven decision-making.

Productivity and project management Tools

- Trello, Asana, Notion helps manage tasks, time and resources effectively.

IMPACT OF DIGITAL TECHNOLOGY ON ENTREPRENEURIAL GROWTH

01 Improved market Access: enables entrepreneurs to reach local, national and global markets, reduce geographical barriers through online platforms and enhance customer reach and market expansion.

02 Cost Reduction and efficiency: Lowers operational and transaction costs, reduces need for physical offices and large workforce and improves productivity through automation.

03 Innovation and New Business Models: Support development of digital products and service. Enable platform-based and sharing economy models and encourage creativity and continuous innovation.

04 Enhance Customer Engagement: Enable real-time communication and customers. Improves customer feedback and relationship management and support personalized marketing strategies.

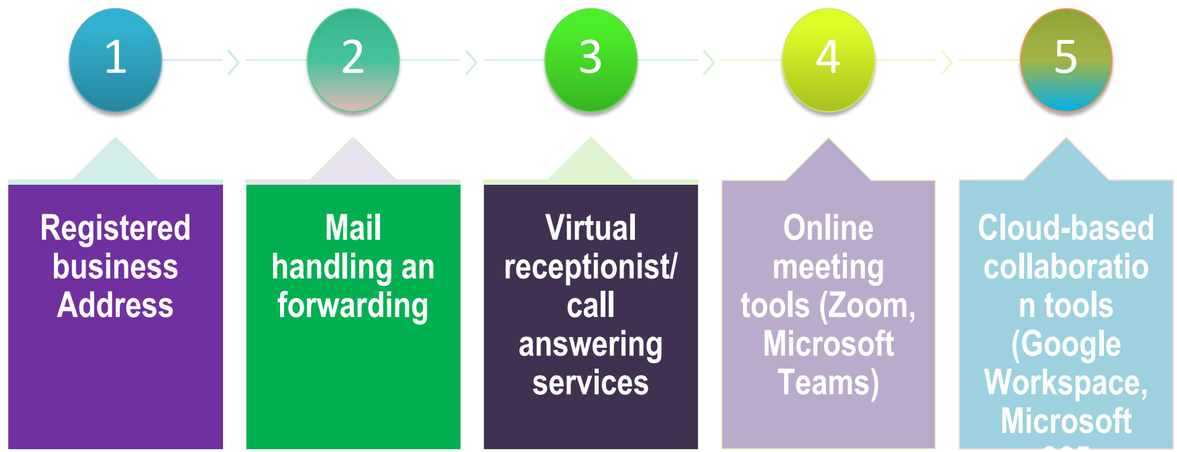
05 Financial Inclusion and access to Capital: Digital finance tools enable online payments and transactions. Improves access to loans, Crowdfunding and investors and support cash flow management.

06 Scalability and Business Growth: Enables rapid scaling without proportion increase in costs. Support remote work and global collaboration and enhance competitiveness and sustainability.

VIRTUAL OFFICE



Key Features of a Virtual Office



- A virtual office is a business solution that allows organizations and entrepreneurs to operate remotely by providing digital services such as a business address, communication tools, and administrative support without the need for a physical office space

Virtual Office Tools

- Google Workspace-Email and document collaboration
- Zoom/Microsoft Teams-Virtual Meetings
- Slack-Team communication
- Regus/WeWork-Virtual office address and admin services



ONLINE NETWORKING



- Online networking is the use of internet-based applications that enable the creation and exchange of user-generated content and facilitate interaction among individuals and organizations
- Online networking involves social interaction and relationship building through digitally mediated networks that transcend time and space constraints.
- Online networking is the use of digital platforms and internet tools to create and sustain relationships for professional, social and entrepreneurial purposes

IMPORTANCE OF VIRTUAL OFFICE TO ENTREPRENEURSHIP

Access to Global talents

Entrepreneurship can recruit skilled professional remotely, increasing access to diverse and specialized

Cost Efficiency

Virtual Office reduce start-up and operational costs by eliminating expenses related to rent, utilities, and physical infrastructures.

Flexible and Work Life Balance

Entrepreneurs can operate from any location, enabling flexibility working arrangements and improved productivity

Professional Business Presence

Virtual Office provide entrepreneurs with a credible business address, mail handling, and professional communication services

Scalability and Business Growth

Virtual Office system allow businesses to expand or downsize operations easily without relocation or heavy capital investment

ELECTRONIC COMMERCE

- Electronic Commerce (e-commerce) refers to the buying and selling of goods and services, as well as the exchange of money and data, through electronic networks, primarily the internet.
- E-commerce involves commercial transactions involving the exchange of value conducted over digital networks
- E-commerce is the sale or purchase of goods or services conducted over computer network by methods specifically designed for receiving or placing orders.

Types of E-Commerce

- Business-to-Consumer (B2C)
- 24/7 Business availability
- Reduced operational costs
- Faster transaction processing
- Improved record-keeping and data management
- Enhanced
- Customer convenience and satisfaction

IMPORTANCE OF ONLINE NETWORKING TO ENTREPRENEURSHIP

Access to Business opportunities

Online networking platforms enable entrepreneurs to identify customers, partners, investors and suppliers beyond local boundaries

Resource Mobilization

Online networks facilitate access to funding opportunities, collaborations and strategic alliances.

Knowledge Sharing and Learning

Entrepreneurs gain access to industry insights, best practices and mentorship through online professional communities

Innovation and Collaboration

Digital networks encourage collaboration, co-creation, and idea exchange among entrepreneurs and stakeholders

Market Visibility and Brand Building

Social Media and professional platforms help entrepreneurs to promote their ventures and build brand awareness

TYPES OF E-COMMERCE

Business-to-Consumer (B2C)

Businesses sell products or services directly to individual consumers online, e.g. Jumia, Amazon, Konga

Business-to-Business (B2B

Businesses sell products or services to other businesses through digital platforms e.g. Alibaba, Software subscription

Consumer-to-Consumer(C2C

Individuals sell goods or services directly to other individuals via online marketplaces., e.g. eBay, Facebook Market Place, Jiji.ng



Consumer-to-Business (C2B)

Individuals offer products or services to businesses, e.g. Freelancer offering services on Upwork, Influencers promoting brands

Business-to-Government

Businesses provide goods or services to government agencies through platforms, e.g. Online procurement portals, e-tendering systems

Government-to-consumer (G2C)

Government services delivered electronically to citizens, e.g. Online tax payment platform, E-Visa passport application system

APPLYING BASIC E-COMMERCE STRATEGIES TO ENTREPRENEURSHIP

1. Develop an Online presence: Entrepreneurs should create a website, mobile app, or social media store to showcase products and services
- Use platforms like Shopify, Temu, Facebook, or Instagram
- Ensure clear product descriptions, pricing and images

2. Choose the Right E-Commerce Model: Entrepreneurs must adopt an appropriate model based on their offerings
- B2C for retail products and B2B for wholesale or services
- C2C for marketplaces and C2B for Freelancing and digital services

3. Implement Secure Online Payment System: Providing multiple and secure payment options increases customer Integrate Paystack, Flutterwave, Paypal or bank transfers
- Offer mobile money and card payment options

4. Focus on Digital marketing Strategies: E-Commerce success depends on visibility and customer engagement
- Use social media marketing, SEO and email marketing
- Run targeted online advertisements

Applying Basic E-Commerce Strategies to Entrepreneurship

5. Optmize Customer Experience: User-friendly design improves customer satisfaction and retention
- Ensure easy navigation and fast loading websites
- Provide live chat and prompt customer support

6. Manage logistics and order Fulfilment: Efficient delivery systems build customer trust
- Partner with logistic providers for timely delivery.
- Use order tracking and automated notification

7. Use Data Analytics for Decision-Making: E-Commerce platforms provide valuable business insights
- Track customer behavior, sales trends and conversion rates.
- Adjust pricing, promotions and inventory accordingly

8. Build Trust and Credibility: Trust is essential in Online transactions.
- Display customer reviews and ratings.
- Use secure checkout systems and transparent return policies.

ENTREPRENEURIAL OPPORTUNITIES IN E-COMMERCE

Online retail market places and niche Stores

Dropshipping Business

Subscription-Based E-Commerce

Social commerce

Affiliate Marketing



AL-Enabled E-Commerce Solutions

Sustainable & Green E-Commerce

Local-to-Global Export Platforms

Digital Marketplace for Services

Mobile Commerce (M-Commerce)

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