

BUSINESS STRATEGIES TO UPGRADE AND SUSTAIN SMALL BUSINESSES THAT EMERGED DURING COVID-19 IN KANO STATE

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Abstract

The study is on the strategies needed to upgrade and sustain the small businesses that emerged during COVID-19 lockdown in Kano State. The first index case of COVID-19 was reported in Nigeria in February 2020, and later in Kano in April 2020. Two objectives were developed which revolved around the products and entrepreneurial services that emerged during the pandemic and the strategies for upgrade and sustainability of such products. Survey was used as the methodology and questionnaire as instrument for data collection. The population of the study consists of the 44 local government areas of Kano state. The three senatorial zone were used as clusters where four local government were purposely sampled from each of the zone (two rural and two urban). Mean statistics measuring central tendencies and dispersion was used in the analysis of the data collected. A decision point of 2.5 was used; all items with a weighted mean of 2.5 and above are considered to be positive while those below were considered to be negative. The findings of the study revealed emergence of products and entrepreneurial services that are necessary for compliance to the new normal and the need for strategies to upgrade and sustain the emerged products through seminars and workshops. The research recommend among others creation and expansion of market base, reward and encouragement of innovations to small businesses owners, entrepreneurial training to small and emerge business owners in both rural and urban areas.

Keywords: Covid-19, Small Businesses, Upgrade, Sustainability.

1.0 Introduction

The long stay of the covid-19 pandemic and strategies to contend the spread of the disease led to the thinking of the New Normal which is simply adapting to live with the virus side by side socio economic activities. Thus new products and services gatecrashed into the market (local production of masks, hand sanitizes, washing facilities, detergents and so on) without due process such as, feasibility studies, SWOT analysis, Content Laboratory analysis, formal registration among others. These products and services have facilitated compliance to the new normal and have generated employment in the local communities because these businesses mentioned were carried out at local community level or inside households. The impact of SMEs in the Nigerian economy cannot be over emphasized. Eighty five percent 85% of all firms operating in Nigeria are SMEs and they contribute fifty five percent 55% of GDP in Nigeria (Ihugba, Odil & Njaku 2014) in Salisu (2018). Consequently, there is the need to encourage such emerged business outfits to withstand both internal and external pressures and to favorably compete with already existing and established business. The small business venture of this nature could be seen as “ the sum total of the organized efforts by which people engage in commerce and industry to provide goods and services needed to maintain and improve the standard of living and quality of life to which each of us aspire” Sabo & Olanrewaju (2012). Strategy can be seen as a method or plan chosen to bring about a desired future, such as achievement of a goal or solution to a problem, it is a plan, a pattern, a position, a perspective and it can also be a ploy, a maneuver intended to outwit a competitor. Thomas and Hult (2011)

argued that an organization achieve market-base sustainability to the extent that it strategically align itself with market-oriented products, needs and wants of customers and the interest of multiple stakeholders,

Strategy play a critical role in every business organization, business managers need to determine and create strategies to sustain the growing of their businesses as mentioned by Kamar, Jones , Venjkumar and Leone (2011) that the inability to sense and respond to market changes quickly has demised many firms with household names in the united states including circuits city and kmart. Therefore is important that managers identify and understand strategies orientations that can enable a business to sustain performance

1.2 Statement of the Problem

The global economy needs the SMEs to spring up, the community based businesses that emerged need to survive to retain people that are already becoming self-reliant and the new products that emerged during lockdowns ought to be upgraded and sustained since they have equally created jobs and have provided employment. The issue of business failures and collapse of SMEs have been in the increase. Some of these businesses collapsed at the conception stage, some at the design stage, while others collapsed at implementation stage and many collapsed due to the issue of funding/finance and other sustainability factors. Similarly emerged businesses and entrepreneurial services during Covid-19 and consequent lockdowns have similar or greater challenges of failures than the SMEs. The need to identify local products and commodities that emerged during the pandemic and the strategies to up-grade and sustain the emerged businesses to compete with the existing products in the market prompted this research.

1.3 Purpose of the Study

1. To identify the businesses that emerged during the pandemic/lockdowns that facilitated compliance to the New Normal in Kano State.
2. To find out strategies needed to upgrade and sustain the businesses that emerged during the pandemic and lockdowns in Kano State.

1.4 Research Questions

1. What are the types of community based businesses that emerged during lockdowns to facilitate compliance to the New Normal in Kano State?
2. What are the strategies needed to upgrade and sustain the new businesses that emerged during lockdowns to facilitate compliance to the New Normal in Kano State?

3.0 Methodology

A. Research Design

The research employed survey method using questionnaire as the instrument for data collection, the developed questionnaire items were translated by the research assistant to those that could not adequately comprehend the issues raised.

B. Sample and Sampling Technique

The target population for this study comprises the small business owners especially those that emerged during the pandemic in the 44 local government of Kano state determined through their community heads. In determining the local government to use as sample, Yemeni formula for determining sample size for a given population was used, with 0.25 tolerance error, the result was found to be twelve, hence twelve local governments were selected from the forty four local government of the state and used as the sample for the study. Purposive sampling technique was also used for the choice of the twelve local government areas in the study. This is because covid- 19 is a new phenomenon which some local governments in rural areas rural do not believe in it. Simple random sampling was used in the selection of the subjects that responded to the items in the questionnaire.

C. Instrumentation

The questionnaire consist of nineteen items (19) items transcribed into Hausa to allow for the accommodation of different types of subjects used in the study. Descriptive statistics for measuring central tendencies (mean) was used in the analysis of data. Decisions were made based on the characteristic of the samples; the weighted mean was used in taking

decision. Any mean value of a set of score that is higher than half of the maximum obtainable score was considered to be a positive response to the set of items addressing a particular research question while, the mean score value that is lower than half of the maximum obtainable score indicates negative response.

D. Scope of the Study

In the present study, scope is demilited to the use of technology / ICT to access information on covid-19 from one local government to another as well as the type of businesses that exist in such local governments. This has availed the researcher the opportunity to have the views of the different types of subjects involved in the research work. Three senatorial zones are used as clusters for selecting the samples. Four local governments were selected from each of the zones, two urban and two rural are purposely selected for the study.

4.0 Results/Findings

The findings of are presented and tabulated according to the research questions of the study.

Research Question One : What are the types of community based businesses that emerged during lockdowns to facilitate compliance to the New Normal in Kano State?

This research question is interested in the new products that gatecrashed into the market which facilitated compliance to the new normal. A simple check list of some of the popular products is generated and respondents rated the list based on their perception on the rate of emergence of products which include goods and entrepreneurial services rendered to the communities. The outcome of the weighted mean values is contained in table below.

Table 1: Responses on Products that Emerged to Facilitate Compliance

	ITEMS	VH	H	L	VL	W/MEAN	RMKS
1	Face mask	35	33	22	20	2.52	Positive
2	Sanitizers	19	45	41	15	2.56	Positive
3	Hand washers	20	40	49	11	2.57	Positive
4	Disinfectants	29	40	25	26	2.60	Positive
5	Dustbins	22	41	38	19	2.55	Positive
6	Fast foods	23	40	35	22	2.82	Positive
7	Packaged products	30	25	35	30	2.45	Negative
8	E-trading	31	35	24	30	2.56	Positive
9	In-house businesses	40	20	35	25	2.62	Positive

Research Question Two: What are the strategies needed to upgrade and sustain the new businesses that emerged during lockdowns to facilitate compliance to the New Normal in Kano State?

This research question is focused towards the upgrade and sustainability of the existing businesses before and after Covid-19 due to the significant role they could play in the development of any nation. Jobs were created; members of the community have either become self-employed or are employed by other entrepreneurs around. The results of the weighted mean of items generated towards this direction are presented in table below.

Tale 2: Responses on Strategies for Sustaining the Businesses that Emerged

SN	ITEM	SA	A	D	SD	W/MEAN	RMKS
1	Possibility of business collapse after covid 19	20	40	50	10	2.58	Positive
2	Those businesses emerged as necessity to comply with the new normal	27	35	33	25	2.53	Positive
3	Facilitation of compliance to the new normal of emerged businesses	32	32	20	36	2.50	Positive
4	Emergenced businesses increase of product types in the market	28	40	32	20	2.63	Positive
5	prices of products and purchasing power of the community	32	41	30	17	2.73	Positive

Table 3: Responses on Strategies for Upgrading the Businesses that Emerged

S/N	ITEM	SA	A	D	SD	W/MEAN	RMKS
1	Need for entrepreneurship training	40	35	25	20	2.79	Positive
2	Need for capital to sustain and upgrade business after pandemic	40	32	28	20	2.76	Positive
3	need improved method and technology to remain in business	43	37	20	20	2.86	Positive
4	Creating partnership to add value to products	29	39	40	13	2,71	Positive
5	Need for feasibility studies and SWOT analysis	42	40	18	20	2.87	Positive

5.0 Discussion of Results

All the identified products contained in the checklist are positive, which signify the presence of production activities of these products in the state. E trading and in-house businesses using GSM communication medium was highly explored especially during festivities. However some of the products are mere imitations which may not be qualitative enough. Packaged processed foods may increase in developed countries due high need of take away foods but does not seem to be significantly processed in our communities hence, found to be below the decision point (2.45).

New products emerged during lockdowns to provide basic social needs of the community, most of these products came to facilitate compliance with the new normal of becoming proactive in preventive measures while suspecting or living with the virus. For economic development most of these products and businesses ought to be sustained. New products and businesses required a good feasibility study which is a scientific forecast about the venture, conducting a SWOT analysis which is an analysis of strength, weaknesses opportunities and threats will put the emerged businesses in a better shape.

Some of these businesses are not handled by entrepreneurs therefore, the owners of these businesses need training in entrepreneurship which would include qualities of entrepreneurs, expanding the business outlets, exploring new technology in production and how to improve on the contents and qualities of their products these are outlined in tab

6.0 Recommendations

Based on the outcome of the study the following recommendations are put forward;

- I. There should be a frame work for reward and encouragement of innovation by Government and SMEs
- II. The small business owners should learn how to create new market of their product and adopt employee participation in their decision making.
- III. Small business owners should be encouraged to sustain and consolidate the positive index of growth and development experienced during the lockdowns by improving technology.

Government should organize free workshops and trainings to small business owners in both rural and urban centers enlighten them how to secure a funds, take competitive advantage and expand their market bas

7.0 Conclusion

Despite the negative perceived effect of covid-19 it was found in this research that small and emerged businesses witnessed increase in the volume of sales, innovation of new products types among others. Though majority of these products and services/ businesses emerged as necessity to comply with the new normal, perhaps these businesses are likely to collapse after the Covid-19 period. There is therefore the need for such emerged businesses to be encouraged, upgraded and sustained beyond Covid-19 period, since they have created jobs and provided employment. This is key to the growth and development of the state and the country at large.

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