

Entrepreneurial Opportunities and Financing Sources in a Developing Economy: A Focus on Nigeria

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Abstract

The link between entrepreneurship and economic development has been well established. Macroeconomic dislocations, infrastructure deficiencies, and limited access to sources of financing are some of the factors militating against the development of thriving entrepreneurship and development of sustainable organizations in developing countries like Nigeria. This paper argues that these challenges in themselves should create the emergence of entrepreneurial opportunities directed towards solving these problems. The buyer experience cycle and utility matrix, and the entrepreneurial process: Renewal, Regeneration and Intrapreneuring were used to illustrate how entrepreneurs can develop and grow business opportunities. Some entrepreneurial financing sources and strategies were also proposed.

Keywords: Entrepreneurship; Intrapreneurship; Intrapreneuring; Social entrepreneur; Buyer experience cycle; Buyer utility map

Introduction

A precise and universally accepted definition of an entrepreneur and entrepreneurship is still a matter of on-going debate amongst practitioners and academics [1-3]. Citing various researchers, [4-7], Okhomina (2015) contends that there are still a lot of inconsistencies amongst researchers as to a universal definition of entrepreneurship and the relevance of personality traits in the study and definition of entrepreneurship.

Some scholars describe risk-taking as the most important trait of an entrepreneur. Schumpeter [8] identifies innovation as the distinguishing or defining characteristic of an entrepreneur. Schumpeter [9] credits Mills (1848) with associating entrepreneurship and risk-taking in the academic literature, and bringing the term into common usage amongst economist [10]. Gompers and Sahlman [11] in their book on Entrepreneurial Finance, define entrepreneurship as the relentless pursuit of an opportunity without regard to resources currently controlled. A primary distinguishing characteristic of entrepreneurship is innovation, profit and growth [10].

Whatever definition we chose to adopt, what separates entrepreneurs from other groups of people who venture in business and enterprise is the desire to solve economic and social problems in an innovative way, using available resources, taking calculated risks, deferring gratification, and over time, creating enduring, profitable and growth oriented institutions.

Another common feature of entrepreneurs is that they seek to build enduring institutions that outlive them, even within a developing economy like Nigeria characterised by economic, regulatory, policy and socio-political uncertainties [2].

While the focus of our definition and discussion in this paper will be with respect to entrepreneurs pursuing profit and growth oriented opportunities, it must be mentioned in passing that there are other classes of non-profit oriented entrepreneurs, for example "social entrepreneurs" who pursue goals that seek to solve social problems without a primary focus on profit, and "intrapreneurs" who are not in business for themselves [12], but rather are employees demonstrating traits of entrepreneurship within an existing organization.

With a focus on Nigeria, this paper examines the context of doing

business in a developing economy and discusses two frameworks that can assist aspiring entrepreneurs spot or create and successfully exploit bankable opportunities; the buyer experience cycle and utility matrix [1], and the entrepreneurial process: Renewal, Regeneration and Intrapreneuring [2]. It also examines some potential sources and strategies for funding entrepreneurial opportunities.

The context of business environment in a developing economy: The case of Nigeria

Developing economies, of which Nigeria is an example are characterised by a number of structural, institutional and infrastructure deficiencies which makes doing business a bit of a challenge [13]. According to Aldrich and Wiedenmayer [14], the socio-political environment may be so powerful as to create or destroy entrepreneurship in a country.

Using his 3E (Emerging Economies Environment) framework ("The 3E framework") in Figure 1, Utomi [2], contends that the environment of emerging economies (or developing economies) creates particular challenges for business ventures and entrepreneurs, especially in Nigeria. He argues that poor policy formulation, inconsistent application of these policies and the so-called predatory (corrupt) actions of government officials, weak institutions (such as the judiciary, education), which are supposed to hold citizens to a minimum acceptable standard of behaviour, and weak business associations (pressure and lobby groups), makes its particularly difficult for entrepreneurship to thrive.

Utomi [2] concludes however, that where entrepreneurs are able to conceive good and innovative business ideas amidst the chaos in the environment, take advantage of first mover advantage (when it exists),

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The 3E Framework

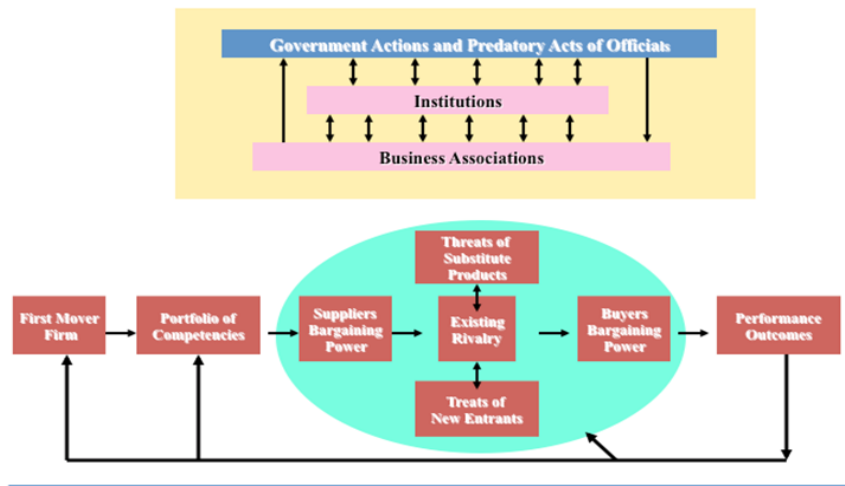


Figure 1: The 3E (Emerging; Economies; Environment) framework.

build a portfolio of competencies and develop compelling strategies that enables them deal successfully with the industry competition drivers, then these entrepreneurs can build enduring enterprises with world class performance outcomes.

While the business environment in developing economies can be challenging and can be adversely influenced by the uncoordinated actions and effects of government policies, absence of strong institutions and infrastructure deficiencies [2], it is these same macro-level dislocations that create opportunities for entrepreneurs [15]. Wennekers et al. [16] suggest a strong correlation between the wealth and development of a country and the number of successful entrepreneurs and enterprises, especially small businesses, in that economy.

A study by Siropolis [17] of the business history of the USA for example, reveals that the country's economy grew to become the world's dominant economy as a result of the vision, sweat, tenacity, industry and innovation of several great entrepreneurs like, Henry Ford (Ford Motors), John D Rockefeller (Standard Oil), Andrew Carnegie (Carnegie Steel), and in more recent times, Bill Gates, Steve Jobs, Larry Ellison, Michael Dell and Oprah Winfrey to name but a very few. The emerging story of Mark Zuckerberg and Facebook is one that we all will undoubtedly follow closely for years to come. The businesses that these iconic entrepreneurs founded didn't start as corporate behemoths. Many were small businesses founded in the most unlikely places. Dell Computers began in a university dormitory, Apple was birthed in someone's garage, and Nike Inc. began in the back of a delivery van. The common theme underlying these entrepreneurial success stories is a quest by these entrepreneurs to innovatively and profitably solve economic and social problems.

Following on with this argument is the fact that well over 50% of the Forbes lists of 100 richest persons in the world are Americans. What combination of factors created a situation where the USA is the world's leading economy and for many years the leading incubator for entrepreneurs and global enterprise? Put simply, a deliberate effort by government and the citizens to build, robust institutions, including educational institutions, infrastructure and financing institutions. It is not an accident that the private equity and venture capital systems

originated in the United States, without which ventures like Facebook, Yahoo, Google and Amazon etc. would have been just ideas in the minds of their promoters.

What developing countries as opposed to emerging economies lack, is an environment that encourages the development of entrepreneurship, entrepreneurs and local, regional and globally competitive enterprises. According to the Global Competitive Index criteria [18], factors that are required for an economy to be globally competitive, and by extension, factors that encourage entrepreneurship are; efficient institutions (political, regulatory, security), adequate infrastructure, sound and consistent macroeconomic policies, adequate health and primary education, access to good quality higher education, deep and efficient financial market and deregulation, labour efficiency, technology readiness, market size, business sophistication and innovation.

Of all these factors, perhaps the only one that Nigeria has is market size, and even that is questionable, because the real issue is not just size as a number, but an addressable market with strong purchasing power. Between 60% and 70% of Nigerians are regarded as poor, living on less than \$2 a day [19]. In 2012, the National Bureau of Statistics (NBS) published a report that 69% of Nigerians were living on less than \$1 a day. Disposable income is thus low.

Consumption and export are two key drivers of economic growth. The USA (GDP (2017) of >\$19 trillion; Population 313 million) is a consumption led economy, while Germany (GDP of >\$3.6 trillion; population 82 million) and China (GDP of >\$6.9 trillion; population 1.4 billion) are export oriented. When adjusted for population differentials, Nigeria's economy cannot as presently structured, drive the level of consumption, non-oil exports and hence development comparable to the truly emerging markets. Though opportunities exist, policy reforms that can institute the development of the factors required for entrepreneurship and competitiveness are also required.

According to the global competitive index reported by Sala-i-Martin et al. [20], Nigeria's poor ranking on the index has worsened steadily from 2009 to 2011. In 2008/2009, Nigeria ranked 94 out of 134 countries, 99 out of 133 countries in 2009/2010 and 129 out of 139 by 2010/2011. Developing countries clearly have huge challenges

to overcome for true entrepreneurship to thrive. We should note however, that, for an innovative and tenacious entrepreneur, it is these challenges that present huge opportunities for business ventures aimed at solving those social, economic, institutional and infrastructure dysfunctions in societies.

Creating entrepreneurial opportunities: The entrepreneurial process

If entrepreneurship is about innovatively solving social, economic and related problems, and creating a profitable, growth oriented and enduring commercial vehicle for this purpose, then a developing country like Nigeria, with its many challenges presents immense opportunities for the creative entrepreneur. Entrepreneurial opportunity exists where there is a service gap, a problem that needs to be solved innovatively [21].

Since 2014 to date, the severe economic and social hardship brought about by the on-going economic recessions in Nigeria has resulted in large-scale business failure and job losses [22].

According to the National Bureau of Statistics (NBS) and trading economics (tradingeconomics.com), unemployment rate in Nigeria has been steadily increasing from 7.8% in January 2014, to 14.2% in January of 2017 (Figure 2).

A direct consequence of this is rise in the number of small business enterprises and start-ups, as the growing number of unemployed persons, seek to create entrepreneurial opportunities for themselves. This situation is also helped in part by the government policy initiative to diversify the economy away from oil into other sectors, notably the agricultural, mining, transportation and technology sectors.

No list can be comprehensive enough to capture the immense opportunities available, in agriculture, technology support services, power, health and education and other sectors of the economy. What is perhaps more useful is a framework, that enables us identify or create viable and bankable entrepreneurial opportunities aimed at meeting existing and emerging needs.

According to Kim and Mauborgne [1] in their book, Blue Ocean Strategy, a winning (viable and bankable) business idea or opportunity is one that delivers goods and services that have utility,

can be developed at a reasonable cost (business model) and is priced to attract the optimum level of demand (price corridor of mass). They suggest that every buyer seeking to satisfy a need by making a purchase of goods or services goes through a buyer experience cycle, stages a potential customer will go through from purchase to after-use disposal. Six stages are identified namely; purchase, delivery, use, supplements, maintenance, and disposal. An innovative entrepreneur can think of many more.

The purchase decision is informed by the fact that for a rational consumer, the product or service must provide some utility, meet a need or solve a problem. Utility is enhanced by certain factors or considerations by the buyer called utility levers. These levers are present at every stage of the buyer experience cycle and they include environmental friendliness, fun and image, risk, convenience, simplicity and productivity. By placing the six stages of the buyer experience cycle on a horizontal grid and the six utility levers on a vertical grid, one can construct a 6 by 5 matrix known as a buyer utility matrix [1] (Figure 3).

The 6 by 5 matrix has thirty potential positions that are a combination of a particular utility lever and a buyer experience position. For example, the point / cell in the matrix where purchase and productivity meets present an opportunity to create a new product or new service or enhance an existing product / service by improving on the productivity of the buyer at the point of purchase. This matrix thus provides a framework that enables an entrepreneur identify existing opportunities or create new opportunities by asking the simple questions; how can I improve the utility or create a new level of utility for a user along his buyer experience curve. The more positions in the matrix you can enhance through innovation, the more opportunities you create.

A simple example of how this works could be a situation in which a busy executive has to leave his workstation to commute in traffic to get his lunch from a restaurant during his break period. The opportunity identified by the buyer utility map in this instance seeks to answer one question; how do I improve the buyer's productivity during the lunch purchase process? By for example providing a lunch delivery service, the productivity of the buyer is significantly enhanced during the lunch purchase process. A Nigerian entrepreneur successfully adopted this framework, resulting in the start-up of mobile kitchen limited, and a thriving business today.

Nigeria Unemployment Trend (2014 – 2017)



Figure 2: Nigeria unemployment rate.

	Six Stages of Buyer Experience Cycle					
	Purchase	Delivery	Use	Supplements	Maintenance	Disposal
Utility Levers						
Cost Savings						
Productivity						
Convenience						
Risk						
Prestige						

Existing	
New	

Figure 3: Buyer experience cycle and utility matrix.

The Entrepreneurial Process

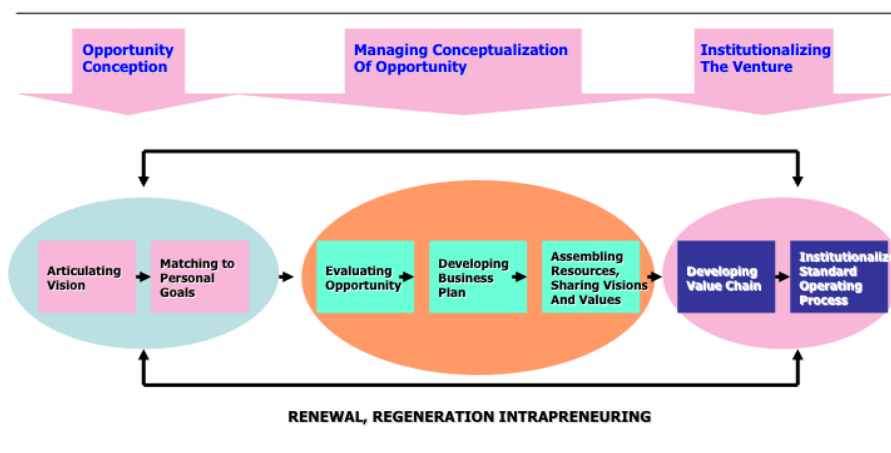


Figure 4: Entrepreneurial process.

Utomi [2] defines entrepreneurship as the “persistent pursuit of opportunity to create wealth through innovative creation of a product and service that meets a need of a customer, using scarce resources in a way that results in a growth enterprise which satisfies the expectation of stakeholders whose roles sustain the business”. He identified uncertainty as a key aspect of the entrepreneurship process because the entrepreneur is effectively travelling down a path about which he knows little.

For an opportunity to become a sustainable enterprise, an entrepreneur must master the art of opportunity identification or conception and validation. He must develop a vision for the venture that matches his personal vision and values. The entire value chain of the venture must be managed effectively and efficiently using well developed standard operating procedures that must be institutionalized. This entrepreneurial process as articulated by Utomi [2] is illustrated in Figure 4.

It is important to bear in mind that the failure rate of business is very high at start-up [23,24]. A 2015 study by the US Bureau of Labour Statistics suggests that 66% of new businesses fail within the first year, while only about 44% exist after 4 years. Shane [25] in his book on “A general theory of entrepreneurship” reports that on average 55% of businesses fail within the first five years. Factors that account for this high failure rate include:

- **Absence of personal fit:** How well does the proposed business activity fit with your personal skills, attitude, passion, risk appetite and aspirations? Where there is no fit, you are not likely to sustain the level of energy required to launch and manage the business through turbulent times, no matter how readily available funds are to finance the venture.
- **Appropriateness of organizational structure and governance:** Some ventures never survive the first few years because

of poor organizational structure and a lack of governance systems, which include, independent board of directors or advisory board for small businesses, separation of ownership and management, adequate, timely and transparent financial reporting.

- **Poor business planning:** Not having the right business plan can contribute to lack of funding or early stage failure for a business.
- **Winning strategy:** To implement a business idea and to sustain a business an entrepreneur must devise and execute a robust business strategy. The strategy must specify the business objectives and operating vehicle, the scope of operation and the competitive positioning. In addition the strategy must identify and create a differentiator for the business and finally, the strategy must identify and preserve the economic logic of the business.

The Small Business Association (SBA), a US agency set-up to provide financial, technical and administrative support to small businesses, reports that there are seven main reasons why businesses fail. These factors, according to Longley [26], in order of importance include;

- Starting a business for the wrong reasons, such as wanting to make money only, wanting to be your own boss. Remember that being self-employed is not the same thing as being an entrepreneur.
- Poor governance and management: An entrepreneur should recognise when he lacks the technical, administrative, and managerial and leadership skills to run a business. At this point, he should seek for help from professional managers.
- Insufficient capital: In this case, the entrepreneur may have grossly underestimated the cash burn rate of the business and the amount of operating capital required to run the business until it reaches cash breakeven point, where internal cash flow generating capacity of the business is enough to run its operations.
- Poor choice of business location may result in the failure of a business despite its inherent viability. Location has an impact on critical dimensions of a business such as access to customers and clients, business traffic and trade volume, intensity of competition, business incentive schemes such as free trade zones, tax incentives and favourable host community relationships
- Lack of adequate planning may also create a situation in which business specific conditions are poorly evaluated before the decision to start the business. For example, clear description of the nature of the business or service, production or service delivery processes, identification of customers, distribution channels, pricing, cash and other funding requirements. Other conditions that need to be planned for include government trade regulations and laws and break-even volumes and values.
- Over expansion or growth in excess of the sustainable growth rate, without planning for how the excess growth will be financed can also place significant performance restrictions on a business, making it that much difficult for it to survive as a going concern.

- No website (or poorly designed and poorly maintained website) will severely restrict the ease of access of a new business to its potential customers and in some cases, suppliers, thus placing the new business at a considerable disadvantage relative to its competitors that have a better and more prominent web presence.

The financing sources and strategies for entrepreneurs in a developing economy: The case of Nigeria

Not minding the intrinsic potentials of a business, access to start-up funds or seed capital is a key requirement for translating an entrepreneurial opportunity into a business venture, and is required for keeping the business running as a going concern [27]. In financial terms, a business must have the capacity to generate positive net internal cash flows within a reasonable timeframe after start-up and must maintain an adequate level of financial flexibility [17,22].

Financial strategies can thus be described as the guidelines and techniques adopted by an entrepreneur for the purpose of identifying a suitable source of financing for a particular opportunity, and strategies for accessing the funds based on suitable rates and terms at all stages of the business from start-up through to early stage development, to growth and maturity phase [28]. In the particular case of developing countries, the limited sources of funds and the relatively high cost of what funds are available, raises additional challenges for entrepreneurs, as in for example, Nigeria.

Businesses require capital to execute strategies and operations in pursuit of a given opportunity [22]. While there are two generic types or classes of funds namely, debt and equity capital, not all kinds of debt class or equity class financing are the same. Entrepreneurs must recognise the fact that depending on its source, funds, debt or equity have different characteristics and attributes, which make them either suitable or unsuitable for a particular type of business [29]. These attributes include costs, repayment terms, tenor, riskiness, and extent of involvement of the funds provider with the business. Equity is sometimes described as patient money. However, depending on its source, some equity is more patient than others. Also, all funds need to be repaid and /or must generate a reasonable return on investment to the fund provider, commensurate with the risk and expected return criteria, over a reasonable time horizon [22].

With this in mind, it becomes clear that even in the unlikely event of unlimited access to funds, an entrepreneur should understand the particular attributes of his/her business, in terms of its cash requirements and cash generating capacity, with specific respect to timing and level of cash generation. This will ensure that these attributes are properly matched with the right source of funds, which has attributes that are a proper match with the business. Failure to achieve this level of alignment through proper investment return analysis, cash burn rate analysis, and cash flow projections, results in financing mismatches which is often more destructive to a business than a lack of access to funds in the first place. More often than not, entrepreneurs and investors miss this simple fact. The results include the following:

- Funding mismatch. Here the cash flow pattern of the business is not aligned with the repayment patterns required by the particular mix of capital in terms of repayment of interest and principal.
- Erosion of value, wherein the cost of funds is far in excess of the income and returns generating capacity of the business.

- Foreign exchange risk and undue exposure, where a business that is funded in part with foreign currency denominated sources of finance, or with source and cost of input in foreign currency while its trading income is exclusively in a local currency. Adverse variation in foreign exchange, which is more likely than not for a business situated in developing country may completely erode the profitability of the venture and threaten its ability to continue as a going concern.
- Sourcing for funds from an impatient investor will create undue pressure on the entrepreneur, which may result in distractions and sub-optimal decision-making. The result can be poor performance of the business.
- Some sources of finance and investors may place undue control restrictions on the business thus preventing the entrepreneur and venture promoter from executing the business plan and managing the business in line with his vision. This is usually a very frustrating situation for most entrepreneurs. This is because one of the intrinsic motivations and rewards of an entrepreneur is the freedom and independence to manage the business as he sees fit. The success of a venture is often strongly connected with the intimate relationship and passion that entrepreneurs develop for their projects. Any restriction on this control usually dampens their passion and focus to a point where the business fails to achieve its intrinsic potential. Entrepreneurs and investors often fail to contemplate this reality when arranging financing for a venture.
- Connected to the issue of investor impatience and control is the issue of terms agreed with investors and sources of funding on the timing and level of distribution of value created by way of dividend payments, management fees and interest repayments. A major source of funds for a business is retained earnings. Its also affects the cost of funds/capital and the liquidity of the business. If the entrepreneurial opportunity is funded from sources that require payment of dividend, management fees and interest at a time when the business still needs to retain capital for operations and growth, problems of capital inadequacy may arise. In addition, the business may have to make up for shortfall in funds requirement occasioned by inappropriately timed and excessive substitutions with more expensive funds. This situation usually impacts negatively on the growth and profit potential of the venture.

The foregoing discussion should make it clear that the particular source of funding and attributes of the funds obtained for a venture is just as important as actual access to financing.

Most entrepreneurs can be described as incurable optimist. This is not a bad thing in itself, as a high level of passion and optimism is required to see any venture through from idea, through to proof-of-concept, to start-up and execution. However, no matter how optimistic you are as an entrepreneur about your venture, always remember that as long as you need to source for financing outside of your limited resources from investors, you will have to demonstrate to these investors in clear terms the risk and returns potentials of the business, sufficient to convince them that the investment is worthy of their consideration.

This can be demonstrated in your business plan, which should clearly document the following: capital requirements for each stage of the business with detailed supporting schedules and assumptions, a minimum of three years financial projections such as balance sheet,

profit and loss statements and cash flow statements with detailed schedules of assumptions [30]. You should also include properly prepared break-even analysis, demand schedules, cost schedules and investment returns analysis schedules. It is usually not enough to show these financial projections as a static scenario. You will need to demonstrate to the investors that you have a deep understanding of the operations of your venture and the drivers of profitability. Using financial and business sensitivity and scenario analysis to demonstrate performance outcomes under various conditions can communicate this understanding.

Private capital flows to where returns are high relative to risk. Thus entrepreneurs need to demonstrate that a project is bankable and should be willing to give up some things, including some ownership and control to ensure access to finance.

Some of the sources and strategies [2] for financing an entrepreneurial opportunity are as follows:

- **Bootstrapping:** This is the financing of the start-up or proof-of-concept phase of your business venture using your very limited personal resources. It involves conserving financial resources to the extreme using creative cost cutting techniques, deferring payments as far as is possible, negotiating favourable terms of credit and trade, and leveraging sources of spontaneous finance. Almost all entrepreneurs start off their ventures in this way. It is the hallmark of the tenacious and innovative entrepreneur, and it is often a matter of expediency given the difficulty in attracting funding for an untried and untested business idea and entrepreneur.
- **Family and friends:** Never ask your family and friends to contribute to a venture that you ordinarily will not contribute to. Treat the transaction as a business deal and agree terms and conditions of the loan in writing, and keep to your commitments. Also be ready to secure the loans provided by your friends and family with equity in your venture.
- **Angel investors:** These could also be family and friends, but are more usually investors and individuals who are willing to provide debt and equity finance to a business at very favourable terms without taking an active role in the business. They are usually high net worth individuals who invest in start-ups for a combination of limited investment returns but mainly for socio-philanthropic reasons. Angel financing sources exists in Nigeria, however the practice is not very structured or formalised. Entrepreneurs can gain access to Angel funds by becoming members of small and medium business network groups such as those run by the Fate Foundation and the Enterprise Development Centre (EDC) of the Pan African University, under its meet the lender initiative.
- **Bank of industry and other development banks:** Like most other developing countries, the government of Nigeria is trying to encourage the development of SMEs by improving them with access to funds. The Bank of Industry (BOI) is one such initiative. Depending on the size of the business, the BOI can provide funding to manufacturing oriented business for capital acquisition and or working capital, and in the form of both equity and debt financing. The website of the bank contains information on the criteria for accessing the funds.
- **FGN/CBN N200 billion intervention fund:** In 2011, the federal government of Nigeria through the CBN setup a fund

part financed by other multilateral agencies for providing access to funds to a number of critical sectors such as entertainment industry, manufacturing and SMEs. This fund is being managed and disbursed by the Bank of Industry. The criteria for eligibility can also be found on the website of the bank.

- **FGN agricultural sector intervention fund:** This fund is similar to the N200 billion FGN/CBN intervention fund. It is aimed exclusively at businesses involved in the agricultural sector and it is being managed and disbursed by the agriculture desk of participating commercial banks. Diamond Bank Plc., Firstbank Plc. and UBA Plc. are actively involved in the scheme.
- **Commercial bank loans:** Term Loans and Overdrafts: While this source of financing is not easy to access by entrepreneurs, especially start-ups without a business history and collateral, it is still a source of finance worth considering depending on the nature of the business and the particular funding requirements. One note of caution is that these sources of finance can be very expensive. Appropriate level of due diligence is thus advised. Other types of financing arrangements provided by commercial banks include bills discounting, import financing facilities, and invoice discounting.
- **Lease finance options and project financing:** Again depending on the viability of the project, a number of banks, finance houses, leasing companies can provide lease finance for the acquisition of equipment under operating and capital finance arrangements as well as specific project finance arrangements.
- **Private equity and venture capital financing:** Starting from about 1998, a number of indigenous and foreign private equity and venture capital firms have established a presence in Nigeria and have invested in very high profile and profitable Nigeria ventures. Examples include Capital Alliance Private Equity, SME Managers, Actis, Renaissance Capital, Grofin to mention just a few. While their investment threshold may be high, starting on average at about N50 million, a few have been known to invest as low as N20 million or less. Their investment takes the form of equity and debt capital and they usually also provide management support and business advisory services, ensuring that the business is professionally run. Minimum criteria for accessing funding are a professional business plan, a proof-of-concept, demonstrable high return on investment, satisfactory due diligence report and valuation.
- **International Finance Corporation (IFC) and African finance corporation:** These are financing sources for fairly large investment projects and requires a high degree of sophistication and performance history

As reported in the Start-Up Digest section of the online version of the BusinessDay Financial Newspaper of January 28th, 2017, other funds available to Nigerian entrepreneurs with a good business idea include; The Tony Elumelu \$500 Million fund, GroFin \$ 500 Million fund, Lagos State Employment Trust Fund (N25 Billion) and the N6 Billion Federal Social Intervention Fund.

Conclusion

This paper has attempted to enumerate the qualities of an entrepreneur and how an entrepreneur can identify or even design viable entrepreneurial opportunities. While macroeconomic and structural limitations may exist in the form of poor infrastructure, absence of enabling institutions and policies to support enterprise development

in a developing economy like Nigeria, there are numerous examples of entrepreneurs that have successfully launched and currently operate ventures of various sizes across different sectors of the economy.

The key to overcoming these challenges is focus, tenacity and innovative thinking, while also concentrating on areas where there are problems to solve and where there exist service gaps. The Buyer Experience Cycle and Utility Matrix, and the Entrepreneurial Process-Renewal, Regeneration and Intrapreneuring model where used as frameworks for spotting new opportunities and for enhancing existing opportunities. The paper also discussed strategies and sources for accessing funds, stressing the fact that accessing the right source of funds and ensuring a match between the attributes of a particular source of finance and the financing requirements of the business is just as important as access to funds. Finally the paper highlighted a few specific sources of financing in Nigeria.

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