

UNVEILING THE MYSTERY BEHIND ENTREPRENEURSHIP AND ITS APPLICATION IN CONTEMPORARY NIGERIA

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Abstract

The concept about financial freedom coupled with the knowledge of the vital instruments needed to live and to survive is unknown to many people. However, majority believe that, they have enough knowledge about this instrument and also know how to apply the principles guiding this instrument but unfortunately, research and experiences overtime have revealed the contrary. This instrument is called money and the principle needed to apply for its usage is known as entrepreneurship. The focus of this paper is to examine the concept behind entrepreneurship, to unveil the mystery behind it. To explain the role of money as an instrument, finance as a concept and how this concept can be applied in our contemporary time for one to be financially liberated. The method adopted is historical with research materials from the experts in the field of entrepreneurship with relevant case studies. It is recommended that an entrepreneur must have a basic understanding and knowledge on finance and money, look for a problem to solve that will lead to offering a solution as a service which will eventual metamorphous to money, ready to take risk, acquire the right skill and be ready to sacrifice for the business to excel. Above all is the support from the Almighty God over the business to travail and produce profit.

Keywords: Entrepreneur; Entrepreneurship; Money; Finance; Cash flow

Introduction

Entrepreneur is derived from two Latin words, “entre”, which means to swim out, and “prendes,” which means to grasp or grab hold of.¹ Another definition asserts that the word “entrepreneur” comes from the French word *entreprendre*, which means “to undertake.” In turn, the French word *entreprendre* originates from the Sanskrit word “*antrah prerna*”. It's said that when the French reached India in the 1600s, they were fascinated by the

¹ https://www.google.com/search?client=firefox-b-d&sca_esv=7008f87381b9388d&sxsrf=ADLYWJlf8mSCmoKS9AoCalCm7AyxqsuLMg:1717535362826&q=Entrepreneur+etymology+sanskrit&sa=X&ved=2ahUKEwjX2sLp7cKGaxX5WkEAHdb6J20Q1QJ6BAhFEAE&biw=1354&bih=637. Accessed 7th Aug 2017

independent and free-thinking nature of the monks.² Interestingly, the word entrepreneur is actually derived from the Sanskrit word अंतः प्रेरणा (Antah Prerna), meaning self-motivated.³ Being a successful entrepreneur entails so many factors couple with God's support and breathe upon one's desired business. It is not only about one's skill or knowledge but it is the lord that brings increase. If Paul is planting and Appolos is watering, it is the Lord that brings increase. So, there is a need for one to commit one's ways into the hands of the Lord and trust Him always. Psalms 37:5. "Commit your way to the Lord; trust in him and he will do this".⁴

Norman M. Scarborough defined Entrepreneur in this way: An entrepreneur is one who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying significant opportunities and assembling the necessary resources to capitalize on them.⁵ Evan T. Robbins x-ray what Entrepreneur is not in this manner: Entrepreneurship is not the same thing as throwing darts and hoping for the best. It is about planning and taking calculated risks based upon knowledge of the market, the available resources or products, and a predetermined measure of the potential for success.⁶ Oluwarinde Olukunle Enoch-PhD: Entrepreneurship is the activities of creating or forming a new business or businesses, with the aim of taking financial risks in the hope of making profit, acquiring the needed skill and knowledge with an expectation of growth. Entrepreneurs see potential where most people see only problems or nothing at all, a characteristic that often makes them the objects of ridicule (at least until their ideas become hug successes). Business is all about Risk Taking, if you don't have appetite for risk taking, don't go into business. Entrepreneurs must have the gut to take risk. After all, our living the house every day is a risk. It is not everybody that goes out that comes in. God has been our guide and strength.

Kindly take notes of the following FACTS about entrepreneurship.

- a. 4 C's –Commitment, Courage, Capability and Confidence.
- b. 4 R's-Recruiting, Recognition, Retention, Referrals
- c. 4 P's- Planning, Patient, Perseverance and Presence of Mind
- d. 4 M's-Manpower, Money, Materials and Methods

² Ibid. Accessed 26th Nov 2019

³ Ibid. Accessed 18th Sept 2020

⁴The Holy Bible.*New International Version –NIV Study Bible*.(Zondervan.Michigan 49546.USA).2011.896.

⁵ Norman M. Scarborough.*Essentials of Entrepreneurship and Small Business Management*. (Pearson Education,Edinburge Gate,England.)2013.21.

⁶Evan T. Robbins. *E is for Entrepreneurship*.(Syllabus). November, 2002.24.

Ingredients for Entrepreneurship

- Physical preparation – space, equipment, shop, land etc
- Mental preparation including attitudinal – Learning and understanding of the venture
- Character

1. How do you know what to do:

This is not about education or status. We have seen retired top Bankers, Retired top military Generals, Civil Servants etc that left the job but had dilemma of what to do. Please note:

- Most of what people do well at is what comes easily to them to do. By training, learning, and practice, they improve, excel and become experts.
- If what you are doing comes without ease but with pain, tears, struggle, and labor, you may have to reconsider if it is really your calling or vocation.
- Knowing your purpose focuses your life. It concentrates your effort and energy on what's important. You become effective by being selective

2. What is the size of your vision – Pick the right type of business:

- Is it a sole proprietorship, enterprise, or joint ventures
- This is the stage you need to do the necessary registration to enable you operate at the level of your vision. Is it a small enterprises or limited liability?
- Does the business require regulatory licenses like NAFDAC, SON, and SONCAP etc?

3. Figure out how much money you will need:

- The bible encourages us to do our stock taking before embarking on a project Luke 11:28-30.⁷ Don't start a business and get stranded along the way. Don't make your enterprise an abandoned project.
- A foolish entrepreneur can spend so much to hire an office or shop and not having money to put stocks in the shop. You rent a building for a year and spend times two of the amount to renovate adding value to landlord's asset.
- How can you raise money:
 - (a) Equity contribution or money brought into the business
 - (b) Donations and support from friends/relations
 - (c) Borrowings which is not advisable for start up

⁷ Bible

- Don't gamble with borrowed funds and be stranded midway. It is better you start small and grow.

4. *Hire the right people:*

- The greatest challenge in business today is human being. Be it a company, school, Amala joint, micro financing. Good and committed staffs are scarce. You are the best staff of your company. The amount of commitment you put in the business is the determinant of your success.
- Every other person is a potential thief and you must not only be involved but be committed.

5. *Create a winning culture:*

- A culture of excellence that this task must not only be done but must be done very well. This involved:
 - (a) Attitudes – Akara Osu in Ile-Ife
 - (b) Consistency – A food canteen in Surulere, off Bode Thomas, then and now.

6. *Learn Empathy:*

- Customers have options
- Try and see things from other point of view
- Every entrepreneur provides solution to existing problem or need
- Ability to empathize with others doesn't just make you a better person; it makes you better at business.

7. *Incentives:*

This is powerful ways to encourage the behavior you want from all stakeholders

8. *Experiment in Stages:*

- A product line at a time. Don't chew more than you can swallow or gamble with borrowed funds.

This article will be incomplete without considering the financial concepts and terminology surrounding entrepreneurship.

Understanding Financial Terms Concept

There is a need to unveil an important factor that surrounds finance and money. Matthew Ashimolowo asserts on finance in this way: It is impossible to be the best in every area of

your life until you have sorted out finances. You cannot afford to ignore the financial aspect of your life.⁸ He concluded that,

Financial Freedom is a necessary particularly as you look down the horizon and see how your life is likely to pan out over the years. No matter what areas in which you pursue to “Be the Best”, if you have not sorted out your finances you will perpetually be crippled particularly in the area of your effectiveness.⁹ And on money, he opined that: Money is like food; when you have enough of it you do not think much about it.¹⁰ Meanwhile, Robert G. Allen on the issue of money says: Money is one of the most important subjects study in your entire life. Some of life’s greatest enjoyments and most of life’s disappointments stem from the decisions you make about money. Whether you experience great peace of mind or constant anxiety will depend on whether you get your finance under control. Your relationships will be greatly affected. Thus, understanding money- how to make it and keep it-is absolutely essential to your life, to your relationships, to your happiness, to your future¹¹. There are only two ways of making profit in business.

- 1) Increase your income
- 2) Reduce your expenses

Turnover is good but it does not often add up into profit. The fact that your business is full of activities or you are always having customers does not mean that you are making progress. It’s like motion without movement. An in-depth understanding of the following concepts will alleviate one’s understanding on the subject matters.

- 1) Cash flow = Money the business is bringing (money coming into the business)
- 2) Expenses = Money you are spending on the business (money going out)
- 3) Assets = Robert T. Kiyosaki defined in this way: An asset is something that puts money in my pocket¹².
- 4) Liability = Robert T. Kiyosaki defined in this way: A liability is something that takes money out of your pocket¹³.

⁸Matthew Ashimolowo.*Be the best-9 Powerful keys to a successful life(Rising Beyond Mediocrity).*(Mattyson Media an imprint of MAMM:UK).2006.75

⁹ Matthew Ashimolowo.80

¹⁰Ibid., 75

¹¹Robert G. Allen. *Multiple streams of Income-How to generate a Lifetime of unlimited wealth.*(John Wiley & Sons, Inc.USA.)2005.x

¹² Robert T. Kiyosaki. *Rich Dad Poor Dad- What the Rich Teach Their Kids About Money-That the Poor and Middle Class Do Not.* (Warner Books, New York, USA).2001.81.

¹³Ibid.;

Kindly note that, an entrepreneur must strongly watch out for items (2) and (4) listed above, except it is extremely important. A good entrepreneur spends their money on (3) to create more (1) above. Avoid luxury items, carrying car to places that, you can take public bus to in other to reduce transportation cost must be adhered strictly to go buy something of 5k, you need to buy fuel, pay for car park etc and still achieve the same goal. When your cost of doing business (land, labour, raw materials, rent, transport etc) is growing up definitely you are on the path of loss. Allen asserts that: wealth is when small efforts produce big results. Poverty is when big efforts produce small results.¹⁴

Catalyst Needed by Entrepreneur

- 1) You must try and work and pay yourself, instead of waiting for somebody to pay you.
- 2) You must be a Risk Taker. Be bold and take more risk. If you cannot take a risk, you cannot be an entrepreneur. Just continue to collect your salary until the company asks you to go home. There is a general saying that: “*Enukiniunlowowa*” meaning the money is in the lion’s mouth, only the risk taker can remove it.
- 3) Leveraging on people is a necessity. If you can use people to do certain things and pay, do that and spend your time for other things meaningful. You must be able to use people and pay them well for their time to work, run around and think for you.
- 4) Time is very expensive, even more than money, and needs to be judiciously used. The irony of it is that we waste time a lot. The mystery about time is that it is given to all of us equally. 24hours a day for the rich and the poor. The difference is the way each of us applied our time. 24 hours is not enough for some people for their activities while some waste theirs anyhow.
- 5) If you must be an Entrepreneur, you must use your time productively, pay less attention to weekend parties, and unnecessary distractions that will take you away from your shop. Note that, any time you lock door, your pocket has started leaking. When you are nursing babe and stay six months at home, you are technically killing the business, because a customer that check on you maybe three times and did not see you will locate another shop and it may be difficult to win her loyalty back. Also, you can’t go to market and spend a whole day and close down your shop. Order your products and have them delivered to your shop. Better than locking up your shop for a whole day and go to trade fair which at times doesn’t really worth it.

¹⁴Robert G.Allen.x

- 6) Try as much as possible not to start your business with borrow funds, it is worst because the interest does not understand any festival holidays or other public holidays. Because while you are sleeping, the interest to be paid on the loan is not sleeping.

It's Application in Contemporary Nigeria

Let's look at the widows of an entrepreneur. I mean strategic widow from the business perspective. Some of the areas to explore include:

1. Buying and selling of goods from a far distance and coming to Ikorodu to sell. My son's colleague in the office as a case study.
2. Food items. This has a long value chain. From the production state to the logistics state, to the wholesale end or to the retail end. This can be raw or processed food.
3. Learn a skill like: Barbing, Tailoring, psalteries production (cake, fish roll, etc), driving, tiling, bricklaying, coding, logistics, bakery business which has its own value chain as well, etc.
4. Offer services. Example going to homes for cleaning or washing, teaching as home lesson, etc

Furthermore, let us consider the following case studies to elaborate the subject matter.

Case Study 1:

A friend who graduated with a first-class honors from university of Ibadan. He studied computer science. Got a job in one of the beverage computers, rose to become a senior manager but was ask to leave and was paid his entitlement and after two years thereabout, he had to relocate to the USA due to failure in some businesses ventured into but were not successful.

Case Study 2:

I know of a man who retired from one of the oil conglomerate as a director. He decided to venture into a poultry business. He acquired hectares of land in Ikorodu. Unfortunately, bird flu crises came; he lost 85% of his investment. He started selling the land and all the setup in the poultry. He started another business by expanding his wife creach setup and today the business has grew to having his own primary and secondary school with facilities and structures for boarding.

Case Study 3

An Encounter with Ibadan Billionaire Azeez Arisekola Alao by a Banker

One hot afternoon, I was instructed by the head office of my former bank to get some documents signed by the respected Ibadan billionaire and send it to Lagos immediately. I called him and he asked me to come over. When he saw me, he gave me an impression that

will remain with me till I die. When he saw me, He saw stress and pressure on me and asked for my name and requested I sit down and relax and he began to lecture me.

“Ise de omoalaseje, owo ma re omoalasela” meaning if you work for a pay, you can eat and be comfortable but if you want to be rich, you must be an entrepreneur.

Case Study 4

The Igbo culture of apprentice- ship concept is worthy of emulation and the principle should be adopted and embraced. Example of Dr Cosmos Maduka (An Entrepreneur per excellence) - the CEO of Coscharis group of company; Emeka Eke of Emmysuccess Nig Ltd, etc are good footprint worthy of emulation.

The Benefits of Entrepreneurship

1. The opportunity to create one’s own business or company.
2. The opportunity for one to make a significance difference.
3. The opportunity to reach one’s full potentials.
4. The opportunity to achieve and reap an outstanding and an impressive profit.
5. The opportunity to carry out a community social responsibility as a give back to the society, which can be recognized by the stakeholders.
6. The opportunity to express one’s desired intention that one love to do with fun without struggle.

Summary

There is a need for a desire for responsibility on the part of an entrepreneur; it implies that the entrepreneurs feel a deep sense of personal responsibility for the outcome of the ventures they start. Also, the aspect of preference for moderate risk must be adequately considered, in this case the entrepreneurs are not wild risk takers but are instead calculated risk takers. Again, the idea of confidence in their ability to succeed is another major boast that must be included. This implies that, entrepreneurs typically have an abundance of confidence in their ability to succeed and are confident that they chose the correct career path. The desire for immediate feedback must be inculcated. Entrepreneurs enjoy the challenge of running a business and they like to know how they are doing and are constantly looking for feedback. High level of energy cannot be neglected. Entrepreneurs are more energetic than the average person. That energy may be a critical factor given the incredible effort required to launch a start-up company. Also, future orientation is vital. Entrepreneurs should have a well-defined sense of searching for opportunities. They look ahead and are less concerned with what they did yesterday than with what they might do tomorrow. Again, skill at organizing or building a company “from scratch” is much like piecing together a

giant jigsaw puzzle. They know how to put the right people together to accomplish a task. The value of achievement over money which is another important and most common misconception about entrepreneurs is that they are driven wholly by the desire to make money. High degree of commitment for entrepreneurship is hard work, and launching a company successfully requires total commitment from an entrepreneur. Tolerance for ambiguity as an entrepreneurs tend to have a high tolerance for ambiguous, ever- changing situations, the environment in which they most often operate and Flexibility, which is the hallmark of true entrepreneurs is their ability to adapt to the changing demands of their customers and their businesses must be embraced, adopted and implemented by all and sundry.

Recommendations

1. Look for problem to solve.
2. Do a proper documentation- business proposal/what you intend to achieve and how you intend to achieve in your own way.
3. Acquire a skill.
4. Learn the rudiment of the about the solution/service you intend to solve.
5. Look for a mentor or a coach in that field or business-E.g. How I started my property company.
6. Be ready to sacrifice for the business to excel.
7. Make provision for mistakes and to restart again.
8. Surround yourself with giant-minded people-Vision/destiny builders and not ant-minded people-vision or destiny killers.

Conclusion

I will like to conclude with the short history of a contemporary and seasoned Nigerian entrepreneur in person of Mr. Atedo Peterside, who just stepped aside at the helms of affairs of the company he started thirty-five (35) years ago in this manner: Atedo Peterside CON is a Nigerian entrepreneur, investment banker, and economist. He is the founder of Stanbic IBTC Bank Plc was founded in 1989, Anap Business Jets Limited, and the Atedo N. A. Peterside Foundation. Stanbic IBTC Financial Services Limited will now be known as ZEST Payments Limited, with the regulatory authorizations sanctioning the move already in place. His recreational interests include Boating, Polo, Reading and Travel. Mr. Peterside hails from Rivers State in Nigeria and he is married to Abiodun (Dudun) who hails from Lagos State, also in Nigeria. They are blessed with children.

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