

Support for Business Development Services in The Niger Delta

**Identifying current business development service providers and
centres in the Niger Delta Region**

Commissioned by PIND & GTZ

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B. Abbreviations

BDC – Business Development Centre

BDS – Business Development Service

BOI – Bank of Industry

CAC – Corporate Affairs Commission

CMD – Centre for Micro Enterprise Development

DFID – Department for International Development

GTZ – German Technical Corporation

IFC – International Finance Corporation

LGA – Local Government Authority

MOU – Memorandum of Understanding

MSH – Management Science for Health

MSME's- Micro Small Medium Enterprises

MYPTC's - Multipurpose Youth Training Centres

NAFDAC – National Agency for Food and Drug Administration and Control

NAPEP – National Agency for Poverty Eradication Programme

PIND – Foundation for Partnership Initiatives in the Niger Delta

SME's – Small and Medium Enterprises

SMEDAN – Small and Medium Enterprise Development Agency of Nigeria

SON – Standards Organisation of Nigeria

STEP – Support and Training Entrepreneurship Programme

UNDP – United Nations Development Programme

UNOPS – United Nations Office for Project Services

USAID – United States Agency for International Development

C. Objectives & Scope of Study

PIND and GTZ have recently established a partnership that will promote private sector development in the Niger Delta. The partnership will focus on the establishment of a centre for economic development in Warri tailored after the GTZ supported business information and training centre in Lafia (Nasarawa State), building synergies between the two centres and sharing expertise and support wherever appropriate. The centre will be potentially be used as a hub for market research, entrepreneurship training, access to business information, advisory and other relevant services in the Niger Delta region. However at some stage, it will be important to understand clearly what specifically are those relevant services that MSME's in the Warri area truly desire.

Objectives

The primary objective for **Raphia Red Ltd**, contracted to assist with this study, is to provide assistance to GTZ and PIND to make informed decisions about the development of the proposed centre and its activities.

In order for this to happen, **Raphia Red Ltd** is to identify known Business Development Centres (BDC's) and Business Development Service (BDS) providers in the Niger Delta region and also assess the market system and market potential for BDS in the Warri area.

Scope of the study

The scope of this study is to focus on identifying the current BDC's and BDS providers in the Niger Delta Region; using secondary sources of data. The outcome should potentially assist with initial discussions with PIND, GTZ and other international consultants on a strategy to be adopted for the establishment of the Centre in Warri.

The study covered specifically all nine of the Niger Delta States.

Main Report

General comments and observations

The Niger Delta States/region includes Akwa- Ibom, Abia, Bayelsa, Cross River, Delta, Edo, Imo, Ondo and Rivers States. For the purpose of this report, BDC's will extend its definition to cover Business Support Centres, Business Information Centres, Business Training Centres, SME Development Centres, Entrepreneurship Development Centres, Micro-enterprise Centres and the likes; all offering a similar service.

OBSERVATIONS

One of the most challenging aspects of this assignment was the discovery of almost no secondary data or information relating to either BDC's or BDS providers. There are no directories listing any of these and even when searches were conducted over the internet in an attempt to find out where or who these providers are, there was still very limited amount of success. This was particularly true for Bayelsa, Delta and Edo States respectively. If this echoes the frustrations of a researcher, it can only be imagined what the actual SME's experience when trying to access basic information about their peers or other business services and or providers.

One would expect that at least government departments within the Niger Delta States in Nigeria would point us in the right direction but initial contact with some of these departments revealed that they did not even fully know what a BDC or BCS is. In many instances, there were no BDC's in some States but within their individual State departments of industry, some BDS services such as training, micro credit assistance and capacity building are provided to SME's through government funding. On a different note, most people understood the term business centres which provide mostly internet café services and general secretarial support such as printing, photocopying, typing, faxing, laminating and telephone services. Some of the more sophisticated business centres were known to provide services like group text messaging, designing and printing marketing flyers, etc

Because of the challenge of accessing information from secondary sources, it became necessary to draw upon information from primary sources (via personal networks) which proved useful in

getting a clearer picture of where the BDC's and BDS providers are. Below are some of the specific observations encountered during the study which are grouped into sub headings for the ease of understanding.

Definition of BDS and distinction between BDS and BDC

PIND defines BDS as services that improve the performance of an enterprise, its access to markets and its ability to compete; in addition BDC's are specific facilities dedicated to providing various aspects of business development services. Whilst this is mostly true, it was gathered through telephone interviews that a lot of BDS providers primarily see BDS in terms of training¹. This proposition tally's with the outcome of the conclusion from the MSME World Bank study in 2008² which suggests that MSMEs are aware of BDS, especially training and are willing to pay for them if it adds value to their overall business. Other expressions have been used to expand the scope of what comes under BDS however the vagueness of the terms "consultancy" and "advisory" services is so broad that it can be misleading at times when trying to understand what they offer. So what exactly should BDCs offer?

BDS services should extend its definition range to include anything that will help improve the economic sustenance of a business enterprise (with particular focus on MSME's) and should also cover areas such as writing business plans, marketing support such as what is the best advertising campaign to employ, research, business registration, opening a bank account, training on how to keep proper records, accounting services such as VAT returns and Tax submissions, using technology to improve business performance (e.g. SMS viral marketing), establishing linkages with other businesses to improve economies of scale or share information, strategy such as advice on what sectors to get into, website development etc.

¹ These comments are purely first impressions based on contact with government ministries, BDC's and BDS providers. More detailed research will need to be carried out to validate some of these initial findings

² BDS Impact Survey; MSME Project 2008

As PIND attempts to establish a BDC in Warri, one aspect to consider is what specific BDS service(s) it wants to align with. For example, if agriculture is going to be the main focus area, then BDS services that address the needs to this specific sector should be further investigated rather than a general approach. In addition, PIND should identify credible BDS providers from the state to support or perhaps good BDS providers from other states who may need support to extend their services to cover the Warri area. This is particularly important as one objective of the proposed BDC should be to complement rather than compete with existing BDS providers within the State; while at the same time acting as a platform for service providers already in place.

Objective

Most BDC's appear to be set up in the hope they will be financially supported in the long run. There does not seem to be a clear commercial rationale in their initial design and thus remain "open" purely in the hope that someday, a liberator will come rescue them from financial ruin. This suggests that their intention is not genuine and those who fall within this category (and it seems like a lot do) could be regarded as opportunistic.

Services

It appears that most organisations who would like to call themselves BDS' or BDC' in Nigeria today are unstructured, disorganised and at best ad-hoc. Most BDS providers want to align themselves to any service as long as there is money to be made by offering that particular service, without any real specialisation in that area. This can be a challenge for PIND when trying to identify credible BDS providers to partner with or support.

Market

Most of the current BDC's focus on supporting the development of new business rather than helping with existing ones. One reason for this could be that those people who come to them are primarily looking at ways to change their unemployment situation rather than those who are already gainfully employed. In addition, there is very little focus on one industry or sector and BDC's will offer services to all comers.

Financing

Most BDC's do not operate as private firms or organisations perhaps because of the huge capital outlay this entails. As such it seems that most are generally funded either by donors or the government (both state and federal). For example, SMEDAN has set up linkages and partnerships with various state governments across the country to support the provision of BDC. Even when donors support the development of these BDC's, their focus rarely extends to the Niger Delta States. For example, contact with the World Bank, USAID and DFID suggest their mandates do not extend to the Niger Delta States, although a bit of work is covered in Abia State by the World Bank MSME project. In other cases funding has been known to come from churches/church congregations as well as political personalities such as Senators. Many of the BDC's funded this way appear not to be sustainable.

One observation is that Delta State seems to be predominantly left out from the radar of both donors and the Federal Government alike and this could mean that there could be greater risks setting up such a centre; especially when trying to understand underlying systemic constraints. But with greater risks come greater opportunities.

Oil Companies

There seems to be the trend where oil companies are supporting the development of BDCs in the Nigeria. STEP for example was set up by IFC but subsequently partnered with ExxonMobil in Eket, Cross River State. ExxonMobil is also in partnership with AFRICARE in a range of projects throughout West Africa that focus on Women Empowerment and Micro Enterprise³.

Shell also started the LiveWIRE programme to support entrepreneurship development among youths in the Niger Delta. It provides young people the skills they need to start up and manage their own business. In Nigeria, this programme claims to have trained more than 3,500 young people since 2003; In addition, UNOPS is renovating and refurbishing Multipurpose Youth Training

³ www.africare.org

Centres (MYPTCs) in order to provide vocational centres for local communities. This is possible with funding from UNDP in partnership with Shell Petroleum Development Company and the state governments of Bayelsa, Delta and Rivers States.

SMEDAN

SMEDAN is a big player in supporting the development of BDC's. This came across clearly in discussions and therefore any collaboration with SMEDAN is more likely to yield positive results in the longer term.

Other

Akwa Ibom States is leading the way for the number of BDC's in the Niger Delta whilst Rivers, Cross Rivers and Delta States seem to be seriously lagging behind. It will be interesting and useful to understand the root cause(s) of this.

Despite all these observations it is crucial that PIND is clear on the overall strategy it plans to adopt for the development of the proposed BDC in Warri. Deciding on the relevant BDS to offer, the right partnerships to develop, the model to adopt for financial sustainability and whether or not the centre plans to provide BDS directly or facilitate the provision of these services is something that need to be thoroughly evaluated.

Below are details of BDC's and BDS providers in the Niger Delta States. Full details of these are provided as a separate attachment.

Table 1: BDC's in the Niger Delta States

State	Organisation	Funding Arrangement
Abia	Abia State University Business Support Centre	SMEDAN & Abia State Government
Akwa Ibom	New Apostolic Church	The Church
Akwa Ibom	Peace Development Business Information Centre Uyo	NAPEP and UNDP
Akwa Ibom	Obongowan Skills Acquisition Centre, Eket	State Senator
Akwa Ibom	Akwa Ibom Business Support Centre	SMEDAN and Akwa Ibom State Government
Akwa Ibom	Applicants Welfare and National Development Centre	USAID, AFRICARE and MSH

Bayelsa	Bayelsa Business Support Centre	SMEDAN and Bayelsa State Government
Edo	Otu' Eyoto Business Information Centre (Multipurpose Co-operative Society)	Owner funded
Edo	Department of Industry, Ministry of Commerce and Industry	Edo State Government
Edo	Youth and Empowerment Programme	Unconfirmed
Imo	Imo Self Help Organization (ISHO)	Unconfirmed
Imo	OGBOR - Ugigi Community Business Information Centre, Isiala LGA, Imo State	SMEDAN
Imo	Federal University of Technology, Owerri Business Information Centre	SMEDAN and Imo State Government
Ondo	Akure Business support Centre	SMEDAN and Ondo State Government

Table 2: BDS providers the Niger Delta States

State	Organization	Area/Service
Aba	Emil Consulting	General management consulting
Aba	Tiger Consulting	General management consulting
Abia	Bomez Nigeria Limited	Business advisory service, consulting & training
Abia	DPA & A Consults	Quality documentation training; Research and development, management, health, safety and environment, marketing and sales, management consulting and training
Abia	Justin Nwosu & Co.	Manpower Development training in the areas of management, accounting, auditing, financial management and corporate finance
Abia	Noble House Consulting	Business advisory service, consulting & training
Abia	North South Development Limited	Business Training
Abia	Pearl Enterprise & Allied Resources Limited	Business advisory service, consulting & training
Abia	Techedge Consulting Limited	Business advisory service, consulting & training
Abia	Noble House Management Consulting	Noble House is operated by seasoned and experienced business development service providers in the field of Business Administration, Project Management, Economics and other fields of human endeavours
Abia	Vertical Optimization (Aquada)	Vertical Optimization, LLC, is a business development consultancy established in Washington, D.C. in 2005 to create, expand, and improve businesses and business opportunities. They provide services based on the Six Sigma discipline.
Abia	Devcentric International Ltd	Training & consultancy services to MSME's
Abia & Abuja	VSL Consulting	VSL Consulting is a self accounting division of Value Securities Limited registered in May 2006. The principals have over 20 years experience in the provision of financial and non-financial business development services to MSME's.

Abia, Lagos & Kaduna	Centre for Micro enterprise Development (CMD)	Training & marketing, project, research and management information systems
Akwa Ibom	Support & Training Entrepreneurship Program (STEP)	Entrepreneurship & Management Training; Step was primary funded by the Africa Desk within The IFC
Cross River	Ani Thomas and Company	General entrepreneurship development programmes for start-up's and those currently in business
Edo	Tamaa Resources Nigeria Ltd	Financial consulting and advisory services for SME's
Imo	Tech Edge Consulting Ltd	Provision of market access and quality management services to MSME's.
Imo	Infrawatch Limited	Capacity building (for both public & private companies), SME training on book-keeping and financial management
Lagos & Abia	Toki Mabugunje & Co	Business advisory service, consulting & training
Lagos & Abia	LEAP Africa	Leap works in partnership with well established banks that are able to refer customers most likely to benefit from attending leadership and succession planning programmes. These banks also contribute in kind through undertaking some services for Leap.
Lagos & Rivers	Fate Foundation	Entrepreneurship
Lagos & Rivers	Lagos Business School	Entrepreneurship & Management Training
Lagos, Abia	PEARL Enterprise & Allied Resources	Pearls portfolio of services includes consulting and business advisory, entrepreneurship training and technical assistance to the MSME sector.
Ondo & Abia	North South Development	Despite having its head office in Ibadan, NSD's office in Aba is fully operational with permanent staff. This is further strengthened by its partnership with TechEdge who also provided a rented office accommodation.
Rivers	Wider Perspectives Ltd	The Company offers both operational and strategic services to address medium and long term issues for improved performance of MSME's, their access to markets and ability to compete.