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An Evaluation of Business Strategies Adopted by SMEs in Nigeria: A Case Study of Apo, Abuja Municipal Area Council

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The study examined an evaluation of business strategies adopted by SMES in Nigeria: a case study of Apo, Abuja Municipal Area Council. The population of the study was 100 respondents which comprises of owners and managers of the small businesses of the study area. The study adopted the entire population as the sample size, because the population is not large. 100 questionnaires were administered and a total of 80 were retrieved representing 80% of the total population and was used as the sample size. The analysis was conducted using chi-square descriptive statistical tool to test formulated hypothesis. The finding revealed that there is a significant relationship between business strategies adopted and the performance of SMEs in Nigeria. The study recommended Small scale business owners and managers should give more attention on competitive strategies as it will help the organization to gather information about potential threat and opportunity available to them so as to enable in the growth of the business.

Key words: Business, Business Strategies, Small Scale Business.

INTRODUCTION

1.1 Background of Study

SMEs have been accepted worldwide as instruments of economic growth and development. Governments, particularly in the developing countries, have made tremendous efforts and established policies towards enhancing the capacity and sustainability of SMEs. However, despite government institutional and policy support, there is a grave concern and skepticism about whether SMEs can bring about economic growth and development, particularly in developing countries. In Nigeria, there have been a series of government interventions to boost the activities of SMEs through the establishment of agencies and programmes to provide consultancy, information, and guidelines to Nigerians who establish and own businesses. Some of these programmes include: Small and Medium Enterprise Equity Investment Scheme (SMEEIS) established in 2001 and the Small and Medium Scale Enterprises Development Agency of Nigeria (SMEDAN) established in 2003. Other agencies include: the National Directorate of Employment (NDE), Skills Acquisition Centre and Industrial Development

Centres. SMEs are faced with challenges which affect their ability to function and contribute optimally to the economy.

An SME according to the Central Bank of Nigeria (CBN) is one whose capital employed excluding land is between ₦1 million and ₦150 million and employs not more than 500 persons (Ebitu, Ufot, & Olom, 2015). Ogundele (2007) noted that SMEs represent 90% of the enterprises in African, Caribbean and Pacific (ACP) countries. Also, SMEs provide 70% of employment opportunities for the citizens and promote the development of local technology. Oyedijo (2012) have observed that small businesses employ 53% of the private workforce and account for 47% of sales and 51% of private sector gross domestic product. SMEs possess great potential for employment generation, improvement of local technology, output diversification, development of indigenous entrepreneurship and forward integration with large scale industries (Central Bank of Nigeria quarterly publication, 2011).

Business Strategies on the other hand is the means by which an organization establishes and re-establishes its fundamental set of relationships with its environment characterized by changes in the pattern of decisions taken by the organization. These strategies include competitive strategy which involves the ability of the organization to achieve leadership status in the dynamic and uncertain market they operate; human resources strategy which capitalizes on the use of the employees to achieve the organizations aims and objectives; market orientation strategy involves aligning the organizational output to suit the market and customers need and adaptation strategy which involves the use of innovation to allow the organization becomes relevant all in a bid to achieving SME development. It is thus imperative that studies be carried out on how these SMEs survive and on the strategies they adopt for their sustainability.

1.2 Problem Statement

The poor performance of Nigerian small and medium enterprises (SMEs) is an issue of serious concern to all Nigerians and other stakeholders (Ibru, 2013). The current chief executive officer (CEO) SMEDAN, Nadada (2013), admitted the following problems facing SMEs in Nigeria to include, among others poor market orientation strategies, inadequate knowledge of managing firms, poor marketing skills, low entrepreneurial spirit and the absence of this leads to reduction in their profit, market share, customer loyalty and organizational performance. Small scale business owners do not have initial knowledge on what business strategies to adopt which could lead to increase profit, productivity, and better competitive advantages over other firms. Poor information gathering has continued to limit the successful execution of small scale businesses. It is against this back drop that this study focus on the evaluation of business strategies adopted by SMEs in Nigeria, a study of Apo, Abuja Municipal Area Council, FCT-Abuja.

1.3 Purpose of Study

The major objective of this study is to examine an evaluation of business strategies adopted by SMEs in Nigeria: A Case Study of Apo, Abuja Municipal Area Council. The specific objectives are:

i. To identify the business strategies adopted by SMEs in Nigeria.
ii. To evaluate which business strategy is more effective in SME's performance.

1.4 Research Question

Based on the problem statement, the following research questions were raised.

i. What are the business strategies adopted by SMEs in Nigeria?
ii. Which business strategy is more effective in SME's performance?

1.5 Statement of Hypotheses

The following hypotheses are stated to guide the study:

H_0: There is no significant relationship between business strategies adopted and the performance of SMEs in Nigeria.

H_1: There is a significant relationship between business strategies adopted and the performance of SMEs in Nigeria.

1.6 Significance of the Study

This study would be significant to owners and managers of small scale business on how to employ business strategies to improve their organizational performance and survival. The findings of this study would serve as a resource material to refer to when formulating business strategies. As a result of these findings they can learn and improve in areas where weaknesses were revealed. It would be a source of knowledge and can be used by managers as a guide in implementing business strategies in their organizations. This study would also be beneficial to other non-profit making organizations in terms of policy making for effective running of their organizations. Future researchers who will be interested in this area of study can use this research as a reference material or past study for their research work.

1.7 Scope and Limitations of the study

The study is limited to an evaluation of business strategies adopted by small and medium scale businesses in Apo, Abuja Municipal Area Council. The study covered a period of five years 2011-2015 because it evolved in a democratic era. The study is limited by time and difficulties encounter getting vital information.

LITERATURE REVIEW

2.1 Conceptual Issues

2.1.1 Concept of Small and Medium Scale Business

Small-scale businesses play an important role in the economic advancement of many countries. Historically, the small-scale enterprises have formed the base of industrial structures and facilitated the process of industrialization in most countries irrespective of their stages of development. In the light of scarce resource endowments and other socio-economic realities of developing countries, this sector typically comprises over ninety percent of all industries. Small business is a field that is often mentioned but since it covers a wide range of activities its concept and definition vary enormously from one place to another, from one country to another and from one author to another. There is no universally accepted definition of small-scale industries. But the term 'small-scale industry' is used everywhere, both in developed and developing countries, to denote the character of a particular type of industry. With the current rate of unemployment and poverty level in Nigeria, small business has become source of livelihood to millions of Nigerians. About 60% of all the business established in Nigeria is on small scale level (Okeke, Ezenwafor, and Femiwole, 2013).

Small business definitions differ within the fixed co-ordination of national boundaries. For instance, Alaye-Ogan, (2012) defines a small business as companies with capital base between twenty thousand naira and thirty million naira (equivalent of $125 to $193,500). According to Hatten (2012: 4), a company is considered small if it is independently owned, operated, and financed; has fewer than 100 employees; and has relatively little impact on its industry. Also, the Federal Ministry of Commerce and Industry of Nigeria defines small-scale business as a business with capital investment that is not over seven hundred and fifty thousand naira (N750,000), while the Central Bank of Nigeria (CBN) (2010) defines small and medium enterprise (SMEs) as business with asset base of between five and five-hundred million naira, and staff strength of between 11-300 people. In this study, a small business is considered as one with a capital base of 30000-500000 and above with a total number of 10- 20 employees.

2.1.2 Concept of Business Strategies

Business Strategies are the means through which an organization establishes and re-establishes its fundamental set of relationships with its environment. It is strategy characterized by widespread and more or less simultaneous change in pattern of decisions taken by an organization (Murray, 1984). Strategies are the primary building block of competitive distinctiveness and development for an organization. As an organizational process, this encompasses a range of activities in which firms engage to establish and sustain their organizational growth as applicable to Small and Medium Scales Enterprises (SMEs) (Mazzarol, 2004).

Business strategies are characterized as strategy involving widespread and more-or-less simultaneous change in the pattern of decisions taken by an organization. Business Strategies helps to understand the integration between creating business opportunities and running the real-life business and the business strategies considered in this study are competitive strategy, human resource strategy, market orientation strategy and adaptation strategy and how they can be employed by entrepreneurs for SME development. Business strategies are all these: it is perspective, position, plan, and pattern. Business strategy is the bridge between policy or high-order goals on the one hand and tactics or concrete actions on the other being employed by entrepreneurs. Business strategy or tactics together straddle the gap between ends and means. In short, Business strategy is a term that refers to a complex web of thoughts, ideas, insights, experiences, goals, expertise, memories, perceptions, and expectations that provides general guidance for specific actions in pursuit of particular ends and these include competitive, adaptation, human resource and market orientation strategy (Ireland & Webb, 2007).

Competitive Strategy: Porter (1996) argues that competitive strategy is "about being different". He adds, "It means deliberately choosing a different set of activities to deliver a unique mix of value”. Porter argues that competitive strategy is about competitive position, about differentiating yourself in the eyes of the customer, about adding value through a mix of activities different from those used by competitors. In his earlier book, Porter defines competitive strategy as “a combination of the ends (goals) for which the firm is striving and the means (policies) by which it is seeking to get there”. Thus, Porter seems to embrace strategy as both plan and position.

The present high mortality rate of SMEs in Nigeria is awful to contemplate and constitute danger to the entire economic system. It represents serious financial pressure on the nation’s economy as well as a waste of valuable resources. The business owner should always consider challenging situations and be prepared to meet them with pre-planned competitive strategies (Nzelibe, 1996). The survival of SMEs is only possible through a systematic analysis of the problems they are facing and mapping out appropriate strategies of overcoming them, through a proper understanding of the business environment (Irwin, 1991). For a business to survive in unfriendly environmental conditions it should adopt a competitive strategy that utilizes its strengths to exploit opportunities while avoiding its weaknesses (Ansoff, 1981). Nwoye (1998), argued that strategic changes might take place in a firm without initial formulations, such decision could be informed by expansion strategy, preference to cash sales policy, innovation strategy, change in production techniques, local sourcing or use of alternative materials, backward integration and merger. Thus, any entrepreneur who wants to succeed must employ competitive strategies to identify business opportunities, be creative, visionary, daring, risk taking, courageous and sensitive to changes in the competitive business environment.

Human Resource Strategy: Human resource strategy are strategies aimed at searching for employees and training them, helping with conflict resolution, and organizing and helping with benefits and compensation for employees in an organization in line with the overall goals, mission, and future aspirations of the organization (Thomas, 1996). Human resource strategy is the act of being proactive so that employees have the necessary tools and attitudes to align with the direction the company is moving in. The leadership style as a human resource strategy is most vital for SMEs success. The leadership style is about the aligning of people to the expected outcomes of the vision of the SMEs.

In order to lead one must be able to manage and hence, the two are closely related (Gwavuya, 2011). High potential employees and great leadership styles have positive correlation to the intention of the employee to stay with the company (Kyndt, Dochy, &Baert, 2010). Having a cooperative and supportive leadership style as a human resource strategy has been put forth (Sarah & Simon, 2013) because it helps the organization to perform better. In a survey done by Hay group (1998) out of fifty retention factors, salary was the least important factor to half a million employees over three hundred companies. Managers, supervisors, team leaders who direct and interact honestly with employees have the greatest contact on employees’ satisfaction levels with their jobs.

Human resource strategies which does not give importance to the employees, listen to them, fail to recognize employees’ accomplishments, praise them, providing only negative feedback, taking credit for others ideas, blaming others for one’s own mistakes, betraying trusts or confidences, favoritism, setting unrealistic goals and deadlines, and not helping good performers to grow in their careers lead to not being able to retain employees in the organization does not enhance employee productivity (Devi, 2009). Recruitment style is a vital human resource strategy being employed by SMEs. Recruitment style refers to the process of finding and hiring the best qualified candidates (from within or outside the organization) for a job opening in a timely, cost effective manner while ensuring that selected employees are willing to be retained in the organization and satisfied with it. Research shows that a good recruitment strategy is the key to employee retention (Hascall, Hopkins & Hollman 1995).

Market Orientation Strategy: Market orientation is a company philosophy that is focused on discovering and meeting the needs and desires of its customers through its product mix while marketing strategies concentrates on establishing selling points for existing products. From the above, market orientation strategy can be defined as coordinated marketing campaign between a company and its customer attempting to tailor products to meet the demands of customers by establishing a balance between products quality and pricing.

Market orientation strategy involves the use of pricing strategies, Market penetration strategy and market skimming. The pricing strategies to be adopted by an SME differ and are influenced by some market forces. Therefore, since strategy is the set of actions through which an organization by accident or design develops resources and uses them to deliver services or products in a way which its users find valuable, while meeting the financial and other objectives and constraints imposed by key stakeholders, pricing is seen as such an important market orientation strategy that can be employed for entrepreneurial development of SMEs. Most successful strategies give an organization some property that is unique or at least distinctive and the means for renewing its competitive advantage as the environment changes (Haberberg & Rieple, 2008).

Market orientation strategy involves the process of setting a considerable price, which will be affordable for the customer, thus there may be need for price reduction in order to gain acceptance and thus create speed for the product in the market. Market skimming involves setting a product price high initially and later reducing the price to improve sales. It is used mostly for newly introduced products so that consumers will not react negatively to an increased price to meet cost or make profit. When the price is reduced, consumers may see it as an advantage for more patronage. However, this strategy may not work for some products where increased price is attributed to greater prestige and products with numerous substitutes in the market.

Adaptation Strategy: As a business enters a new market, it must cope with cultural and demographic differences in the way it handles its operations. Some businesses choose a standardization model, in which the business appeals to universal needs, wants or goals in its markets. An alternative is the adaptation strategy which forgoes universality in favor of tailoring the organizations operations to appeal to the cultural or demographic particulars of customers in its market. To emphasize the importance of adaptation, two of the theoretical foundations within the field of entrepreneurship are “population ecology” and “strategic adaptation” (Morris, Sexton, and Lewis, 1993).

The key to entrepreneurial success lies in the decisions of individual entrepreneurs who identify opportunities, develop strategies, assemble resource, and demonstrate initiative. Some of the factors that appear to determine an organization's ability to adapt to changing environments include leadership, culture strength, tradition, and the economics of the business (Burack, et al., 1994). Relating specifically to entrepreneurial organizations, research suggests that individuals will react differently to the need to adapt to their environment based on such factors as their psychological make-up and the existence of tangible incentives to change (Starr and Fondas, 1992). Four motivational bases for adaptation in an entrepreneurial context have been identified: personality, anxiety or stress reduction, whether or not the individual specifically chose the position he or she is now in, and the existence and value of rewards. Such personality traits as the need for control and an individual's level of self-esteem are thought to affect one's ability or willingness to adapt to an environment.

Adaptation strategies often prove cost prohibitive, as they often require building new campaigns from the ground. Repositioning can result in substantial short- or long-term loss of market share if the strategy drives off existing customers without replacing them with new customers. Adaptation strategies helps to increase customer loyalty to established local and established brands. A business should weigh the financial costs against the probability of success before embarking on an adaptation marketing strategy.

2.2 Theoretical Framework

Many models and theories have been developed and put forward to buttress the studies on business strategies and SME growth and development. Such models and theories can be argued to form the framework to many studies as they support the development of hypothesis and ultimately give rise to new findings which enlarge a particular. This study reviewed theories such as the resource based view, and the survival-base theory.

Resource Based View Theory

Resource based view theory is a major research theory in strategic management propounded in other to understand the source of advantage of a firm as contained in their strategies. The theory was promoted by Wernerfelt in 1984 in his article (A resource based view of the firm) and was further developed upon by Corner 1991 & Barney, J. 1991.Resource based view theory proposed that there are two major sources of advantage within the environment of an organization that are important to the preparation of firm strategy and the efficient and effective application of these resources can enable organization to achieve competitive advantage needed for development (Rigim, Razalli & Hasnan, 2012).

These sources are identified as assets which are either tangible or intangible in nature. Tangible asset are physical resources that are visible in nature in form of physical things such as land, buildings, machinery equipment’s and so on which are under the control or ownership of the company. Physical resources are asset that can be easily bought in the market and so they confer little advantage to the organizations in the long run because rivals can soon acquire the identical asset (Wang, Chen & Chen, 2012).While intangible asset are non-physical in nature and include strategies employed by the organizations but can still be owned by a company. Unlike tangible asset, intangible asset are capabilities that cannot be bought from a factor market but are usually built within an organization over a long time and usually embedded within an organization and are referred to as capability (Wirattanapornkul, 2012).

Resource based view theory holds two major assumption which states that resources must be heterogeneous in nature. The heterogeneous nature of resources assumes that firms employs strategies that leads to an advantage when the organizations makes use of strategies that are significantly different from that of competitors (Kim, Shin, Kim & Lee, 2011). The second assumption of resource based view theory is that firm's resources are non-movable and non-transferable. This means that resources attributed to a particular company do not move from one company to another at least in a short run (Akio, 2005).

Resource based view theory also argue that in order to achieve an advantage, an organization's unique combination of resources and strategies must be economically valuable, rare, difficult to imitate and non-substitutable (Wiranttanapornkul, 2012). Valuable simply means that a resource should be highly important in making organization to improve on the value offered to the customer and thus, become a source of advantage. Rare on the other hand means that a resource that is scarce, uncommon and not easily acquired by a competing firm could also be a source of advantage. It is the inability of other competing firms to exploit a valuable resource in the same way and thus, making it difficult for imitating organizations to implement similar strategies and compete the same way with the firm (Akio, 2005).

The Survival-Base Theory

The survival-base theory discusses the strategy firm's uses to avoid being exterminated by competitors. It posit that the process of sensing, intuition, feeling, thinking- must be developed by a business manager in order to succeed in innovativeness and high intellectual and practical capacity to run an organization and should be ready to accept uncertainties so as to achieve development (Gibcus, 2003). Basically, the underpinning of survival strategy is that organization needs to continuously adapt to its competitive environment in order to survive. Each decade seems to bring a new way of thinking about the business environment (a paradigm) and new ways of acting (corporate strategies) Brian (1996). Small organizations such as SMEs that do not command a significant client base are the ones that often adopt this mentality. Here, the organizations trail the market developments as opposed to being in the lead as far as innovations and pricing are concerned (Sheldrack, 2003). Analysts view the subscribers to this line of thinking as extremely limited in terms of their capacity to grow and such growth if any is less likely to surpass those organizations that are presumed to be at the helm of market leadership (Raduan et al, 2009).

The concept of survival-based theory or some might call it as "survival of the fittest' theory was originally developed by Herbert Spencer (Miesing & Preble, 1985). It was them who synthesized Darwin's theory of evolution and natural selection with Adam Smith's invisible hands to come up with the idea of Social Darwinism. This theory, which was quite popular during late 19th and early 20th century, emphasized on the notion that by following the principle of nature, only the best and the fittest of competitors will win, which in the end would lead to the improvement of the social community as a whole. Social Darwinism assumed it is normal for the competition to behave in hedonistic ways to produce the fittest business, who survived and prospered by successfully adapting to its environment or become the most efficient and economic producer of all. Hence, ruthless business rivalry and unprincipled politics is acceptable under this assumption. The survival-based view in management emphasized on the assumptions that in order to survive, organizations has to deploy strategies that should be focused on running very efficient operations and can respond rapidly to the changing of competitive environment (Khairuddin, 2005), since the one that survive is the one that is the fittest and most able to adapt to the environment. Mc Donald was argued as one of the success story which suit perfectly to the Darwinian survival of the fittest theory (Stillman, 2003).

2.3 Empirical Review

A study by Ifekwem and Adedamola (2016) examined the survival strategies and sustainability of small and medium enterprises in the Oshodi-Isolo Local Government Area of Lagos State. Fifty (50) SMEs were randomly sampled Their owners and managers were interviewed using questionnaires Data collected were analysed using descriptive statistics and Pearson product–moment correlation coefficient statistics Our findings reveal that there is a statistically significant relationship between survival strategies and SMEs' sustainability The major implication of the findings is that maintaining small but committed and motivated employees is critical in guaranteeing the survival of the SMEs in a volatile economy The study recommends that there be a need for orientation and educational programmes to change the mindset of business owners to enable them to graduate from sole atomistic proprietor devoid of modern scientific business practice and effective succession to corporate status with an apparatus of modern business management practices and corporate vision.

Njoroge (2015) carried out a study on marketing strategies and the performance of small and medium enterprises in Matuu town, Machakos County, Kenya. The study used a descriptive research design and the population of interest comprised all the Small and medium enterprise in Matuu town, Machakos County. A sample of 86 SMEs was selected for the using simple random and stratified sampling methods. Data was collected using a semi-structured questionnaire which administered to the owners and employees of the sampled SMEs. To establish the instrument reliability the Cronbach Coefficient alpha (α) was used. The data collected was analyzed using descriptive and inferential statistics using the statistical package for social sciences (SPSS). To establish the relationship between the dependent variable (performance) and the independent variable the classical linear regression model was used. The study established that customer relationship marketing strategies and technology based marketing strategies have a positive insignificant influence on the performance of SMEs in Matuu town while innovative marketing strategies have a significant negative relationship with the performance of SMEs in Matuu town. The study concluded that marketing strategies influence the performance of Small and medium enterprises and recommended that that small and medium enterprises should develop effective policies on marketing since marketing is one of the major determinants of SMEs performance.

Another study by Iorun (2014) investigated an evaluation of survival strategies of small and medium enterprises in Benue State, Nigeria. Primary data were applied in carrying out this research work. Chi square method was employed to analyze the data. The results reveal that creativity is a strategy for the survival of small business enterprises in Nigeria. The results also indicate that high risk taking is a strategy for the survival of SMEs in Nigeria. Lastly, the results also show that, areas of opportunities for business are a panacea for the survival of SMEs in Nigeria. It is recommended among others that prospective entrepreneurs should only go into business after taking a realistic view of their strengths and weaknesses and drawing up a well thought out business plan. Also, Government should provide infrastructures necessary to encourage and promote the growth and development of SMEs in Nigeria.

2.4 Literature Gap

The empirical review indicates similar work was conducted on survival strategies and marketing strategies on the performance of SMEs in Oshodi-Isolo Local Government Area of Lagos State, Matuu town, Machakos County Kenya and Benue State, Nigeria. This study however, focuses on an evaluation of business strategies adopted by SMEs in Nigeria: a study of Apo Abuja Municipal area council.

METHODOLOGY

3.1 Population

The population of the study comprises of 100 owners and managers of small scale businesses of the study area, and because the population is not large it was all adopted as the sample size of the study. A total of 100 questionnaires were administered to the respondents, but 80 were retrieved representing 80% as the sample size used in the study. The sample size was drawn in a manner that ensures accuracy and reliability of data and eliminates the chances of bias in a selection process. The sampling was done in such a way that every element of the population has equal and independent chances of being selected by allowing randomness to prevail in the selection process.

3.2 Research Design

The study employs the use of descriptive research design using survey techniques. The justification is that the survey method allows the collection of significant amount of data in an economical and efficient manner. A survey is a fact-finding study and it is a method of research which involves the gathering of data directly from a population or a sample thereof at a particular time.

3.3 Method of Data Collection

The study employed both primary and secondary source of data. The primary source employed the use of questionnaire and interviews, while the secondary uses the journals, text books and other materials from the internet.

3.4 Method of Data Analysis

Simple percentages and frequency were used in analyzing responses collected from the selected owners and managers of small scale businesses of the study area through the aid of questionnaire. However, the collated data was analyzed using the descriptive statistical tool of simple percentage (%), and chi-square (X^2).

3.5 Validity and Reliability of Methods Adopted

Content validity is established for the instrument. It is a form of validity that involves ensuring that items on a test represent the entire range of possible items a test should cover. The validity of the instrument is ascertained by effecting the corrections made by the Supervisor and resubmit for vetting.

To establish the reliability of the instrument, the cronbach alpha was used in establishing the coefficient of stability of the instrument. The result indicates that the entire instrument yielded a reliability statistics of 0.80. The coefficients were considered high enough to conclude that the instrument is reliable and were considered suitable for the study.

DATA ANALYSIS AND PRESENTATION

4.1 Presentation of Results

The sample size comprises of small business owners and managers of the study area. They were interviewed and administered open ended questionnaires. The collated data were analyzed using the simple percentage (%) and the chi-square (X^2) tools. In the application of chi-square in the testing of hypotheses, using a level of significance of 5%, the decision rule is to reject the null hypotheses if the computed value (X^2) is greater than the table value.

Table 4.1 Distribution of Response Rate

Variables	Frequency	Percentage (%)
Questionnaire Administered	100	100
Questionnaire Retrieved	80	80%
Questionnaire not retrieved	20	20%

Source: field survey, 2018.

Table 4.1 above presents the distribution of responses in line with the objective of the study. The table shows that out of the 100 questionnaire administered, 80 were retrieved representing 80% of the total population. While 20 were not retrieved representing 20%. the questionnaire was randomly administered in such a manner that the diverse nature of the population was adequately represented and this was adequate for the research.

Table 4.2: Demographic Data

Characteristics	Respondents	Frequency	Percentage
1. Gender	Male	62	77.5
	Female	18	22.5
	Total	**80**	**100**
2. Age	18 - 30 Years	43	53.75
	30 – 40 Years	29	36.25
	40 years and Above	8	10
	Total	**80**	**100**
3. Qualification	O-level	45	56.25
	OND/HND	25	31.25
	B.Sc./B.A	10	12.5
	Total	**80**	**100**

Source: field survey, 2018

The respondents gender indicate that 62(77.5%) are male, while 18(22.5%) are female. Respondent age indicates that 43 (53.75%) were between the age of 18 and 30 years, 29 (36.25%) are between the age of 30 to 40 years while 8 (10%) are above the age of 40 years.

Respondents qualifications reveals that 45 (56.25%) have O-level minimum qualification, 25 (31.25%) have OND/HND while 10 (12.5%) have B.Sc./B.A. this indicates that B.Sc./B.A. holders are less involved in small businesses.

4.2 Hypotheses Testing

H_0: There is no significant relationship between business strategies adopted and the performance of SMEs in Nigeria.
H_1: There is a significant relationship between business strategies adopted and the performance of SMEs in Nigeria.

Table 4.3:

Category of Response	Frequency	Percentage	X^2 Value	Remark
Strongly agreed	45	56.25		
Agreed	20	25		
Undecided	8	10	**10.9**	**Significant**
Disagree	5	6.25		
Strongly disagree	2	2.5		
Total	**80**	**100**		

Source: field survey, 2018

Table 4.3 which is on relationship between business strategies adopted and the performance of SMEs in Nigeria reveals that 45 (56.25%) and 20 (25%) strongly agreed and agreed respectively, while 5 (6.25%) and 2 (2.5%) disagreed and strongly disagreed respectively while 8 (10%) respondents were undecided. This indicates that majority of the respondents are of the opinion that there is a significant relationship between business strategies adopted and the performance of SMEs in Apo, Abuja Municipal Area Council. The calculated chi-square value of 10.9 is greater than the table value of 9.49 at a degree of freedom (df) = 4 set at 5% level of significance. The null hypothesis is rejected; consequently, there is a significant relationship between business strategies adopted and the performance of SMEs in Apo, Abuja Municipal Area Council.

DISCUSSION OF FINDINGS

5.1 Summary of Findings

The findings revealed that there is a significant relationship between business strategies adopted and the performance of SMEs in Nigeria. The study further reveals that business owner should always consider challenging situations and be prepared to meet them with pre-planned competitive strategies, Good human resource strategy is the key to employee retention, Market orientation strategy allows the setting of a considerable price, which will be affordable for the customer, thus there may be need for price reduction in order to gain acceptance and thus create speed for the product in the market and lastly Adaptation strategies helps to increase customer loyalty to established local and established brands. This is based on the analysis which shows a higher calculated value over the critical value obtain from the table at 5% level of significance. This findings aligns with the works of Ifekwem and Adedamola (2016); Njoroge (2015) and; Iorun (2014) who have indicated that the adoption of competitive, human resource, market orientation and adaptation strategies results in superior financial performance, measured in terms of generally accepted financial measures (e.g., sales, profit margin, customer loyalty, market share, net income, ROI, ROE, ROS).

5.2 Implications of Findings

Based on the findings and conclusion, the following are recommended:

i. **S**mall scale business owners and managers should give more attention on competitive strategies as it will help the organization to gather information about potential threat and opportunity available to them so as to enable in the growth of the business.
ii. The management of small businesses should establish the human resource strategies by defining the corporate goals, recruitment policies, remuneration schemes and formulating policies that will increase the profitability of their firms.
iii. To ensure higher productivity, small scale business owners and managers need to constantly evaluate their market orientation and adaptation strategies to align with customer needs.

5.3 Conclusion

The contribution of business strategies adopted by small scale businesses cannot be under estimated. From the findings of the research carried out, the researcher concludes that appropriate business strategies adopted by SMEs significantly influences their performance as it leads to increase awareness of threat from competitors, and opportunity for growth, increase in profit and productivity of small scale businesses.

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