Financial Strategies for Sustainability of Small and Medium-Sized Enterprises in Nigeria - The Education, Accounting, and Consulting Outlook

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Abstract

Although small and medium enterprises (SMEs) contribute significantly to Nigeria's socioeconomic and political development, most of the country's SMEs no longer operate by their fifth anniversary. Many owners lack knowledge of the financial strategies required for the long-term performance and growth of their enterprise. The aim of this qualitative multiple case study was to gain an in-depth understanding of financial strategies that SMEs owner-managers can adopt to enhance the sustainability of their business operations in Nigeria. This study was grounded in entrepreneurship theory and Porter's model of competitive strategy. Qualitative data from multiple sources, including semi structured interviews, scholarly works, and observational field notes, were collected. The participants were six SME owner-managers who employ fewer than 200 employees within the education and accounting/consulting service sectors. Thematic analysis of data produced five themes that explained the financial strategy practices of SME owner-managers: maintaining strategic financial practices, acquisition of basic financial cum business knowledge, establish sound financial reporting system, articulating challenges of SMEs, and embracing entrepreneurial resilience. The findings revealed the need for SME owner-managers to embrace dynamism in their financial strategy practices. By doing so, SME owner-managers may be able to sustain their businesses, which may promote positive social change through job creation, wealth distribution, technological innovation, grassroots development, and enhancement of gross domestic product.

Keywords*: Entrepreneurship; Education; Financial Strategy; Innovation; Sustainability; Wealth Distribution*

1.0 Introduction

SMEs operating in Nigeria, like those in most developing economies, are confronted with diverse challenges because of the unfavorable socioeconomic and political crises in Nigeria. Because of these challenges, many SME owners in the country struggle to achieve enterprise sustainability (Uchechara, 2017). The various levels of Nigerian governments (federal, state, and local) and other related agencies have launched many policies to revive the economy with SMEs receiving much attention because of their critical role (SMEDAN, 2017). Despite the various government interventions, the SMEs sector in Nigeria is faced with enormous challenges. As stressed by SMEDAN (2017) and other researchers (Boso et al., 2017), such challenges include inadequate understanding of financial information and reporting, lack of relevant financial expertise and skills, and lack of human resources management. Ineffective and inefficient financial management activities have been detrimental to the performance and longevity of SMEs (Jindrichovska et al., 2013).

Nigeria is an emerging market with financial challenges in terms of insufficient supply of equity capital and very slim accessibility to external financing (World Bank, 2019). Inadequate financial bookkeeping and business proposal skills could limit access to external financing that is necessary for the liquidity and sustainability of large firms . The sound financial books of an organization could be one of the key relevant factors in attracting venture capitalists into the business project of an enterprise (Adel et al., 2016). Firms may excel when there are effective and efficient financial and accounting practices and reporting that reflect the health of such organizations at every point in time (Taiwo et al., 2016). Because financial resource is considered the lifeblood of any venture, financial strategic management may serve as a bedrock for decision-making in SMEs. However, financial strategic management is not sufficiently documented in the extant literature, especially as regards Nigerian SMEs.

2.0 Literature Review

2.1 Financial Strategy

Financial strategy is embedded in organization management in attempts to maximize the financial value of a firm within a specific period (Bierman, 2001). According to Flynn (2019), a corporate financial strategy is deemed as the business perspective that uses the tools of finance as instruments for assessing and evaluating the relevant outcomes of strategic business proposals and organizational projects. With the current development in the twenty-first century, leaders of organizations and decision-makers adopt a financial strategy: (a) for enhancement of shareholder value (b) for fundraising (c) for the attainment of venture capital (d) for promotion of corporate growth. All these are incorporated in the literature review.

In more comprehensive concordance, Blakyta et al. (2018) documented that financial strategy is relevant: enterprises' transfer to a greater level of management; to create conditions for the reliable development of all types of economic activity of the enterprise; to define the mechanism of realization of general and financial targets of strategic development of the enterprise; to create a basis for effective tactical management decisions during the strategic period; to identify and ensure the further development of the enterprise by maximizing the use of its internal financial potential; to reduce the level of uncertainty of the conditions of the enterprise development and ensure its adaptation to changes in environmental factors; to form a model of active behavior of the enterprise in the financial market and in separate segments of this market; to determine the conditions for the implementation of strategic changes in the organizational structure of enterprise management; to formulate the values of the main criteria assessments of investment and other management decisions; to create conditions for building an effective system of material incentives for financial managers.

2.1.1 Financial Metrics for Measuring Performance

The standard of utilizing financial metrics in assessing the performance of a firm has been a common approach (Wheelen et al., 2018). The relevance of strategic management has made it possible for an organization to evolve in embracing its primary value of helping in successful organizational operation in a dynamic, complex environment as being experienced across nations. Financial strategic management upholds the use of finance in implementing and monitoring defined and measurable financial strategic goals on an interrelated, unified basis, thereby enhancing the efficient and effective operation of a firm (Delkhosh & Mousavi, 2016). As pointed out by Porter (1996) the strategy of a firm is fundamentally dependent on three critical factors which include: (a) the alignment of the enterprise with the external environment, (b) the core competencies and sustainable competitive advantages from a realistic perspective, and (c) appropriateness as to implement and monitor the strategy adopted. A relevant financial strategy creates a veritable ground for weighing both the external opportunities and internal resources within the firm's competencies for effective driving of the firm to profitable performance.

2.1.1.1 Financial Metrics Implementation

The implementation of financial goals and metrics are rooted in relevant standards within the "best-in-industry" (Kono & Barnes, 2010), which include: free cash flow (FCF), economic value added (EVA), Asset management, financial decisions, and capital structure, profitability ratio, growth indices, Risk assessment and management, and tax optimization. According to Kono and Barnes (2010),these financial metrics are further expatiated in this study.

The free cash flow is used as a financial metric for measuring the soundness of the firm's finance and an indication of efficient utilization of financial resources in generating more cash for further investments. And Grant (1997) considers free cash flow to be the net cash remaining by deducting the increases in investments and working capital from the operating cash flow of the firm. This is deemed relevant when a firm is anticipating a huge capital expenditure or implementing a project. Accordingly, free cash flow is deemed a superior measure in consideration with operating cash flow because it adjusts for capital expenditures made by the firm (Ketz, 2016). The study by Maksy (2019) showed that FCF which is defined as cash flow from operations less cash flow for investing activities less cash outflow for preferred stock dividends is the most value relevant in consideration of the financial institution sector of the United States. In other studies, it is documented that FCF is not value relevant for the consumer discretionary sector and the telecommunication industry (Maksy, 2019).

Another financial metrics is economic value added (EVA), which is the fundamental contribution based on adjustment of risk and it provides ground for management for effective and timely decision making in expanding operations that increase the economic value of a firm, and also relevant for the implementation of corrective measures in value destructive factors (Kono & Barnes, 2010). EVA is a result of net income less the operating capital. EVA is widely used for decision-making among SMEs (Vrbka, 2020). Accordingly, Studies show that shareholders prefer firms with sustained improvement in their business activities and with a relative improvement in their measures of performance (Onica, 2019).

Assets management is a metric in consideration of management efficiency of current assets (cash, receivables, inventory) and current liabilities (payables, commitments, or accruals), turnovers, and management enhancement of its working capital and cash conversion cycle of the firm (Kono & Barnes, 2010). Assets management is a relevant tool where the firm's operating performance is not measuring up to industry benchmarks or within a defined sector. Studies show that effective management of financial assets enhances the performance and sustainability of SMEs (Batrancea et al., 2018). But this may vary in the sector and contextual adaptability.

2.1.2 Decision of Financing and Capital Structures

The decision of financing and capital structure of a firm is a function of the optimal capital structure (debt level or leverage effect) as it shows the measure that minimizes the cost of capital of the corporate entity. The optimal capital structure helps in determining the capacity of a firm's loan reserve both in the short and long terms, and financial risk potentialities. Kumar and Rao (2015) identified inadequacy of financing which limits the performance of SMEs in the light of the capital structure and financial structure: (a) limitation on financial sources accessibility (demand gap) as a result of the effect of various quantitative and qualitative variables on the capital structure of SMEs, (b) limitation of finance availability for SMEs (supply gap), (c) ignorance about the approachability of potential financing sources (knowledge gap) and (4) financial institutions unwillingness in SMEs' financing (benevolence gap).

Botta (2019) argues that some SMEs are not much interested in capital structure optimization as their financing behavior is much intended for the internally generated fund, with perking order behavior that makes them tilt very slowly in converging to an optimal level of leverage rather adopting a more sophisticated financial strategy for SMEs performance improvement. The capital structure may be useful in situations where the firm's cost of capital tilts above that of its direct competitors and is posed with the shortage of new investment. In another study it is documented that a firm's size in consideration of the number of employees has an attitudinal disposition to affect the volume of utilization of foreign and own capital in the financing of its activities; also revealing that entrepreneurs that havealonger time in managing their business exhibit preference for more foreign capital than their internal capital; also showed that area and region of business location do not have a significant effect on capital structure (Belas et al., 2018).

Profitable ratio or indicators is another metric that measures a firm's operational efficiency and the possible areas that need corrective actions because ofinefficiency. This measure is determining the relationship of profit with sales, total assets, and the firm's net worth. A profitable outfit enhances the sustainability of the firm (Jawad et al., 2016), hence the needed advantage of setting profitability ratio goals to improve activities of the value chain.

The growth indices are widely used for the sales and market share evaluation, and relevant financial metrics for determining acceptable compensation of growth as pertaining to a decrease in cash flows, profit margins, and returns on investment (ROI) of the firm (Kono & Barnes, 2010). The quest for growth by management entails a drain in cash and reserve of borrowing funds, which may provoke aggressive management of assets to strengthen fund availability and less borrowing (Bahri et al., 2017). Studies revealed that there is a positive relationship between intangible assets and a firm's performance in terms of high growth (Coad et al., 2018). Eklund (2020) documented in a recent study that a high growth rate is a function of the high education rate of employees and owners of the firm. The growth index goal is important for the healthy operation and correcting high operating leverage.

2.2 Risk Management in Uncertainties

Effective assessment and management of risk are critical for addressing major uncertainties through proper identification, measurement, and control of possible risks in accordance with the corporate governance and regulatory compliance in consideration of their likelihood of occurrence and economic impacts (Megyeri, 2019). The process is here adopted to implement and for mitigation of negative effects of risks, and enhancement of risk culture.

Tax optimization is crucial in reducing avoidable tax liabilities and mitigates associated tax risk (Molodykh & Rubezhnoy, 2017). Capital and financial planning must be weighed in consideration of the tax implications and possible contribution to the firm's value (Stanislavovna et al., 2017). Globalization has also made it critical to weigh tax implications for business initiatives as tax laws vary from one jurisdiction to the other (Gomes et al., 2018). SMEs can take advantage of the tax inconsistencies and favorable regulations.

Financial strategy is typically approached using relevant tools: analysis of finance, planning, financial structure optimization, evaluation of financial criteria to attain managerial decision-making effectiveness, management of cash flow, receivables and liabilities management, budgetary activities, and control activities ((Svatošová, 2019: 2017). Financial strategy is a distinguished branch and as part of the functional strategy (Wheelen et al., 2018) is deemed to be a fundamental part of the corporate and business strategy.

2.3 Gaps in Literature

With the multiplicity of financial strategies in the literature, it is reasonable to say that there are no best financial strategies. In practice, SME owner-managers may align more with a particular financial strategy and less to others (Svatošová, 2019), especially in SMEs where financial strategies depend to a large extent on the operating environment and geographical locations of the SMEs (Svatošová, 2019). From a geographical context, some researchers see the consciousness of SME owner-managers about their environment (and their perseverance to survive within such environment (Uchechara,2017) at all odds as critical factors for the sustainability of the firm. SMEs are increasingly faced with the ever-changing competitive global business environment (World Bank, 2016a). Thus, the role of the finance manager or owner in ensuring SME sustainability has become very critical (Svatošová, 2019). SME owner-managers lack the necessary understanding of how financial strategies can be used to improve firm performance and organizational sustainability (Svatošová, 2019; Uchechara,2017) especially inavery volatile and competitive business environment (World Bank, 2016a).

3.0 Methodology

The purpose of this qualitative, multiple case study was to explore SME owners' understanding of the financial strategies deemed necessary for the long-term performance and growth of their enterprises in Lagos State, Nigeria. We based the study on a constructivist view of knowledge. Constructivists rely on the perspectives of those who have experienced the phenomenon being examined (Ancelin-Bourguignon, 2019). Patton (2015) argued that the quantitative approach cannot be utilized in discovering some invisible aspects of an individual phenomenon like the issue of financial strategy. Patton suggested that relevant Research Questions should be used to address the purpose of a qualitative study.

. Boddy (2016) argued that the researcher must show justification or the rationale for selecting a specific methodology among other ones. By conducting a multiple case study, we were able to draw from multiple perspectives and data sources to enhance contextually rich and meaningful interpretation. The purposeful sampling technique is advised by Patton (2015) for a manageable number of samples. we used purposeful sampling in selecting six SMEs for this study across two SME-dominant sectors (education and accounting/ consulting services) within the Nigerian economy. We collected qualitative data from multiple sources in addressing the research problem and RQs, and such include interviewing of SME owner-managers that was triangulated with field notes of the researcher, observations, internal documents review of SMEs selected, and my reflections.

3.1 Research Question

What are the financial strategies used by SMEs owners in Lagos State, Nigeria, for the long-term performance and growth of their enterprise? Education and Account/Consulting Service?

4.0 Results and Discussion

4.1 Results

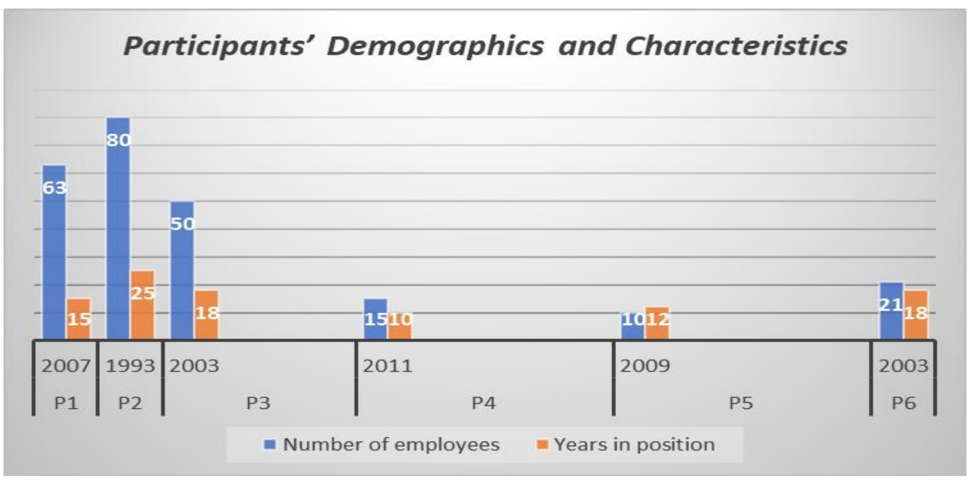

Figure 1: Participants' Demographics and Characteristics

Interview Question 1 was, "What are the financial strategies you use to increase performance?"

Table 1- *Examples of Data Extracts and Codes from Interview Question 1*

	Data Extracts	Codes	Categories

P1	"We regularly must undertake some relevant analysis of all the data that consists of the financial records and external views to ensure our school is positioned for profit-making, competitive stance and remained in the path of growth. This I have learned over time"	Financial Data Analysis External Views Competitive Stance Learning	Strategic Financial Practice Knowledge of Finance
P2	"This sector is competitive, but you must show some resilience borne out of passion. I remain innovative in introducing attractive ideas to sustain the school, like the introduction of vocational courses for practical training."	Competitive Resilience Passion Innovative Vocational Courses	Entrepreneurial Resilience Training
P3	"As an educational outfit, we do not weigh our performance in terms of addition of economic value, which is key for sustainability but also societal values. We employ the best to nurture the future leaders."	Addition of Economic Value Societal Value Leadership Training	Entrepreneurial Resilience Training
P4	"This is a competitive business across the globe. We make our mark through partnership and professional networking through conferences and training, both within and outside the shores of Nigeria."	Competitive Partnership Professional Networking Training	Entrepreneurial Resilience Training
P5	"We plan our activities for the year and follow through with effective marketing skills and referral compensations. We keep records of our clients and rewards accordingly."	Plan Effective Marketing Referral Compensation Clients' reward	Entrepreneurial Resilience
P6	"Project management is a new field with dynamism, and you have to be innovative and offer attractive prices with great value."	Dynamism Innovative Attractive Prices Great Value	Entrepreneurial

Interview Question 2 was, "How do you measure the effectiveness of the strategies adopted?"

Table 2- *Examples of Data Extracts and Codes from Interview Question 2*

	Data Extracts	Codes	Categories
P4	"Apart from financial books that summarize our financial recording over a period, we also weigh target and the necessary feedback from clients."	Financial books Financial records Target Clients' feedbacks	Financial statements

I 5	"My training positions me to use key performance indicators like a financial statement to check value-added and return on investment."	Performance indicators Financial statement Value-added Return on investment	Financial statements
I 6	"We consider the number of projects executed in the sense of economic value and the financial reports of the period under consideration."	Value of Projects executed Financial Reports	Financial statements

Interview Question 3 was, How do you address the challenges you encounter?

Table 3 - Examples of Data Extracts and Codes from Interview Question 3

	Data Extracts	Codes	Categories
P 1	I provide relevant training to staff in bookkeeping and hire experts when necessary."	Training. Hire experts	Training outsourcing
P 2	I make use of tax experts and network with other professionals for training and collaboration"	Tax experts Networking collaboration .	Outsourcing professionals Tax planning and advisory Training
P 3	I most often go for relevant training and go for professional advice on tax issues"	Training Outsourcing. Tax advisory	Training Tax advisory

	Data Extracts	Codes	Categories
I 1	"My focus is creating good education outfit which inevitably creates economic value by reducing cost service."	Creating Economic value Cost reduction '	Strategic financial practices
I 2	"You have to organize with good financial planning for long term goal to a particular target where you expand or diversify, thereby keeping financial records of the business at every transaction as distinct from personal expenses."	Financial plan Goal Target Expand or diversify Financial records	strategic financial practices

P 3	"My organization has passed through stages, right from the feasibility study, planning to a source of funding, employment of professionals. With every detail of financial income and expenses, and reinvestment for expansion."	Feasibility study planning fund sourcing Employment of professional financial statement reinvestment expansion	Strategic Financial Practices

Interview Question 4 was, what is the other information you may wish to share about the financial strategies you adopted to increase profitability?

Table 4 - ***Examples of Data Extracts and Codes from Interview Question 4***

	Data Extracts	Codes	Categories
P 1	My focus is creating good education outfit which inevitably creates economic value by reducing cost service.	Creating Economic value Cost reduction	Strategic financial practices
P 2	You have to organize with good financial planning for long term goal to a particular target where you expand or diversify, thereby keeping financial records of the business at every transaction as distinct from personal expenses.	Financial plan Goal Target Expand or diversify Financial records	Strategic financial practices
P 3	My organization has passed through stages, right from the feasibility study, planning to a source of funding, employment of professionals. With every detail of financial income and expenses, and reinvestment for expansion.	feasibility study planning fund sourcing employment of professional financial statement reinvestment expansion	Strategic financial practices

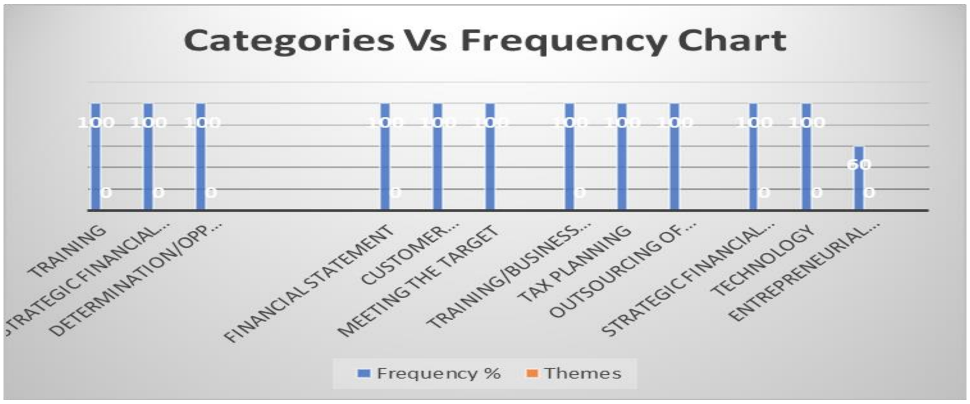

Figure 2: Categories Vs Frequncy Chart on financial strategies adopted to increase profitability

4.2 Discussion

4.2.1 Maintain Strategic Financial Practices

The first theme that emerged from the various questions posed to the six participants was the need to maintain a strategic financial practices. The theme ensues basically from all the questions and the six participants representing 100% stressed that strategic financial practice is critical for SME owners as an adequate financial skill needed for business sustainability in Lagos State. Accordingly, Svatošová (2019) inferred that the key financial components of the financial strategy to be related to the typical policies of finance: (a) investment policy which focus on the advancement of efficient economic investment on projects, (b) financing policy (which could be external and internal) of the business pursuits, policy relating the management of the assets and liabilities (credit policy), (c) inventory management policy (stocks and work in progress),(d) cash flow and liquidity management policy, (e) operating result management policy, (f) cost control and profit policy. Some of the significant strategic financial practices by SME Owner managers include its policy regarding liquidity, cash flow management, and cost reduction, and these are effective tools for SMEs' performance and sustainability (Zimon, 2020). Some of the owner-managers stressed that they have generally learned that management of their finance in terms of liquidity, free cash flow and cost reduction without compromising on quality to customers will enhance profitability and sustainability. About 60% of participant concurred that the policy on investment is a veritable practice for survival of their entities. This agrees with view of many researchers that policy on Investment is a crucial facet of the financial strategy of any enterprise (Liu, et al. 2019). This is one of the strategies that helps in growth by maintaining a constant cash flow to pay suppliers while reducing the level of receivables. The owner manager needs to plan the process. It is documented by one of the participants that by introducing re-investment program where they offer their investors dividends of 5% monthly on fixed investment capital, they have been able to pull 23 million Naira and steadily maintained return on investment to their investors. Hence, by adopting a niche financial strategy, SMEs can overcome some of the challenges that they might face and thereby improving performance and sustainability.

4.2.2 Acquisition of basic financial cum business knowledge

The emergent theme of acquisition of basic financial cum business knowledge resulted from an analysis and interpretation of the data collected from the semi structured interview question and document review. six participants representing 100% mentioned that training, education, or acquisition of basic financial and business knowledge was needed for an SME owner as a financial strategy needed for business sustainability in Lagos State. Acquisition of financial literacy directly affects the soundness of the SMEs sector, especially as globalization knocks across the doors of economies (Mashizha et al.,2019). All participants inferred doing business in the long term, the relevance of obtaining basic training, which may not be a professional qualification in financial education, should be a norm and not an exception for SME owner-manager. It may be useful to a professional accountant, but such can resign or be replaced, trained staff may also change jobs or become self-employed, but the knowledge acquired by the SME owner-manager will enhance the overall adoption of sound financial strategies. As documented any financing opportunities abound though could be risky sometimes but you learn to take a good risk. It could be helpful to make use of professionals in some areas like tax planning, accounting, and human resources for training of staff.

Through financial training and effective planning, managers are disposed to network and increase relevant market share. A professional need to invest time, treasure, and talent to keep growing, and I reinvest professional income into this business.

4.2.3 Establish a Sound Financial Reporting System

This theme emerged from the analysis and interpretation of the data collected from the semi structured interview question and document review. The six participants representing 100% mentioned that accounting record-keeping was needed for an SME owner as financial strategy skill needed for business sustainability in Lagos State. All the participants mentioned that adequate financial record keeping which includes keeping the various receipts of income and expenditures, the sales report, government bills on various levies and taxes, and maintaining the discipline of record-keeping was needed for SME owners to adequately prepare for financial strategic skills needed for business sustainability. Record keeping is critical as growth reflects on outputs, market reach, and sales. All these things reflect in the financial statements as managers keep the financial books of the business transactions. It is opined that the financial record is used as a metric for weighing organizational performance. The standard of utilizing financial metrics in assessing the performance of a firm has been a common approach (Wheelen et al., 2018). In accordance with some organizational financial policy, the financial statement is available to show, the return on investment, and can always be seen as a pointer to performance with staff satisfaction in meeting targets.

The knowledge in financial reporting makes it possible for transactions to be recorded for adequate accounting and reconciliation. Record keeping has become a singular factor of financial discipline as practiced by all employees. The financial statement is commonly used for analyzing the financial health of an organization and serves as a tool for strategic financial forecasting and planning

4.2.4 Embrace Entrepreneurial Resilience

The emergent theme of entrepreneurial resilience resulted from an analysis and interpretation of the data collected from the semi structured interview question and document review. six participants representing 100% mentioned that embracing the resilience required of an entrepreneur is needed for an SME owner as a financial strategy skill needed for business sustainability in Lagos State. An entrepreneur manages a business for profit and growth in risky conditions with a strong drive for innovation (Santoro et al., 2020). And resilience entails the characteristic capacity of the entrepreneur or the firm to be robust in responding quickly or fast recovery by developing strategic ways of doing business under adverse external and internal environments. Undertaking a business is a risk and to keep venturing into new opportunities, even if it needs training exemplifies the venture disposition in acquiring requisite education which enhances financial strategies for business performance and sustainability.

SME contribution is significantly driven by developing new products that offer the opportunity to innovate quickly and in a cost-effective manner. The entrepreneurial resilience characteristic is also making use of the opportunity, looking out for opportunities for cheap funds and expanding the lines of production and branches. The responses that resulted in the theme shows capabilities associated with strategic readiness or competitive or environmental dynamics to succeed.

4.2.5 Articulate the Challenges of SMEs

The identified theme is related to the challenges faced by SMEs owner-manager in implementing financial strategies in business. This theme resulted from the analysis and interpretation of the data collected from the semi structured interview questions. We found some of the overwhelming challenges SME owners needed to overcome to practice their financial strategic skills needed for business sustainability in Lagos State, Nigeria. All participants representing 100% mentioned the associated challenges in implementing their financial strategies required for improved performance and business sustainability. Financial resources are critical to business growth but are often a challenge, especially for SMEs at the starting stage to get a loan from the formal sector (Brush et al., 2018). The sourcing of financial resource is a challenge, and there is need for credit policy in financing the SMEs, but corruption, multiple taxes, and poor infrastructural facilities are the bane to innovative strides. The challenge could be overwhelming where it comes to getting a loan. There are not enough resources coupled with lack of government support in terms of credit policies that support SMEs and tax issues.

The challenge is also viewed in terms of the acquisition of requisite knowledge in financial strategies. The cost of Implementing ICT is relatively high in developing countries (Okundaye, et al. 2019). More so, the general social infrastructural deterioration also contribute to the cost of doing business and affect financial strategic planning. Acquiring accounting knowledge is key. The challenge could be overwhelming where it comes to getting a loan that requires accounting documentation of business overtime. Also, multiple taxation from various levels of government, high cost of transportation because of poor road infrastructure and the general poor infrastructures push cost upward.

4.3 Interpretation

Most of the findings from this study confirm or extend the existing knowledge in the literature regarding financial strategies in SMEs. Financial strategy is the most critical factor in the performance and sustainability of an organization (Svatošová, 2019). Financial strategy involves the options adopted by a firm in raising finance most effectively, the process adopted in the application of the raised finance within the firm, and the associated management decisions in terms of reinvesting or distribution of any subsequent earnings generated during business operation.. Financial strategy is not only about funding goals; a more comprehensive focus includes strategic financial management practices. This assertion is supported by Karadag (2015), who argued that, of all the elements of strategic financial management practices, namely strategic financial planning, strategic working capital management, strategic fixed-asset management, and strategic financial reporting and control practices, and other emerging financial management practices would lead to better performance results. Likewise, Karadag found that SME owner-managers in Turkey did not faithfully follow any specific financial strategy. My findings on financial strategies in Nigerian SMEs show that SME owner-managers do not follow any specific financial strategy. The participants exhibited diverse practices of financial strategies, with most of them tilted to dynamic financial strategy to grow the business, which is different from findings of Svatošová (2019) that show conservative strategy in the field of financial management in the agricultural sector of the Czech Republic.

5.0 Conclusion and Recommendation

5.1 Conclusion

The purpose of this multiple-case study was to gain an in-depth understanding of specific knowledge gaps among SME owners and managers in Nigeria regarding financial strategies and their implications on their enterprises' long-term sustainability, with a tilt on the education, accounting, and consulting sectors the economy. Qualitative approach was adopted in alignment with the RQ. The RQ was, what are the financial strategies used by SMEs owners in Lagos State, Nigeria, for the long-term performance and growth of their enterprise? We drew from Porter's model of competitive strategy and entrepreneurship theory for the conceptual framework. The thematic analysis of resulted in five themes that explained the financial strategies of SME owner-managers in the sector being studied. These themes include (a) maintaining strategic financial practices, (b) acquisition of basic financial cum business knowledge, (c) establish sound financial reporting system (d) articulating challenges of SMEs, and (e) embracing entrepreneurial resilience. These five themes formed the basis for interpreting the findings from this study. In the rest of this chapter, we present our interpretation of findings from the study; consider the implications and recommendations for policy development and practice.

5.2 Recommendation

This study has provided insights into the nature of financial strategies in Nigerian SMEs, especially, tilting towards the education, accounting, and consulting sectors. We found from this study that Nigerian SME owner-managers do not conscientiously adopt any specific financial strategy. This research has also cast doubts on the knowledgeability of the Nigerian SME owner-managers regarding the phenomenon of financial strategy and its implications for enterprise growth and the long-term sustainability of their enterprises. This study was exploratory, and the findings provided opportunities for both qualitative replication and quantitative validation in future research.

Based on the findings of this study, I recommend the inclusion of basic SMEs financial management in the education curriculum. The contribution of the SME sector is huge as a veritable engine for economic development and generating employment. The basic financial management module should be included in the secondary school curriculum, and general study skills (GSS) of tertiary institutions of the Nigerian education system. The designed program on finance management should be incorporated with computer appreciation to enhance the use of software in the management of the business. The introduction of this basic knowledge will help in equipping students to be prepared and business mind readiness upon graduation, thereby strengthening job creation and poverty alleviation. The participants mentioned their challenges in the management of finance and keeping financial records, and some others by acquiring relevant training in business and associated finance studies they were able to start-up businesses and manage same to be self-employed, and self-sufficient in running their SMEs.

Another recommendation is the provision of basic infrastructure and a business-friendly environment. The three tiers of government namely federal, state, and local have a critical responsibility to ensure the security and welfare of SMEs by the provision of basic infrastructure and financial support. In consideration of response from participants regarding the challenges of SME owners, the provision of public goods and services by the government supports the SMEs' business. These supports can come in form of business-friendly policies and environments that encourage SME owners. Though SMEDAN has been established their impact needs to be more proactive. Education awareness programs and seminars where SME owners could share their knowledge and financing options offered by the bank to display different loan products available in the market. Government should provide information regarding formal business training, technology, tax holidays as well as appropriate access to financing of SMEs (Ajibade et al. 2020). SMEs contribute significantly to the development of families, communities, and the entire economy (Adekola et al., 2018), It is therefore crucial for the government to play its role in nurturing and maintaining entrepreneurship among the owners of business in Nigeria.

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