

CHAPTER FIVE

AVAILABLE BUSINESS OPPORTUNITIES IN THE EMIRATE

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Introduction

I appreciate the Ilorin Emirate Descendants Progressive Union (IEDPU) for this invitation to speak at its first "Economic Summit". I am, indeed, very delighted at the opportunity to address this gathering, made up of well-established owners of businesses, aspiring owners of businesses, employed and unemployed Emirate indigenes. I am hopeful that this paper would be found appropriate to the topic I have been given. I expect to be taken on some areas where I may not have the most applicable answers. However, I have accepted this challenge and opportunity to interact with creative minds and we would discuss perceptions on business formation, inherent risks and benefits as a personal, state and national transformation tool.

Before I delve into the subject-matter of today's discourse, I would like to commend the organizers of this event, the IEDPU, for the wonderful job it has been doing in the areas of sensitizing, developing and motivating the creative minds of emerging business-owners and employers of labour. The objective of business opportunities within the Ilorin Emirate can only be achieved through formal and informal trainings, re-directing the individual passion and potentials towards acquisition of vocational and managerial skills needed in today's competitive world. Your tireless effort is noted and *your dedication to this noble course should be a source of inspiration to other organizations or unions within the Emirate. Personally, I urge you to keep up the good work.*

Available business opportunities within the Ilorin Emirate have been viewed as a major concern, given the recent economic indices especially in our nation Nigeria, where we have near absence of employment opportunities. More so, the recent global crisis has heightened interest in business opportunities as an essential element to foster economic recovery and employment growth. Recent national unemployment rate stood at a conservative average of about thirty per cent suggesting that more than 35 million people remain unemployed compared to USA with only about seven per cent unemployment rate. This portends a great danger to security, social well-being and development which is the bedrock of the transformation agenda of the Federal Government.

As joint stakeholders in the development of business opportunities for our teeming youths, I hope that this paper will provoke processes that would move the development of businesses forward. I will, therefore, take a critical look at businesses in Nigeria, some of the challenges involved and their role as a personal and national transformation tools. The size of our population within the Emirate, our shared cultures and our extensive raw materials and talents make the phenomenal growth in business inevitable, if properly articulated and coordinated.

In the more recent past, indigenes of the Emirate adapted their natural talents to evolve traditional businesses and crafts that have sustained most of the Emirate productive cycle in the rural and urban areas for the better part of the last half century. While the oil boom of the 1970s brought in billions of petrodollars most of the country's population remained untouched by the new found prosperity. Because of these and other factors, the World Bank estimates that eighty per cent of oil revenue benefited just one per cent of the population.

Most of Nigeria's current woes have been traced back to a historic over-dependence on oil to the neglect of all other sectors including customary trades and agriculture. Nigeria's inherent business capacity is from informal and un-organized sectors. These informal sectors, presently account for sixty-five per cent of Gross National Product and they also account for seventy per cent of all new jobs being created. Therefore, the harnessing of the informal economy and

leveraging on its full potential become a prerequisite for Nigeria to emerge from the shackles of the Third World League.

The major challenge is the disparity in the number of available jobs and numbers of graduates seeking employment in recent times. Graduates are being encouraged by government to become more economically-independent in view of the fact that the available multinationals and corporate institution cannot employ our large pool of graduates. The various employment markets, local, state and national agencies, small businesses, blue chip companies and conglomerates are over-saturated with employment requests that will take years unending to meet. For instance, the First Bank advertised for fresh graduates' employment of about 1500, over 1.5 million applicants applied. Also, the Dangote Group of Companies placed an advertisement for 2,000 graduate drivers, the Group received over 70,000 applications, out of which more than 6 applicants were doctorate degrees holder (Ph.D.) and about twelve percent were master degree holders. Therefore, there is an urgent need for stakeholders to be concerned and turn these concerns into business opportunities for us to take on the responsibility of job creation and economic advancement.

There are business opportunities all around us within Ilorin Emirate but it takes the ingenuity of a creative mind or entrepreneur to notice them. A business-minded person or entrepreneur will look for a business opportunity and creates the ways and means of meeting the business needs and in the event that a business opportunity cannot be sensed, the business-minded person or entrepreneur can create one. A businessman is one that must be resilient at all times and must remain unperturbed when the immediately-obtainable results are not what were originally expected. Business-ownership or Entrepreneurship is indeed a personal transformation tool as it has the ability to turn an ordinary man into a millionaire and a jobless man into a CEO. Many of the world's major CEOs are entrepreneurs who were

determined enough to stay focused on their dreams and today, many of them own conglomerates.

Michael Gerber, the popular American author and entrepreneur stated that **the entrepreneur in us sees opportunities everywhere we look, but many people see only problems everywhere they look.** In view of these, I have no doubt that many of us have the desire, the drive and the aspiration to become business-owners. While this paper tries to highlight some business opportunities available within and outside Ilorin Emirate based on the writer's experiences and professional backgrounds, I must confess that the list of business opportunities within the Ilorin Emirate cannot be exhausted and the opportunities remain endless for creative minds.

Business Opportunities in Agriculture

There are various business opportunities within the agricultural sector such as catfish, rabbit, grass-cutters, snail farming, poultry, goat, ram and cattle rearing. There are various improved forms of cassava, palm trees, pineapples, oranges and banana plantation. Creation of auxiliary services around agricultural outputs are unending value chains for middlemen, ranging from juice, yogurt, milk production, selling of fresh and processed dried catfish for local consumption and export, investment in livestock such as Salah Rams and Xmas chicken is equally profitable.

Business Opportunities in Property Development

There are ample business opportunities for investments in properties ranging from acquiring choice landed properties within the Emirate for farming and real estate's purposes. Investment in real estate include, building students hostels and building for residential apartments within the Emirate and any place of choice in Nigeria, such as Abuja, Lagos and Port-Harcourt where investment in property

seems to be delivering faster and better yield. In Nigeria, it takes an average of about twelve years to break-even on real estate investment. Many investors have taken to land speculation as business by buying choice land in a choice area. Land speculation thrives on information based on Government activities or developmental programmes around a certain area. Buying land when cheap and selling it when the area has developed has made some individuals very rich in such areas as Lagos, Abuja, and Port-Harcourt and even in Ilorin. With mass movement of people from the far north as a result of the Boko Haram insurgency, land speculation is still a very profitable investment in the foreseeable future.

However, current diversification strategy of most property investors looks beyond our shores for better and faster returns. As a result of economic crisis currently facing the USA's property market and some areas in Europe, an investor can buy 3 to 4 bedroom apartment in some states in USA for as low as 30 thousand Dollars (N4.8 million) and receives yearly income of not less than 8 thousand Dollar which translates to a breakeven point of just four years and property appreciation of about sixty per cent within four years.

Agencies

Buying and selling of land, auctioning of property and machines are very profitable business ventures. Estate auctioneer and rent agencies are areas that indigenes of the Emirate are not very active but are profitable as veritable sources of income, if pursued professionally. Rent collection and other associated vocations can be part-time business opportunities for our people especially where there are educational institutions such as universities and other forms of higher learning Lawyers, Estate and Land surveyors among us should take advantage of these opportunities.

Money Market and Capital Market

Investment in money market is good and recommended for senior indigenes of the Emirate, whose liquidity and cash needs are almost inexhaustible. Such easily convertible assets include purchase of Treasury bills that provide higher and better returns with less risk than current and fixed deposit investments with banks whose sustainability are in doubt.

Investment in capital market, especially around the emerging market is limited in products, and the best of products available are Bonds and shares. While bonds of 5 years duration and below are good and recommended for ages above 50 years, longer duration of 5 years to 20 years and above are recommended for younger ones. Investment in shares is good and recommended for long term, due to capital gains and yearly dividend pay-out but it must be stressed that investment equity or shares requires caution, fundamental knowledge and the interplay of market dynamics, that affect the prices of equities. On a daily basis, money is made and lost in the capital market, depending on which side of the divide you are.

Commercial Activities

Taking a cursory look at the commercial activities in the Ilorin Emirate particularly Ilorin City, it is refreshing to note the growing presence of Chinese, Indians and other nationalities in all areas of commercial activities within the Emirate. Thus, it is not only a confirmation of unlimited business opportunities that are available but also a wake-up call for the indigenes to actively partake in these commercial activities with a sense of purpose and creative mindset. It is saddening that major commercial activities have been taken over by non-indigenes of the Emirate particularly the Igbos and in no distant future may be the Chinese.

In his paper "**Entrepreneurial Development in Nigeria**", Peter Osalor stated that, **the Igbos in Nigeria are considered one of the**

oldest entrepreneurs in history, their expertise stretches back to times before modern currency and trade models put them at the forefront of entrepreneurship in Nigeria.

The Igbos have taken over virtually all rentable spaces commercial activities in Agaka, Ologun Jimba Road (Old Yidi Road), Ibrahim Taiwo Road, Unity Road, and the Muritala Muhammed Way, to mention but a few. The popular slogan is: “there is an Igbo shop everywhere you go in Ilorin”. This should call for a serious concern in terms of security, moral/social burdens and business opportunities for stakeholders. While the security and moral/social issues should be the concern of all stakeholders especially parents, various religious leaders, associations and unions, there should be a paradigm shift for our high net worth individuals to invest in the wholesale or the retail ends of the major commercial activities such as buying and selling of machines, spare parts, generators, electrical materials, building and interior decoration materials. This should have multiplier effects on employment opportunities for some of our youths if they are properly harnessed.

Transportation

Investment in transportation is considered as one of the many areas where our people hold sway regardless of its associated risks business opportunities in transportation such as hauling of petroleum products are good for now, but may be short-lived if the transformation agenda on reviving the Nigeria Railway system is given the desired support and execution. Inter and intrastate transport services will still be very lucrative due to the dearth of other functional transportation systems within Nigeria. We need to strengthen our position and develop strategic intent of forming cooperative societies and transparent transport unions, among others, with guidelines that will be attractive to would-be investors from the Emirate to invest.

Constructions

The various on-going construction projects such as road construction and property development should be sources of employment creation for some youths through the sales of cement, bitumen, granites, sharp sand and blocks for building the growing concerns are that majority of our youths are interested in fast lane and will rather take to riding Okada than taking on vocational training such as block making, carpentry, plumbing, bricklaying and electrical installation, which are known as traditional employment. The fear is that, in the no distant future, the absence or dearth of these traditional vocations will become evident and we may be importing expertise from neighbouring states or countries for our building and construction works. There is, therefore, an urgent need for the state and local governments to commence the establishment of vocational training institutes to cater for the needs of our people.

Investment in information Technology

There are various business opportunities in Information technology (IT) ranging from hard and soft wares, and establishment of computer training institute for our teeming youths to enhance competitiveness and provide up-to-date IT solutions to some business centres. Establishment of business centres at various strategic locations is desirable within the emirate to prevent our people travelling to Ibrahim Taiwo and unity Roads, as well as Kwara Hotel before they can send or obtain mails and download important information from the website from their Emails. Opportunities abound in the establishment of computer village in a strategic location that may provide source of employment to our youths. Investment in computer soft wares is another investment worthy of consideration for investors.

Education

There are very few private educational institutions within the Emirate that are owned by our peoples. Majority of the privately-owned educational institutions, such as Sapati and Roemichs Colleges, are money-spinning for the immediate and legacy building for the future. There is an urgent need for some of our high net worth stakeholders to take keen interest in the privately-owned educational institutions starting from creche, day care, nursery, primary and secondary and up to university level. A joint venture or partnership among our brothers within the Third Estate Group or the Metropolitan club and some of our academics to establish academically- sound colleges or university will be a good business venture and a legacy building for the future.

Waste Management

Our population is fast growing at exponential rate, due to influx of people from the north, east and west. The consequences of these migratory movements to Ilorin and its environs will continue to put pressure on waste management and its disposal. Business opportunities abound around waste management and disposal, ranging from collection of waste materials, separation of the waste materials and destruction of the unwanted part of the waste materials. The wanted part of the waste materials can be sold and recycled for auxiliary business opportunities ranging from scrap metal and plastics just to mention a few. Would-be investors in Waste Management (waste to wealth) need to sensitize the local and state governments to create and provide enabling policies and environment for the business to thrive.

Investment in Textiles

This is an area considered to be our core traditional business within the Emirate but the challenge of the textile industry such as electricity and change in fashion outlook as a whole has affected the sustainability and growth of the textile industry at large. Gone are the days, when there is a functional textile company in Ilorin and other areas in the country. The consequence of the challenge has affected our own indigenous textile industry; Aso Oke weaving centres in various parts of Ilorin and its environs that our people are well known. There is an urgent need for researchers in our various institutions of higher learning within the Emirate to carry out strategic research towards rejuvenating the once thriving business opportunities which provide employment for some of our people. The outcome of an articulate research may review the need and provide some modern ways and methods of weaving and designs to meet current realities in fashion.

Investment in Hospitality Business

There are very few Emirate businessmen in hospitality business such as hotel and event centres. Majority of our marriages and other ceremonies are done in some of the notable centres in Ilorin owned by other people and we pay exorbitant fee to their owners for the use of the facilities. Recent observation about the occupancy rate of some hotels within the Emirate shows a range from sixty to ninety per cent all year which is high and seems profitable, if properly evaluated and managed. Therefore, hotel businesses, in good locations are viable business opportunities for would-be investors that will satisfy needed gaps required for different clientele base. For instance, the Amir Suites in Adewole provides accommodation to visitors without selling alcoholic products within the premises.

Investment in Commodities

There are various business opportunities in commodity merchant ranging from local produce that are meant for immediate consumption and local produce for related export businesses to other countries. Local produce business opportunities include but is not limited to purchase of seasonal crops such as rice, maize, beans, groundnuts, yam and guinea corn. The price for a bag of beans in March 2012 was N10,000, but by December 2012, just 9 months after, the same bag sells for N35,000, returning a 250 per cent per bag. What is required is an initial investment in long term storage facility that is best suited for the specific seasonal crops. Business opportunities are available in exporting some of our local products to foreign countries, some of the notable products currently being sought after in foreign countries are beans, yam, packaged dry fish, kola nut, and bitter kola, just to mention a few. For instance, bitter kola export is reported to be lucrative with about 150% returns on investment in less than 30 days, less documentation and least marketing efforts. Investment in precious metals such as gold, silver and diamond and others are equally profitable depending on information and the knowledge of the investors otherwise profit can be made or lost due to market dynamics of the held precious metals.

Other Business Opportunities

Due to enormous decay of national and sub-national infrastructures and coupled with massive population explosion which has led to other related business opportunities such as yoghurt making, juice making, borehole drilling, bottled or sachet water business opportunities currently selling with huge profit margins, if authorization is obtained. In addition, bakery and eatery are also business ventures that are known to have a good return, if properly managed. I must warn, however, that the pathway to this might be herculean as the following statistics revealed:

The 2008 US Census report stated that almost 2,356 people moved to entrepreneurship daily. Even though not all of them succeeded, the report put the entrepreneurship efforts of such people at 78 per cent of US small businesses:

- Overall earnings are estimated at a whopping US\$951 billion per year;
- Over 627,200 new businesses opened in the year 2008; and
- As desirable as being an entrepreneur is, the US Small Business Administration's Office of Advocacy reported that 190,600 businesses were closed and 23,546 bankruptcies were recorded the same year.

The above statistics revealed that three out of new small businesses have a two-year lifespan and what is left survive for approximately five years or more. Despite these high mortality rates, the US economy is based on the operation and ownership of 78% of small businesses that employ more than half of the country's total workforce.

My fellow stakeholders or business owners, I encourage you to imbibe three basic principles that will spur your aspirations in business formation and sustainability. These are:

- Develop a passion to create something novel and useful. This is a necessary standard. As would-be business owners or entrepreneurs, you should strive to sense needs and meet them. As I stated earlier, where you sense no need, create one, proffer a solution. This passion would address the initial pressures of starting a business and keep you resilient despite the financial burdens that might be encountered. Without passion, resources will seemingly remain inadequate. But passion will always find a way even when probabilities conspire against your dream. Entrepreneurs have unshakable confidence in and enthusiasm for their business ventures that contagiously spreads to their business team.
- The second principle is to build something that will last forever. You must always keep ahead of competition to ensure that your enterprise remains a profitable concern. Please note that risk-

taking is absolutely crucial, because it yields the innovation that sustains a competitive edge, in a world where competitors constantly catch up to and overtake stagnant firms. You have to get out of your comfort zone, venture into new horizons and experience new environments. You must not be afraid of taking chances. If per chance, things did not work out as expected, you must simply get up and try again. Success teaches you how to move forward, but failure teaches you to never go backwards. Thus, failure is the first step and benchmark to success.

- The third is to have freedom. Being your own boss has definite appeal. Entrepreneurs are motivated by having control over their work and the flexibility to pursue their dreams. But freedom always has a price. With greater personal freedom, comes greater uncertainty about the future, particularly in relation to finances. Greater personal freedom also means a less structured environment, in which greater self-discipline is required in order to thrive. As an entrepreneur, you must be willing to accept these risks.

These three ideals have been tested and proven to be the primary motivating factors for would-be businessmen or entrepreneurs. These three major goals are not shared by all and are inappropriate for many. Only those that find these objectives to be self-evident should embrace entrepreneurship.

Obstacles to Business Opportunities

Small businesses are generally considered to be Nigeria's driving force to enhance economic growth, reduce poverty and create jobs. Small businesses have been the means through which rapid industrialization and a hastened economic growth have been realized in China, Japan, and USA. Numerous obstacles are faced by

businessmen or entrepreneurs and this adversely limits their long-term development and survival I would like to mention a few important obstacles facing rapid business development. They include:

- ✓ **Constrained access to local and international markets that stunt business expansion and proliferation,**
- ✓ **Severe infrastructure deficits (mainly of transportation and electricity) that hamstring both new and existing businesses.**
- ✓ **Inadequate access to finance and the absence of a credit policy that addresses the specific needs of enterprises.**

I have a strong belief that once one adjusts to the factors highlighted above, the challenges should not limit one's ability to achieve set goals and desires.

Conclusion

I, again commend the efforts of the IEDPU for organizing this Economic Summit. This is a welcome development compared with what used to be once in a year meeting that focuses more or less on generic agenda. I believe with a summit such as this, unemployment, under-development and other vital challenges can be critically evaluated and precautionary or a remedial measure are put in place for managing them.

It is important to stress that this chapter only serves as a reminder of the available businesses within the Emirate. It does not represent a feasibility study which is a prerequisite for an investor embarking on a new business or investment. Such business feasibility should take into considerations the following:

- ❖ **Type of business and its associated business risk factors;**

- ❖ **Detail dimensioning, analysis and evaluation of the business risk factors;**
- ❖ **Understanding the business cycle, marketing and cash flow implications;**
- ❖ **Capital formation and source of fund or financing (equity/debt);**
- ❖ **Employee competencies, logistics and administration; and**
- ❖ **Local, state and national regulatory risk.**