GOUni Journal of Faculty of Management and Social Sciences (9/1) 60-61
ISSN: 2550-7265

SMALL AND MEDIUM SCALE ENTERPRISES: CHALLENGES AND IMPROVEMENT STRATEGIES IN ENUGU STATE, NIGERIA

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Abstract

The objective of this study is to critically investigate the Small and Medium Scale Enterprises: Challenges and improvement strategies (way forward). Survey design was utilized with SME population of one hundred and fifty (150) comprising of both owners and employees. The entire population was studied. Questionnaire was utilized in data collection. Frequency and standard Deviation were utilized to analyse the data and test the research hypotheses with T-test. It was found that lack of funds and lack of access to financial support poses a big challenge. It was concluded that access to finance aid SMEs to perform better. It was recommended that government should grant financial assistance, private provision of access to financial support and develops a policy enabling financial groups to consider granting SMEs access to financial assistance. This will boost the activities of SMEs in the State and increase revenues to the nation.

Keywords: Small and Medium Scale Enterprises: Challenges, Improvement Strategies, Enugu-State, Nigeria

Introduction

There is lack of funds and lack of access to financial recourses for running small and medium scale enterprise in Enugu- State, Nigeria especially at Post covid-19 pandemic era, that forces entrepreneurs not to invest in SMEs. These Challenges facing Small and Medium Enterprises in Enugu-State Nigeria have of recent become one of the stumbling blocks for Entrepreneurs. This is as a result of the pandemic lock down for over eight months; entrepreneurs were just eating from their capital instead of gain/profit and now no more capital to invest in SMEs. According to World Bank, (nd) Lack of Funds and inability to have access to finance are key constraints to SME growth; and these are the most cited obstacles to SMEs to growth in developing countries.

SMEs account for the majority of businesses worldwide and are important contributors to job creation and global economic development. They represent about 90% of businesses and more than 50% of employment worldwide. Also, Formal SMEs contribute up to 40% of national income (GDP) in developing economies. Again, it was estimated that about 600 million jobs will be needed by 2030 to absorb the growing global workforce which makes SME development a high priority for many governments around the world. In emerging markets, most formal jobs are generated by SMEs, which create 7 out of 10 jobs (World Bank, nd).

Therefore, for SMEs to perform their roles as enumerated above, they need adequate funding in terms of short and long-term loans. As a result of the nature of SMEs, funds are always in short supply to them. This then became necessary that SMEs should be assisted largely by public initiative involving participation of the banking industry. Also, Government of Nigeria has recently made elaborate effort to assist the SMEs in their funding problems (Ohachosim, Onwuchekwa, Ifeanyi, nd).

World Bank report eight ways to get startup capital for a small businesses to include: Savings, Personal Loans, Credit Cards, Bank Loan, Venture Capital and Angel Investors, Government Programs, Corporate Programs, Crowd funding and Crowd lending. These are explained as follows: Savings: Most startup founders use their personal savings to fund their businesses, according to Forbes you do not drain your bank account to raise funds for your business rather advice Entrepreneurs to set aside enough living expenses (for rent and groceries, for example) to last them for a year. This is because many startups are not profitable for months after opening. Smaller, service-based businesses can probably get away with three to six months of operating expenses, according to Fresh-Books.

The SBA, (nd) (a fund raising company) has a number of tips for saving up to start your small business, including: Decrease credit card debt; Call your bank to request a lower interest rate; Set up an automatic deduction to your savings account; Get rid of any services you do not use like or car-sharing memberships; Set up a budget using a service like You Need a Budget; look for Face book groups in your area focused on trading or selling used items. Personal Loans: This tactic involves borrowing money from family and friends. To avoid hurt feelings, put the terms of the personal loan in writing. Be clear about how much you need what the interest rate is and when it will be repaid.

Credit Cards: You can either use your personal credit card or open a business credit card. Even if this option is open to you, do not choose it lightly. Credit cards often have high interest rates that increase your balance monthly. You could end up with a debt balance much higher than you planned for, which could cripple your new business. Still confident credit cards are the best route for you; Make sure you are using a card with the lowest interest rate possible and excellent repayment terms.

Bank Loans: Unfortunately, a small business bank loan is not guaranteed. Banks want airtight businesses plans and excellent credit scores before they'll consider approving a small business loan. They may also want you to invest your own money in the business to prove you're really committed to making your company work. You can go with your personal bank since they'll already be familiar with your banking history. Or choose a bank that's historically known for lending to small businesses. To improve your chances of getting a loan, choose a guaranteed lender.

Venture Capital and Angel Investors (Private Investors): Venture capital and angel investing is best suited to high-growth companies that are already profitable with good cash flow. Still, each entrepreneur has his or her own specialty in terms of region, industry and company age. A unique idea and a solid business plan is required to attract investment. Investments are typically made over a three-year period. These investments come in three forms: Loans, loans range from ₦250,000 to ₦10 million, which must be paid back (with interest). Interest rates are 9 to 16 percent; Equity: some funding companies will give you money for your business for a share of ownership (and control). Investments range from ₦100, 000 to $5 million; Loan and Equity: This is a combination of the first two options. These Loans come with interest rates of 10 to 14 percent and investments are ₦250, 000 to ₦10 million.

Government Programs: Government grants can require some research to find the right one for you. There are companies that have offices that can coach you on available grants, plus provide business consulting and training them also has information on federal grant programs.There are also small business grants available to entrepreneurs facing unique barriers. For example: Women's Business Centre's offer advice on local, state and private loans for women, especially those who are economically or socially disadvantaged. Minorities-owned businesses can check the companies' site that connects them to funding Businesses from economically disadvantaged areas.

You need the services/advice of a veteran; a veteran is a person who has a long career in a particular occupation or field to match the loan you require. Corporate Programs: Select corporations offer programs that support small businesses, including low-interest financing. For example, financial institution thathas a program that gives affordable loans to businesses who might not qualify at traditional credit sources. Crowd funding and Crowd lending: Crowd funding usually involves asking large groups of people for funds on dedicated crowd funding websites. They usually receive a gift or the product you are developing in return for their investment. Crowd-lending functions much the same way except that your funders expect you to pay them back.

According to Ohachosim, Onwuchekwa, Ifeanyi, (nd) The government has tried to achieve the above assistance to SMEs through the following agencies and schemes: The Nigeria Industrial Development Bank Ltd (NIDB) (1962), the Nigeria bank for Commerce and Industry (NBCI) (1973), Rural Banking Scheme (1977), Agricultural Credit Guarantee Scheme fund (1978), Word Bank Assisted SME Loan Project (1987), Peoples Bank of Nigeria (1989), The National Economic Reconstruction fund (NERFUND) (1990), Community Bank (1991), Nigeria Export Import Bank (1991), The bank of Industry (2000), Nigeria Agricultural, Corporative and Rural Development bank (NACRDB) (2000), The Small and Medium Industries Equity Investment Scheme (SMIEIS) (2001), Refining and Rediscounting Facilities (2002), Microfinance Banking (2005); Despite all the efforts of government, progress of SMEs in Nigeria is still limited due to financial challenges (Ohachosim, 2012). It can be logically correct to concludefrom the above that the financial challenges of SMEs in Nigeria today, have taken the dimension of inaccessibility of funds. Obstacles of SMEs access to funds in Nigeria have not been surmounted. This problem motivated the researcher's interest to investigate Small and Medium Scale Enterprises: Challenges and Improvement Strategies in Enugu- State, Nigeria.

Access to finance is the ability of individuals or enterprises to obtain financial services, including credit, deposit, payment, insurance, and other risk management services (Wikipedia)It also, refers to public loans or government subsidized loáns for firms, with the aim of enabling start-up, of micro and small and medium sized firms to grow.

Lack of access to financial support: Is unavailability of money provided to enable an organization to continue. This money ought to be provided by the government. That is,available source of wealth; a new or reserve supply that can be drawn upon when needed.

Sources of Capital and Funds for your Business in Nigeria

Family and friends: One of the sources of business funds is family members and relatives; Nigerian commercial banks; You-Win Program, Nonprofits / Angel Investors; SMEDAN; Personal finance; Local co-operative societies, Partnership.

Funding Policy: Funding Policy means the written policy regarding funding for the Plan, established in accordance with the Applicable Legislation and the parameters set out in Section 3, as amended from time to time.

Statement of the Problem

Lack of funds and lack of access to financial support, lack of basic infrastructures, competition among local/foreign entrepreneurs, levies and market charges no doubt erode savings and discourage investment in SMEs, leading to shutdown of SMEs which eventually leads to challenges like unemployment, resultant clampdown (High mortality rate) of SMEs. Therefore, this problem motivated the researchers to investigate how availability of access to funding policies can be designed and administered to help improve SMEs performance and spring-up more in the country.

Objective of the Study

The main objective of this study was to examine the effect of lack of funds on SMEs performance in Enugu- State, Nigeria; while the specific objectives are as follows:

1. To examine the problems facing SMEs improvement
2. To what extent does lack of availability of funding policies designed and administered affect SMEs performance
3. To find out funding policies to be designed and administered to help improve SMEs performance

Research Questions

1. What are the problems facing SMEs survival?
2. To what extent does lack of availability of funding policies designed and administered help improve SMEs performance
3. To evaluate funding policies to be designed and administered to affect SMEs performance?

Research Hypotheses

The following hypotheses were formulated to guide the study in its quest examine the effect of lack of funds/lack of access to funds on SMEs performance

ISSN: 2550-7265

Ho1: There is no significant problem facing SMEs.
Ho2: There are no significant effects of lack of access to funds on the improvement of small and medium scale enterprises
Ho3:There are no significant effects of availability of funding policies to be designed and administered to help improve SMEs performance

Review of Related Literature
SMEs Challenges means problem encountered by SMEs in the course of their activities that hinders their progress/performance.

Improvement Strategies in this context means Process provided for how work gets done and what can be done to improve it. This includes the following: improve the customer experience, reduce costs, improve resource efficiency, improve resource productivity, and reduce response time among others (Business Enterprise Mapping 2017).

SMEs are key players in developing nations such as Nigeria. SMEs have long been observed to be catalyst for economic growth and national development both in developed and developing countries Fatai, (2011). According to Appah, (2010), SMEs have been considered as the engine of economic growth and for promoting equitable development, emphasizing that the major advantages of the sector is its employment potential at low capital cost.

The Central Bank of Nigeria in 1990 as factored by Okwo, (2012) defined SME as any manufacturing process or service, with a capital not exceeding ₦150,000 in manufacturing and equipment alone. A study by the federal office of statistics revealed that SMEs in Nigeria make up 97% of the economy Adebisi, and Gbegi, (2013). Stressing that, although SMEs are small in size they are the most important enterprise in the country because of the fact that when all the individual effects are aggregated they surpass that of the larger enterprises.

Adebisi, and Gbegi, (2013) noted that SMEs though small in size are the most important enterprise in the country because of the fact that when all the individual effects are aggregated they surpass that of the larger enterprises. According to the authors a lot of problems are encountered by SME, the most complained of are the Problems of financing which among others, do not always encouraging growth in SMEs. Similarly, situations where a smallholder farmer cannot source funds to pay for the seedlings, registration fee to enable him/her get assistance from government, development levy, market tax, personal income tax Again, SMEs are supposed to receive capital allowance on assets bought for a specific period but this is denied them and no tax incentives for investments are allowed to them.

Obamuyi (2007) examined loan delinquency among small and medium enterprises (SME) in Ondo State of Nigeria, maintained that it is difficult for SMEs to meet the criteria for accessing bank loan .The author went further to state some standard criteria to assess the credit-worthiness of borrowers as follows; financial strength, profitability, network, track record, management quality, relations and payment records with other banks, business prospects, business risks and collateral securities. All the above criteria cannot be good assessments without adequate accounting. It is because of the deficiency in the record keeping of SME that compels the banks to insist on collateral as a "must" for SME.

Anifowose, and Onileowo, (2020) opine that the term finance or financing is comprehensively stared as a kernel and a 'key' gizmo that is obligatory for the evolution and functionality of any enterprise. Accessing the appropriate kind of financing in accord to the enterprise's need is more essential for its survival. However, access to finance for small and medium enterprises (SMEs) has always been difficult to owners and also, a serious apprehension especially among researchers. Meanwhile, it is on the note that very many small businesses sector offer support to Nigerian economy by providing employment opportunity to most citizens who in turn improves standard of living. But, in spite of this importance, most of these small businesses collapse within the first five years of operation yet the agencies established by Nigerian Government to offer support to this sector are confronted with difficulties in accessing the finance from financial institutes. Keeping in view the importance of SMEs, this paper grilling the flora and configuration of the financial capital for viable small business is to widen the understanding on the existing financing opportunities available to SMEs and entrepreneurs.

The idea of establishing small and medium-sized enterprises (SMEs) is generally viewed to contribute significantly to economic growth, employment, innovation and social stability across the globe. They are also regarded as a major driver of innovation for sustainab ledevelopment and economic growth that has gathered substantial attention during the last several decades. In order to speed up the sustainability evolution, further attention should be given to the financial needs of SMEs. This is because, availability of financial capital is very essential for the survival of any business enterprise and is also considered as one economicresource measured in terms of cash utilized by entrepreneurs and businesses to shop for what they need to make their products or to offer their services to the sector of the economy upon which theiroperation is based, example Retail, corporate, investment banking, among others. However, access to financial capital to purchase fixed and current assets is crucial to sustaining a firm's competitive advantage. Empirical studies maintain that small and medium enterprises need financial capital to acquire physical resources to enable them to take advantage of business opportunities. Likewise, the authors state that, to establish and sustain an SME, the entrepreneur needs to have access to various types of resources like financial capital, human capital; and material capital; with each performing different, but similar important roles during the process of founding a new enterprise.

Gumel, (2019) investigated on how to provide owners and managers of small businesses with necessary information about the challenges facing small businesses in Nigeria and present the possible tools, policies, and strategies to mitigate them. The author utilized the multi-case qualitative study, managers of successful small businesses narrated in an interview the tools, policies, and strategies they used to mitigate the identified challenges. The study answered the central question: what are the tools, policies, and strategies used by managers of successful small businesses to mitigate the challenges facing their firms? Their findings identified continuous government intervention and support to small businesses as a major tool that reduced the challenges facing the sector. Their Practical Implications was that the information found can be used by small business managers to mitigate the challenges facing small businesses and reduce their massive failure in the economy. Thereby, increase the number of successful small businesses, which will result in the reduced unemployment rate in the economy. A reduced unemployment rate in the Nigerian economy will increase the standard of living of the citizens, thus, reducing the unemployment rate in the economy.

Empirical Literature

Ohachosim, Onwuchekwa, and Ifeanyi, (nd). investigated the relevance of SME-sub sector in Nigeria's economy which has necessitated the need for empirical investigations into the nature of its financial challenges. The authors evaluated the extent accounting information can be used to ameliorate the financial challenges of SMEs in Nigeria. It explored both theoretical and empirical literatures as bases for the study. It made use of questionnaire for collecting data from a sample of SMEs in Nigeria. Tables and graphs describe the responses for better understanding. By the technique of Ordinary Least Square (OLS), the researchers analyzed the group logit (GLOGIT) model specified in the paper. Findings reveal that SMEs in Nigeria have poor accounting system. It was also found that SMEs' access to finance depends largely on the quality of accounting information they can generate which is determined by their accounting practices. The paper recommends that SMEs should access the services of the accountant to be able to establish dependable accounting system which is characterized by generally accepted accounting practices (GAAPs). Quality accounting information will enhance SMEs' financial management as well as accessibility of finances.

Adeyinka, Mustaha andOdi, (2019) assert that developing a sustainable source of finance for MSMEs has remained a perennial problem as a result of their lack of, or low-valued collaterals. The authors examined the impact of development bank finance on the growth and development of MSMEs in Nigeria from 2010 – 2017 with specific objectives of determining whether MSMEs have funding depend on collateral using the survey research design method. Ordinary Least Square Regression (OLS) Technique was used to analyze the data obtained from primary and secondary sources. The authors found that MSMEs in Nigeria accessibility to finances in Nigeria depend largely on the volume and value of credits to MSMEs depends on the availability of collaterals. The authors recommend that SMEs should install a sound and reliable access to funding, and MSMEs should invest a portion of their capital in non-current assets in order to increase the value of their collaterals and, hence, have expansive access to funding.

Mba, and Cletus, (2014) discussed Issues, Challenges and Prospects of Small and Medium Scale Enterprises (SMEs) in Port-HarcourtCity, Nigeria. This was informed by the high rate of unemployment in the society and the poor performance of SMEs in employment generation. While the research questions addressed the extent to which poor financing, inadequate social infrastructures, lack of managerial skills and multiple taxation constitute major challenges in the performance of SMEs between October 2012 and November 2013, it assumes that government intervention through the provision of financial assistance, social infrastructures and favorable taxation policies will reverse the trend: The researchers adopted a descriptive research design using 120 randomly selected registered operators of SMEs in Port-Harcourt City. Data collected were analyzed using descriptive statistics while formulated hypotheses were tested using z-test. Results from the data analysis indicated that poor financing, inadequate social infrastructures, lack of managerial skills and multiple taxation were major challenges confronting SMEs in Port-Harcourt City, thus recommended: provision of soft loans to SMEs operators, government guaranteeing of long-term loans to SMEs operators, establishment of SMEs funding agency, public/private sector partnership in infrastructural provision, capacity building for SMEs operators and provision of tax incentives for SMEs operators.

Anifowose, and Onileowo, (2020) maintain that the term finance or financing is comprehensively stared as a kernel, and a 'key' gizmo that is obligatory for the evolution and functionality of any enterprise. Accessing the appropriate kind of financing in accord to the enterprise's need is more essential for its survival. However, access to finance for small and medium enterprises (SMEs) has always been difficult to owners and also, a serious apprehension especially among researchers. Meanwhile, it is on the note that very many small businesses sector offer support to Nigerian economy by providing employment opportunity to most citizens who in turn improves standard of living. But, in spite of this importance, most of these small businesses collapse within the first five years of operation yet the agencies established by Nigerian Government to offer support to this sector are confronted with difficulties in accessing the finance from financial institutes. Keeping in view the importance of SMEs, this paper grilling the flora and configuration of the financial capital for viable small business is to widen the understanding on the existing financing opportunities available to SMEs and entrepreneurs.

Theoretical Review

The theoretical framework guiding this study is the "Theory of Public Expenditure". It is the expenses which government incurs in the performance of its operations. With rise in state activities, it may be hard to determine what portion of public expenditure can be ascribed to the maintenance of government itself and what portion to the benefit of the society and the economy at large. Although, public expenditures increased rapidly over the years and coupled with its role and importance in the national economy the area of public expenditure has remained relatively unexplored. Studies in public expenditure have been confined to that of generalities in terms of its effect on employment and prices [Adanis, 2001].

Two notable theories of public expenditure are examined here-under:

The law of increasing activities according to was postulated by a German economist called Adolph Wagner in 1890. The study identifies that there are inherent tendencies for the activities of government to grow both intensively and extensively. And that functional relationship exists between the growth of an economy and the growth of government activities and that the governmental sector grows faster than the economy. Furthermore, all kinds of governments' especially, State or Local government intentions had exhibited the same kind of tendencies of increased expenditure.

Main argument of the Displacement theory was that public expenditure does not increase in a straight or continuous manner, but in "Jack or Stepwise" fashion. Often some social or other distractions occur which shows the need for increase in public expenditure which the existing level of revenue cannot meet. Therefore, public expenditure increases will make the inadequacy of the existing level of revenue clear to everyone. The movement from the initial and low level of expenditure and taxation to a new and higher level is called the displacement effect," while the inadequacy of the revenue as matched to the required expenditure creates the "inspection effect''. Hence the government and the people would reach a new level of "tax tolerance" by reviewing the revenue position and finding solution to the problem of inadequate revenue. Since each major disturbance leads government to assume a larger proportion of the national economic activities, the result is the "concentration effect." Nevertheless, concentration effect, they assert, is the tendency for the government activities to grow faster than the economy.

METHODOLOGY

Research Design: A survey research method was used which involved the use of questionnaire, interview, past publications and records. The researcher chose survey method because it is effective when opinions of people are sort for. attitudes and descriptions, more especially in getting cause and effect relationship.

Population of the Study: This study was conducted using eighty (80) registered SMEs businesses in Enugu State, Nigeria. The total number of managing Directors; spread across the registered SMEs is one hundred and fifty (150). The number of managing directors made up the accessible population of the study and all the population was studied given its small nature.

Method of Data Collection: The data enabled the study to test the research hypotheses. Again, the statistical tool of frequency tables and percentage were used to present and analyze data collected and tested the research hypotheses with the Analysis of Variance (ANOVA).

Validity of Instrument: Validity of measuring instrument is defined as the ability of the instrument to measure what is supposed to measure," Stressing a clock is a valid instrument so long as it measures the correct time. Otherwise, it is not a valid chronological instrument. Validity of measuring instrument is determined by its content which stresses adequate coverage by the instrument of the scope implied by the topic of study. Hence, for the sake of validity of the measuring instrument that was used, the researcher ensured that questions asked in the questionnaire fully exhaust all that were implied by the research questions and hypotheses. The instrument was validated by experts in the field of study, paying particular attention the relevance to the subject matter and their coverage of the entire work.

Reliability of Research Instrument: Reliability is defined as the consistency between independent measurements of the same phenomenon, reliability then is the stability, dependability and predictability of the measuring instrument" [3]. To ensure that the instrument consistently measures what it is supposed to measure, a pre – test was carried out in the study area. The reliability was established through a test – retest method. Ten copies of the questionnaire were administered to ten SMEs in Enugu state, Nigeria. Two weeks after collection, the same instrument was administered to the SMEs respondents. This test was to determine the consistency of their responses to the questionnaire. Spearman Reliability coefficient was used to determine that the instrument has a coefficient of 0.85. Spearman Reliability coefficient was also used to determine that the instrument has a coefficient of 0.85. The formula of spearman correlation internal consistency reliability co-efficient is stated thus:

Where k = Number of items per section
Vi = total items of standard deviation per section
Vt = Standard deviation of scores per section squared
= Infinity of number

Method of data Analysis: The researcher analysed, interpreted and presented their result using T-test formula Thus:

Model Specification

Formula for the analysis of T-test

$$SD = \sqrt{\frac{\varepsilon F(x-\bar{x})^2}{\varepsilon F}}$$

ε = Summation
F = frequency
X = Item
$\bar{x}$ = Mean

$$\therefore \quad SD = \sqrt{\frac{\varepsilon F(x-\bar{x})^2}{\varepsilon F}}$$

Level of significance = (0.05).

The T-test Analysis was used in testing the research hypothesis

The data collected was statistically analyzed with Simple percentage (%) and frequency distribution to compare the mean difference between variables. T-test was used to analyze the differences in the utilization of daily market activities in economic development.

In this study, the researcher seeks to establish if these variables do or do not move together. According to Koutsioyannis, (1973) as opined in Ebiringa and Emeh, (2012), the coefficient of correlation is a measure of the degree of co-variability of the dependant and independent variables. The values that the correlation coefficient may assume vary from -1 to +1 imply that there is perfect positive correlation between independent (Daily market (crops, animal, wears, and raw materials) and dependent (Revenue generation and better standard of living) variables.

Basis of the model

The t-Test estimates the true difference between two group means using ratio of the difference in group means over the pooled standard error of both groups.

T = the test value
X_1 and x_2 = Are the means of two groups being compared
S_2 = the pooled standard error of the two groups
n_1 and n_2 = the number of observations in each of the groups (The administrative staff, lecturers and students)

Decision rule:

Reject Ho if F – calculated is greater than or equal to F – critical value

The researcher distributed the questionnaire to the respondents and it was filled by the respondent and returned to the researcher.

3.9 Questionnaire response Rate

Table : Response rate

Questionnaire	Number	Percentage%
Questionnaire administered	150	100
Questionnaire returned	150	100

Field Survey, 2020

Table above shows that 150 copies of questionnaire were administered on respondents. The entire questionnaires were returned (response rate of 150 copies were 100%. Therefore 150 questionnaires were used for the analysis.

Testing of Hypothesis

Data were generated for the three hypotheses as follows:

Generation of Data For Testing Hypothesis 1.

Table : summary of resources to questions 1-5 relating to hypothesis one

S/N	Questionnaire	SA	A	SD	D	Mean $\bar{x}$	Decision	SD
		(4 + 3 + 2 + 1 = 10 ÷ 4 = 2.5)						
1	They are problems facing SMEs survival?	100 (400)	90 (90)	30 (30)	5 (5)	$\frac{525}{150}$ 3.5	Accept	0.82
2.	They are lack of basic infrastructural problems	84 (336)	36 (108)	14 (28)	16 (16)	$\frac{488}{150}$ 3.25	Accept	0.2
3.	Government policy negatively affect them	84 (366)	36 (108)	14 (28)	16 (16)	$\frac{488}{150}$ 3.25	Accept	1.2
4.	Multiple taxation affect them	84 (366)	36 (108)	14 (28)	16 (16)	$\frac{488}{150}$ 3.25	Accept	1.2
5.	Lack of government support negatively affect them	80 (320)	30 (90)	20 (40)	26 (26)	$\frac{470}{150}$ 3.1	Accept	0.74
	Grand Mean $\bar{x}$ (16.35 ÷ 5) 3.27							

Table above shows the summary of responses to question 1-5 indicating that there are significant problems facing SMEs. Also, the above table reveals that the mean is greater than the bench mark therefore; we reject the null hypotheses and accept the alternative.

Generation of Data for Testing Hypothesis 2

Table : Summary of responses to questions 6 to 11 relating to hypothesis 2.

S/N	Questionnaire	SA	A	SD	D	Mean $\bar{x}$	Decision	SD
						(4 + 3 + 2 + 1 = 10 ÷ 4 = 2.5)		
6.	lack of availability of funding policies designed and administered negatively affect improve SMEs performance	84 (336)	36 (108)	14 (28)	16 (16)	$\frac{488}{150}$ 3.25	Accept	3.5
7.	Availability of funding policies designed and administered help improve SMEs performance	100 (400)	30 (90)	15 (30)	5 (5)	$\frac{525}{150}$ 3.5	Accept	0.387
8.	Government should Provide funding policy favorable to smes	90 (360)	40 (120)	14 (28)	6 (6)	$\frac{514}{150}$ 3.14	Accept	0.78
9.	Government should provide policy that could allow individuals finance houses that should make funds							

availably to smes	70	50	14	16	$\frac{474}{150}$	3.16	Accept	0.26
	(280)	(150)	(28)	(16)				
10. You-Win Program, Nonprofits / Angel Investors; should provide access to funds for smes	80	40	14	16	$\frac{484}{150}$	3.2	Accept	0.71
	(320)	(150)	(28)	(16)				
11. Personal finance, Local co-operative societies, Partnership alone should should be the only access to SMEs funding	105	35	6	4	$\frac{541}{150}$	3.6	Accept	0.50
I	(420)	(105)	(12)	(4)				
Grand Mean $\bar{x}$ (19.85 ÷ 6 (no of items)						3.3		

Source: Field Survey, 2020

Data relating to hypothesis 2 were generated from the respondents of the study. Table above shows the summary of responses to question 6-11 that there are no significant effects of lack of access to funds on the improvement of small and medium scale enterprises hypothesis two of the study. The mean is greater than the bench mark indicating strong agreement that there are there are significant effects of lack of access to funds on the improvement of small and medium scale enterprises. Therefore, we reject the null hypotheses and accept the alternate hypotheses.

Generation of Data For Testing

Hypothesis 3

Table : Summary of responses to questions 12 to 14

S/N	Questionnaire	SA	A	SD	D	Mean $\bar{x}$	Decision	SD
	(4 + 3 + 2 + 1 = 10 ÷ 4 = 2.5)							
12.	There are no significant effects of availability of funding policies to be designed and administered to help improve SMEs performance	6	5	34	105	$\frac{212}{150}$	1.41 reject	0.92
		(24)	(15)	(68)	(105)			
13.	SMEs need good government Funding policy to improve Their performance	84	36	14	16	$\frac{488}{150}$	3.25 Accept	1.3
		(336)	(108)	(28)	(16)			
14.	There are significant effects of availability of funding policies to be designed and administered to help improve SMEs performance	86	34	14	16	$\frac{490}{150}$	3.27 Accept	1.07
		(344)	(102)	(28)	(16)			
	Grand Mean $\bar{x}$ (16.95 ÷ 3)							5.65

Source: Field Survey, 2020

Table above shows the degree at which there are significant effects of availability of funding policies to be designed and administered to help improve SMEs performance since mean 5.65 is greater than the bench mark 2.5. So we accept the alternative hypotheses and reject the null hypotheses.

Result/Discussion

Following the result of our analysis on Ho[1]: that there is no significant problem facing SMEs in Enugu state; We reject the null hypotheses and accept the alternate at 0.05 percent level of significance, the calculated t-value of 6.83 is greater than the critical t-value (t-tab) of 1.96, However, this is in agreement with the work of Anifowose, and

Onileowo, (2020) that the term finance or financing is comprehensively stared as a 'key' that is obligatory for the evolution and functionality of any enterprise. However, access to finance for small and medium enterprises (SMEs) has always been difficult to owners. Also, this is in agreement with the work of Adebisi, and Gbegi, ,(2013) stating that a lot of problems are encountered by SME, the most complained of are the Problems of financing which among others, do not always encouraging growth in SMEs.

Also, There are no significant effects of lack of access to funds on the improvement of small and medium scale enterprises in Enugu state Ho^2: we reject the null hypotheses and accept the alternate At 0.05 percent level of significance, the calculated t-value of 6.83 is greater than the critical t-value (t-tab) of 1.96, so availability of access to funds significantly benefit SMEs, However, this is in agreement with the work of Adebisi, and Gbegi, (2013) siting a situations where a smallholder farmer cannot source funds to pay for the seedlings, registration fee to enable him/her get assistance from government, development levy, market tax, personal income tax

Finally, there are no significant effects of availability of funding policies to be designed and administered to help improve SMEs performance Ho^3, we reject the null hypotheses and accept the alternate at 0.05 percent level of significance, the calculated t-value of 6.83 is greater than the critical t-value (t-tab) of 1.96, so we accept the alternate hypotheses that there are significant effects of availability of funding policies to be designed and administered to help improve SMEs performance, This is in line with the work of Adeyinka, Mustaha and Odi, (2019) that developing a sustainable source of finance for MSMEs has remained a perennial problem as a result of their lack of, or low-valued collaterals. The authors found that SMEs in Nigeria accessibility to finances in depend largely on the volume and value of credits to availability of collaterals. The authors recommend that SMEs should install a sound and reliable access to funding, and SMEs should invest a portion of their capital in non-current assets in order to increase the value of their collaterals and, hence, have expansive access to funding. Again, Ohachosim, Onwuchekwa, and Ifeanyi, (nd) in their work recommend that the SMEs should access the services of the accountant to be able to establish dependable accounting system which will help for accessibility of finances

Conclusion

Empirical results have established the benefits derivable from making available access to finance to SMEs in Nigeria and Enugu state in particular.

Recommendations

The study recommends that:

1. Implementation of World Bank report on eight ways to get startup capital for a small businesses should be followed to the letter to include: Savings, Personal Loans, Credit Cards, Bank Loan, Venture Capital and Angel Investors, Government Programs, Corporate Programs, Crowd funding and Crowd lending.

2. The government should ensure availability of funding policies, designed

and administered to help improve SMEs performance

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