

Financial Complexity and Small Business Survival in Kubwa Abuja, FCT, Nigeria

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Abstract

The study investigates financial complexity and small business survival in Kubwa, Abuja, FCT Nigeria. The main objective of the study is to investigate the effect of financial complexity and small business survival in Kubwa Abuja. The study adopts both descriptive and causal research designs to analyze the cause and effect between financial complexity and small business survival in Kubwa Abuja. The population of the study is 135 and statistically adopted the sampled size of 101 respondents to analyze and interpreted data collected via primary sources using structured and closed-ended questionnaires. After the critical analysis of the sourced data, findings from the study show that financial complexity is the major challenge to small businesses growth and expansion in Kubwa Abuja and the external fund is the most difficult source of finance for most small businesses in Nigeria. The study concluded that proof from the previous studies and this study shows that external sources of funds have high complexity in financing small businesses in Abuja. Findings also expose that there are financial prospects for small businesses' survival in the mix of financial complexity. The study recommended that the financial complexity experienced by small businesses in Nigeria can be minimized by the small business managers.

Keywords: Finance, Funding, Growth, Profitability, Small Business and Sustainability

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Background of the Study

There can be no community without the presence of operating small businesses that meet their present circumstances and the immediate needs of society, even in the remote village of the world. Small businesses are substantial for the survival and growth of the nation's healthy economy. The gross domestic product (GDP) of a country is very high with the impact of small businesses because, in African countries, about 75% of the operational businesses are small businesses of different classes, especially in Nigeria perspective from a preliminary study conducted by the researchers from 2018 till date. Small businesses have the strength to improve their standard of living, generate income, create self-dependent and enhance creativity and reliability. The reason a lot of small businesses are very global is simply the "ease of setting up and running" for those that don't get it. Apple jobs, the women nature of self-employed business and this is because of the failure of the government in developing countries to create even cucumber jobs. From Nigeria's perspective, average small businesses can be started with N1000, (Pure water Hawkers). It is an independent business that attracted a fast turnover, a small volume of sales, required building and starting a small capital and a small profit just to survive. In the nutshell, small businesses could be defined as businesses that required small capital for operations and mostly self-managed businesses whose returns are quick for survival. Iwasaki, et al. (2021) posits that small business survival and sustainability largely developed a high dependency on its funding sources the development of financial institutions and the economic viability of a nation. That is, from their perspective the strength and length of small business sustainability and growth largely depend on the strengths and capabilities of financially supported from the existing financial institutional growth of a nation.

Several studies have shown that apart from financial complexity that draws back the survival rate of small businesses globally, the size and period of existence of small businesses also contributed to the survival rate of small businesses in various industries and locations globally (Iwasaki, et al., 2021 and Rico et al. And from their perspectives, the survival rate of small businesses in a developed economy is higher than that of the rate in developing economy like in Nigeria because different in institutional strength and financial capabilities in the economic regions (Iwasaki, et al. 2021; Cucculelli and Peruzzi, 2020; Rico et al., 2020; Baumöhl et al. 2019).

The implication and definition of finance are very vital for the growth and survival of any business, either big or small. Finance links all other resources in business formation and the factors of production together to ascertain sales and profit objectives. Finance creates the courage for effective and efficient planning for small businesses' growth to sustainability. It is described as the sourcing and application of funds in a business setting to meet up with the guided business goals. Small business management at profitability depends on how accessible sources of finance are for effective operations. Financial complexity issues range from difficulty in accessing finance and the shortage of financial systems to support small businesses. The tedious banks and government requirements to access finance for small businesses, the costly interest rate to access finance, hacked government policies and programs in terms of favouritism and corruption in accessing finance and the unsecured

business environment to access finance for the needy small businesses in Nigeria compiled the complexities in accessing finance for small business sustainability and survival. Previous studies have proven that access to financial support from financial institutions is not friendly and supportive for small and strategic businesses that needed financial support, especially during global financial crises effect by the novel coronavirus pandemic trauma that created destructive pressures for many businesses globally (Brown et al. 2020; Demirguc-Kunt et al., 2020; Brown and Rocha, 2020).

The study on Financial Complexity and Small Business Survival in Kubwa, Abuja is designed to examine and analyze the strengths of Financial Complexity and its impact on the growth and expansion of small businesses in Abuja, the main objective of this study examines the financial complexities and small business survival in Kubwa, the study is being carried out in a Byazhin market in Kubwa in Abuja Small business survival in Abuja. And stratified random samples are used in the study.

Statement of the Problem

In many developed nations, sustainable small business financing, especially in the United State of America, has been a huge contribution to the growth and improvement of gross domestic product in the long run. The continuous dynamism and unbalanced business contexts to access finance is a critical factor that has paved the way for challenges to affect small businesses in Nigeria and give strengths for this study to be researchable. Before now in Nigeria, small business firms have been facing several challenges confronted in their operational markets but the main bane they felt was a threat in the area of accessing finance for their growth, expansion and diversification. Getting external funds for small business expansion is the most difficult one that financial institutions and the government in developing countries are yet to find stringent solutions to avert. Abe, (2015) and Ugoani and Dike, (2013) opined that the general small businesses' major challenge is the inadequate credit facilities from the commercial banks which have triggered the failure of small businesses' growth and affect negatively the economic growth of Nigeria. The conventional banks from the previous studies expose why they are skeptical about the rate of loan they extend to small businesses in Nigeria and in consideration of the dynamic business environment which may negatively affect the cost of lending (Abe, 2015; Ugoani and Dike, 2013). The issue of collateral, where most small businesses owners do not have to safeguard the loans in case of failure of repayment, interest rate and current globally Corvid-19 (Coronavirus) epidemics are current issues that are affecting the slow repayment of many banks' loans and they are concrete issues that banks consider for not given loans to small businesses to avoid the high risk of exposure and this has lead small businesses contributions to Nigeria economic growth negatively (Gbandi and Amissah, 2014) cited in (Dije et al., 2017).

Most small businesses (SBs) in Nigeria do not prepare and have a business plan for the operational activities, especially the lower and middle classes small businesses which are those with limited financial structure and do not have access to finance from commercial banks because the banks are conscious of too much exposure to the risk of repayment. The

government also contributes to the failure in the survival of small businesses in Nigeria. Despite quite a several credit schemes (SMEDAN, BOI, BOA, Covid-19 loans and grants, trade monies and many others) established by different levels of government in Nigeria were hacked by corruption, sectionalism and political favouritism and mismanagement of those funds. It is on this premise that the study, therefore, investigates the aforementioned problems.

Research Questions

The following research questions can be traced from the statement of problems from this study:

- i. To what extent does financial complexity affect the growth of small business in Kubwa, Abuja?
- ii. To what extent does financial complexity impact small business expansion in Kubwa, Abuja?

Objectives of the Study

The main objective of this study is to examine financial complexity and small businesses' survival in Abuja. Other objectives of this study are to:

- i. Determine the extent financial complexity affects small business growth in Kubwa, Abuja.
- ii. Ascertain the extent financial complexity impacts small business expansion in Kubwa, Abuja.

Research Hypotheses

From the above research study, the following null hypotheses are put to test.

H₀₁: There is no significant effect of financial complexity on small business growth in Kubwa, Abuja.

H₀₂: There is no significant effect of financial complexity on small business expansion in Kubwa, Abuja.

Review of Related Literature

Concept of Financial Complexity

Olomi and Urassa, (2008) assert that financial complexity in developing countries like Nigeria is a serious bane for small business firms' expansion, diversification and easy start-up. Their views have alignment with the current study that focuses on the challenges in accessing finance has a course to slow pace and in the activeness of small businesses in Nigeria. AlFalahi and Nobanee (2019) cited in Mah-Noor and Haitham (2020) opined that an effective finance management structure in small business operations can be a sustainable boost for future business performance. Their views address the need for small business operators to aggressively design financial management strategies for every changing business context and maintain a balanced financial position with effective marketing and operational strategies that will enhance suitable cash flow position in the mix of pandemics (Kwok et al. 2020; Papp et al. 2020) because many businesses were heated hard globally due to Coronavirus pandemic traumas.

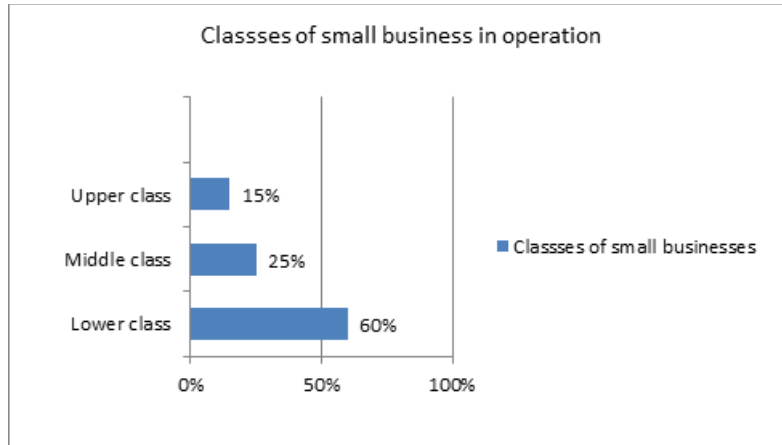
Concept of Small Business Survival

Many global economies created a high level of employment and dramatic positive change in gross domestic product with an effect on small business survival (Serge-Richard 2020; Thiago, 2020; Trevor, 2020). From an African perspective, small businesses have become a sustainable variable to reduce the rapid level of poverty growth, improve the standard of living and manage dependency growth (Trevor, 2020). The assertions made by these various scholars on small businesses have impacts and contributions to a developed economy where various classes of small business operations have determined the level of survivability. This study believes that there is a propensity in supporting and fostering small businesses with adequate, accessible and effective financial support to enhance their smooth business atmosphere and increase their survival rate. Unlike the African nations, where the rate of financial support for small businesses is very low from the government, banks and other means of financial survival, the tendency for high employment rate, improvement in GDP, suitable business income and other variable benefits of small business finance is very low including Nigeria (Abe, 2015 and Ugoani and Dike, 2013). Budhwar and Cumming, (2020) and Sumayya and Vanessa (2021) in their recent studies posit that there is a slight chance of small businesses' survival during a period of heavy Covid-19 pandemic because a higher percentage of them have packed up their business ventures due poor sales resulting to poor turnover and high cost of operations.

Classes of Small Businesses

Many world organizations like the EU, IMF, world banks, Central bank of Nigeria, Small Business Administration in the USA etc. and scholars have different definitions and classifications for small business (SB) or SMEs based on their perspectives. Most of them based their classification on the number of employees, their annual turnover and their capital base etc. other classifications are determined at the level of developed and underdeveloped nations in which the activity exists. The researcher conducts this study in Nigeria which is mostly classified as developing continents. After in-depth observation and survey of various small businesses in Nigeria from the preliminary study conducted, the study classifies small businesses as Lower-class small businesses, Middle-class small businesses and Upper-class small businesses.

Fig. 1: Bar chart represent the Percentage of small business classification in modern operational markets (Ovivi, et al.2022).



Lower class small businesses: They are those small businesses in which the average number of employees is between 1 and 5 staff and their average capital base is from one thousand naira to 4.99 million naira. They are small businesses with fast turnover as a result of quick sales. The capital structures of small businesses are a small start-up of capital relying on the nature of the assets within the above capital range, quick sales volume, small profit for survival and small savings. They are mostly the artisans, hawkers of essential foodstuff and pure water Sellers, and point-of-sale service providers, sewing shops, laundry plugs, hair stores and many more. The goods sold by this class of small business groups are mostly consumer goods. In most cases, these classes of small business owners survived their businesses operating and were managed financially by internal sources of finance. Mostly, they use personal savings and retain earnings for expansion.

Middle-class small businesses: This class of small businesses has average numbers of employees between 6 and 10 staff and their initial capital base is above 5 million to 19.99 Million naira, and these groups of small business owners are mostly shop owners in operational markets of various industries. Their sales volume and turnover are higher than that of lower-class small businesses. Most provision shops and mini super stores are in the group, boutiques, and many others. They don't hawk their goods, as is done in the lower class set of small businesses. Those that deal in industrial goods in this group are poultry feed sellers, spear part sellers, electrical installation shops and many others. These groups of small businesses survive on their internal sources of funds of personal savings for expansion and sometimes get overdrafts and loans from microfinance banks. Most of these groups of small business owners do not have collateral to secure loans and advances from commercial banks.

Upper class small businesses: They are mega small businesses that are operated at the more corporate level. Their level of employees is higher within the range of 11 to 20 workers in their organizations. Their capital base is higher than the previous classes of small businesses, as they

operate within the range of 20 million to 100 million naira as a capital base. Some of this class of small businesses is into mini processing, mini manufacturing and distributors of household items and order industrially used products. They are entrepreneurs with vision and missions and have set up goals and objectives they want to attain. Furthermore, they operate on feasibility studies and business plans before they engage in any business activity. Not only that, but they have shops, warehouses and factories for production and distribution activities, and they easily have access to conventional banks loans and advances, as they have collateral to secure their loans. Its major objective is to grow and expand to medium and large-scale enterprises. They are water factories; mini-industrial goods factories and many other related small factories.

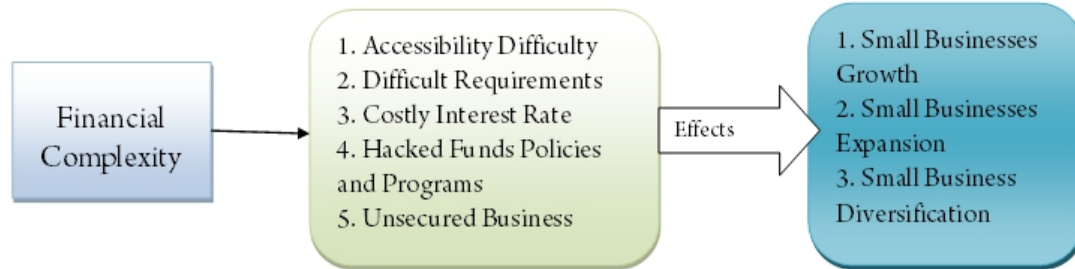
Financial Complexity and Small Businesses Survival

Many idealists are in a developing nation who has a tremendous idea to start fruitful small businesses, but finance is the major challenge and has dropped their fruitful ideas to a dead point. MIC, (2007) posits that in most developing nations, only 5% of the small and medium enterprises are financed through conventional banks and the remaining 95% are financed by self-proclaimed funds from personal savings and support from friends and family or crowdfunding. And from many small business owners that have been contacted before the conduct of this study supported the view of Onakoya, et al., (2013) stated that commercial banks in Nigeria have stringent criteria for giving small business owners funding which is based on the availability of collateral and also mostly the external sources of funds to small businesses are accessible from the commercial banks on the consideration firm's capital base and collateral availability (Onakoya et al. 2013).

In a similar view of stringent conditions of accessing conventional bank loans, most small business owners drive their businesses with retained profit sustainably, as the access to external finance becomes cumbersome in the current global draw-down economy. Bradford, (2012) opined that many small businesses are potentially successful and sustainable. They failed their existence due to the lack of access to external financing, especially in many companies. Although bankers and banking institutions partly own many small businesses in the company; many companies' owners do not rely on financial institutions to ascertain their financial and funding needs (Kiisel, 2013). The Kiisel (2013) study shows that even before the new pandemic trauma, there was a low rate of financial support for the main small business needs in the least developed countries. Humphries, Neilson, et al. (2020); Adams, et al. (2020); Bartik, et al. (2020) cited in the work of Robert and Adair (2020) have exposed in their studies currently that the impact of the Covid-19 pandemic and economic slowdown, many small businesses have close shops due to the limited cost operations and financial support to enhance their operational growth and operational sustainability (Thomas, 2020). Studies have shown that there is a low survival rate of small businesses in Indonesia and Malaysia due to financial distress and the complexities to operate small businesses smoothly and efficiently (Abdullah et al. 2019; Kristanti et al. 2019).

Their studies show that small businesses have low chance of survival in less developed nations due to low financial leverages to enhance their business operations.

Fig. 2: Represent financial complexity and small business survival (Ovivi, et al. 2022).



The diagram above shows how financial complexity has affected negatively small businesses. The difficulty in financial accessibility by the teaming small businesses impacted the growth negatively, and complex banks and government paper requirements for accessing credit and funds by the high teaming small businesses have impacted negatively the expansions and growth rate. The rising cost of interest rates due to uncertainty in the economy is another critical issue that draws back the growth and diversification of small businesses. Despite government fund schemes and programs targeted at supporting small businesses, they do not have access to these funds due to hacked government policies and programs ranging from favouritism and corrupt practices in disbursing these funds. The hostile and unprotected business environment is another critical factor that has had a huge negative impact on the expansion and diversification of small businesses in economic development.

Theoretical Framework

Pecking Order Theory

Pecking order theory (Myers and Majluf, 1984; Myers, 1984) analyzed the structural hierarchy of financial needs of small businesses and has been reviewed in correlation with this study on financial complexity and small businesses' survival in Abuja. The pecking order model idea arises from Asymmetric information (information failure) opined on the best option of various sources of finance pyramid for small businesses. Myers (1984), asserts that the first structure of financial demand of firms' activities should first focus on absorbing retain profit of the firms, debt funding and common stock financing for businesses should be the last option to partake. The theory asserts that small business owners prefer to finance the growth of their businesses through internal sources before sourcing for various externally means, especially when the internal sources are inadequate for growth and expansion. Pecking order theory opined that profitable and sustainable small business will always strategically use their saving and retains earnings than source externally for debt and equity financing.

This theory has alignment with the current study because the challenges faced by many small businesses to access external funding are a result of insufficient internal funding. Aabi, (2014), assert that pecking order theory emphasizes the orders and processes followed to access the financial needs of the small business enterprise and the major problem faced by small businesses in accessing finance is the procedures encountered and this has affected the growth and survival of small businesses in Nigeria, (Ibrahim and Shariff, 2016; Ibrahim and Ibrahim, 2015).

Empirical Review

Orji et al., (2018) conducted a study on small and medium-scale enterprises in Nigeria in three local government areas in Lagos state. They analyzed 200 returned questionnaires from 65 investigated firms and their finding was that there is a significant alignment between finance and small businesses' growth and development in Nigeria. Osano, et al., (2016) in their study in Mozambique focus on the influential factors that affect SMEs in Maputo, the studied population of 2725 was between the banks and SMEs and came out with a sampled size of 566. After numerous analyses of their sourced data, their finding was that collateral is a significant requirement for SMEs to have access to banks' loans and advances in Mozambique. Dije, (2017) conducted a research work from Walden University on the various sources of finance for SMEs' sustainability and profitability in three states of Nigeria, using a population of three leaders of three SMEs from the oil and gas industry and concluded that these SMEs sources their funds mainly through internal sources of finance for growth and expansion and finance is a significant pillar that holds the empire of SMEs in Nigeria. Esho, et al., (2018) in their study on integrated literature review and an agenda on the financial gap in SMEs financing from the University of Johannesburg, South Africa, and the findings the paper presented that many SMEs have challenges to access finance as deeply elucidated in various literature on SMEs financing and that financing is a critical bane for the strength and sustainability of SMEs in modern business perspective.

A study conducted by Zirra and Chales (2019), on the impact of SMEs financing on business growth in Nigeria: a study of Keffi and Mararaba Metropolis using 171 as sample size and finding from the study shows that banks loan and advance have a significant effect on the growth and improvement of SMEs in Nigeria.

Research Methodology

This study used a descriptive research design to investigate the challenges and prospects faced by small business sustainability from financial complexity. The descriptive research design was suitable and reliable for this study because it helps the researcher to describe how financial accessibility is operational and vital to the growth of small businesses in Nigeria and the banes faced in accessing mostly external finance. The study was carried out within Byazhin markets and environs in Kubwa, Abuja, Nigeria. There are 135 different small business classes ranging from low, medium and high. There are 87 lower-class SBs, 34 middle SBs and 14 upper-class small businesses. The sample size of this study is 101 from the population of 135 at 95% Confidence Level was ascertained using Taro Yamane's (1964) formula. The primary data were collected through face-to-face interviews and closed-ended structured questionnaires from the sampled population. Context validity was used to assess the credibility and reliability while Chi-Square was used to test and analyze hypotheses to determine concrete results.

Data Analysis and Discussion of Results

Questionnaire was distributed to 101 respondents as the size of the sample, but 86 were returned correctly and 15 were unreturned. That is, 85% of the questionnaire were returned and filled completed and 15% were unreturned. This 85% returned questionnaire adequately

ensures the validity and reliability of the instrument used in collecting data to attain sustainable results from the study.

Table 1: Data Analysis

Research question: 1 To what extent does financial complexity affect the growth of small business in Kubwa, Abuja?

S/N	Variables	Easy	Very easy	Neutral	Difficult	Very difficult	Remark
	Code	2	3	1	4	5	
1	Has it been difficult to have access to any sources of finance for your small business growth?	20 (0.23)			12 (0.14)	54 (0.63)	Difficulty
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Remark
2	Finance is not a thick problem of small businesses growth in Abuja.	18 (0.21)			36 (0.42)	32 (0.37)	Disagreement
		Very happy	Happy	Neutral	Unhappy	Very unhappy	Remark
3	You are happy with the position and status of your small business financial capacity?		26 (0.30)		30 (0.35)	30 (0.35)	Unhappy

Source: Field data, 2022

From the first research question in the study show from the first variable that finance is a difficult task to access in financing small businesses in Nigeria as 66 respondents of 77% show remark for financial difficulty and complex challenge for small businesses' growth. The second variable show that getting finance is difficult challenges for small business growth as 68 respondents 79% of comments disagree that finance is a huge issue for small business growth in Abuja. The third variable shows that 60 respondents of 70% are not happy with the financial positions of their small businesses in Abuja.

Research question: 2 To what extent financial complexity affect small business expansion in Kubwa, Abuja?

Table 2.

S/N	Variable	Easy	Very easy	Neutral	Difficult	Very difficult	Remark
	Code	2	3	1	4	5	
1	Has it been difficult to access external finance for your small business expansion?	20 (0.23)			18 (0.21)	48 (0.56)	Difficulty
2	Have it been easy to access SMEs Schemes and financial support from the Nigeria government for your small business expansion?	20 (0.23)			26 (0.30)	40 (0.47)	Difficulty
3	Banks have made loan accessible for small businesses expansions.	18 (0.21)			22 (0.26)	46 (0.53)	Difficulty

Source: Field data, 2020

The second research question shows that small businesses have difficulty accessing various types of external funds for finance the expansion of their small businesses in Abuja because 66 out of 77% respondents commented on the difficulties of the first variable. And the second variable show that 66 respondents of 77% shows difficulty that small business owners don't have access to SMEs government financial supports the expansion of their small businesses, especially the lower classes small businesses. 68 respondents of 79% show difficulty that the many small businesses could not access banks loans to support their businesses' expansion because of collateral and other stringent requirements in Abuja.

Test of Significance

Following hypotheses will be tested to arrive at a dependable solution.

Ho₁: There is not significant effect of financial complexity on small business growth in Kubwa, Abuja.

Table 3: Test Statistics

	Q.1 Has it been difficult to have access to any sources of finance for your small business growth?	
Chi- Square		34.69
Df.		2
Table Value		5.99

Source: Field data, 2020

Since $X^2_{cal} > X^2_{.05}$ i.e $34.69 > 5.991$ from the study and the statistical analysis above, at 2 degree of freedom (0.05) level of significance, the calculated value of the Chi-square is more than the table value, which shows that H_0_1 will be accepted, which says that there is significant effect of financial complexity on small business growth and start-up stage in Abuja.

Ho₂. There is no significant effect of financial complexity on small business expansion in Kubwa, Abuja.

Table 4: Test Statistics

	Q.4 Has it been difficult to access external finance for your small business growth and expansion?
Chi- Square	19.62
Df	2
Table Value	5.99

Source: Field data, 2020

Also, from the analysis and test significance, $X^2_{cal} > X^2_{.05}$ i.e $19.62 > 5.991$ that is, the calculated value of the Chi-square that is higher than the table value at 2 degree of freedom (0.05) level of significance show that null hypothesis will be rejected and H_0_2 will be accepted which indicates that there is significant effect of financial complexity on small business expansion in Abuja. That is small business faces significant challenges when trying to access external funds for business growth or to start up new ones in Nigeria.

Discussion of Findings

The findings from the study show concretely that financial complexity is the major challenge faced by 70% of small businesses in Nigeria and it has to be an existing and continuous bane that has crippled the high rate of small businesses in most of Africa, which are mostly developing countries. Because internal sources in most cases are difficult to sustain small businesses to suitable profitability if not supported by the external sources as described by Pecking order theory, (Myers and Majluf 1984) and there are heavier challenges to sources external funding for small businesses' successful operation in Nigeria and another part of the world because of stringent conditions and harsh requirements before access these loans and advances from the banks (Rostamkalaei and Freel, 2016; Dije, 2017). The result was also supported by the findings of other scholars who conducted studies on SMEs' access to external finance in South Africa, Ghana and Libya where their result shows that the difficulty in accessing funding have seized the creation of potential small businesses and has seized the growth and expansion of the existing small businesses in South Africa and another part of Africa (Fatoki, 2014; Quaye and Sarbah 2014; Dije, 2017; Khalid and Kalsom, 2019). That is in generality, financial complexity is the major bane of the failure and success of most small businesses in developing nations in Africa.

The finding from the study on the first hypothesis tested statistically shows that there is a significant effect of financial complexity on small business growth and start-up stage in Abuja.

Zirra and Chales (2019) and Orji et al., (2018) concluded in their findings that there is a significant contributory impact of financial support and the growth of small businesses' survival for the modern economy to attain sustainable GDP. The result from the hypothesis shows that there is a significant effect of financial complexity on small business expansion in Abuja. This was supported by the findings of Iwasaki, et al., (2021), Cucculelli and Peruzzi, (2020) Rico et al., (2020), Baumöhl et al. (2019) that well developed financial system and government institutional support for the financial needs of small business can enhance their operational expansions and growth.

Conclusion

The study examined the financial complexity and small businesses in Abuja. Financing for small businesses is a concrete variable that cannot be eliminated from the study of small businesses in Nigeria. It is obvious that small businesses in Nigeria cannot grow their wings prospectively without the support of external funding from various formal and informal sources (pecking order theory) and the difficulty in accessing external funds from the banks due to collateralization and other stringent requirements and the politicization of government SMEs schemes and supportive funds to highly extent negatively affected small businesses in Nigeria. The findings from the study show concretely that financial complexity is the major challenge faced by 70% of small businesses in Nigeria, and it has been an existing and continuous bane that has crippled the high rate of small businesses in most of Africa, which are mostly developing countries. And another finding from the study also shows that it has been difficult for small businesses to access various banks loan and advances in Nigeria. The study concluded that despite all these challenges from financial complexity aligned to small businesses, internal sources are more reliable to start a small business, but the implication is that there is a limited growth rate the business can go and various support from crowd financing, trade credit, angel investor and venture capitalist are prospective sources to small businesses in Nigeria in the rain of financial complexity.

Recommendation

From the route of the study, findings and conclusions have shown loopholes for prospective recommendations for the managers of small businesses, the banks and the government.

1. It is very important for small business managers to have financial maintenance culture and a spirit of financial growth in business to self-reliance to a stage where external funding will be hunting for small business financial support and acceptance.
2. Averagely, most small business does not engage in drawing out a feasibility study and business plan that can help them have access to external funding, and grow and expand their businesses. It will be advisable no matter how small your business is, it is vital to conduct a feasibility study and draw out a business plan as a direction and road map.

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