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Managing Small and Medium Scale Enterprises in A Competitive Marketing Economy

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Abstract: *This paper is focused on managing small and medium scale enterprises (SMEs) in a competitive economy. The objective of the paper is to critically and contextually examine some current business ideas and strategies which will not only help Nigerian small and medium scale business enterprises to survive the hard times but rather grow steadily and so become strong enough to contribute their quota to sustainable development in Nigeria. It identifies and exploits investment opportunities in small and medium scale enterprises; highlights preliminary considerations before venturing into SME, and essential tips in planning a small medium scale business and makes vital recommendations by drawing attention to some crucial areas of modern management which Nigerian small and medium scale enterprises would embrace to increase Gross Domestic Product (GDP) and raise the standard of living of all Nigerians. These areas or strategies include design and implementation of system; understanding and applying change management; strategic management/planning model; the environmental scanning model; total quality management (TQM); leadership, motivation/empowerment of our workers and of course team management, among others.*

Keywords*: Micro, Small and Medium scale industries, Strategic Business Planning, Environmental Planning, Total Quality Management, Motivation and Team Management.*

I. Introduction

For more than 55 years since Nigeria became an independent nation, it has been suffering from so many epileptic economic policies and situations that have left it a grossly underdeveloped country, instead of the economic and political giant of Africa which its founding fathers intended it to be. At 55, it has remained a "toddler" in almost every sector of national development. This is a very worrisome situation. To get out of this economic and development quagmire, therefore, policy makers and experts in Nigeria must continue to search for workable strategies of interventions that will catalyze the development process in Nigeria. Recently, Nigeria policy makers and experts within and outside government, including members of the organized private sector, seem to agree that, the catalytic process must start with the urgent setting up and empowering of as many Small and Medium Scale Enterprises (SMEs) as possible in Nigeria. This is because available facts and figures, cases and trends in global economic development, show that SMEs indeed hold the key to the development of developing nations (Onah, Nwosu and Ocheoha, 2004).

The socio-economic imperatives of the Nigerian economy of today are systematically shifting in favour to the growth of small and medium scale business. Among the reasons for this trend is the sudden realization of the colossal wastes associated with public sector domination of the economy. Our public corporations have turned out to be a conduit pipe to entrench mediocrity, inefficiency and enrichment of few at the expense of the struggling masses (Ndubisi, 2006). The concept of SME has enjoyed some measure of controversy in the literature. There are as many definitions of SME as there are scholars and institutions defining it. Scholars would use parameters such as number of employees, sales volume or turnover, capital scale to define SME but some of them rightly contended that these parameters do not provide uniform benchmark for all industries at all time. For instance, what could pass for a big capital in food and beverage industry will certainly be small when compared to that in steel or aviation industry. Further, what is a big capital today may become small in five years to come (Ezeife, 1998).

For the purpose of this study, we shall adopt the definition by the National Council on Industry (NCI) for its currency and simplicity. NCI at its thirteenth meeting in July 2001, adopted the following as the reclassification of industrial enterprises in Nigeria.

(a) Micro/Cottage Industry
An industry with a total capital employed of not more than ₦1.50 million, including working capital but excluding cost of land, and/or, a workforce of not more than 10 workers.

(b) Small-Scale Industry
An industry with a total capital employed of over ₦1.50 million, but not more than ₦50 million including working capital but excluding cost of land and/or a workforce of 11-100 workers.

(c) Medium – Scale Industry
An industry with a total capital employed of over ₦50 million, but not more than ₦200 million, including cost of land, and/or a workforce of 101-300 workers.

Following the above classification, SME consist of all business organizations whose total capital employed is above ₦1.6 million, but not more than ₦200 million including the cost of land and workforce capacity of between 11-300.Available statistics shows that 85% of establishments in the organized manufacturing sector fall into SME category: More disheartening is the fact that at least three out of every four SME fail every year (Nzelibe 1996; Tinubu 2002). What is more, over 90% of those who wished to go into business do not eventually get to start (Ezeh, 1999). The Micro, Small and Medium Enterprises (MSMEs) have been globally recognised as engines of economic growth. They represent on the average, between 80% -90% of enterprises and 60% -70% of domestic employment in the developed and developing economies of the world. It has also been generally accepted that a thriving MSME sector is essential for job creation, social cohesion and innovation, it also generates economic growth, improve worker skills and alleviate poverty by creating opportunities for local population groups to help themselves (Mboma, 2008).

Salaudeen (2007) posits that in India, the SMEs run 97% of the industrial unit (10.5 million); employs 45% (25 million) of labour force; contributes 45% overall export and 7% of gross domestic product (GDP). While in China, they contribute 60% of China's industrial output with over 23 million SMEs; 60% contribution to GDP; employs over 75% of the workforce; 60% of total exports and 99% of all registered companies, and creating most new jobs. The development of SMEs is the key success factor for the miracle economies that emerged in the Asian countries. Soludo (2007) analyzed the sectoral contributions of MSMEs to the growth of the country's GDP as agriculture (41.49%), crude oil (25.75%), mining and quarrying (0.27%), manufacturing (4.5%), building and construction (1.53%), wholesale and retail trade (13.74%), services (14.88%). It is obvious from these data that the sectors, where we have reasonable presence of MSMEs, outside agricultural sector, contribute negligible percentages.

II. Objectives Of The Study

The objectives of the study are;

i. To examine some current business ideas and strategies which will not only help Nigerian small and medium-scale business enterprises to survive the hard times but develop or grow steadily and become strong enough to contribute their quota to sustainable development in Nigeria.
ii. To acquaint entrepreneurs and would be entrepreneurs with the basic ingredients on how to set up and run small and medium scale businesses.

III. Theoretical Foundations

Ekaete (2008) opined that the discussion on how to manage micro, small and medium Enterprises (MSMEs) for profitability and sustainability requires a proper insight into the anatomy of these types of enterprises:

i. They are mostly family owned and owner managed.
ii. Most employees are family members
iii. Operate on the informal platform
iv. Have poor accounting and record-keeping as well as weak internal control management.
v. Highly under capitalized
vi. Business planning is seen as cosmetic
vii. Statutory matters are not usually given the desired attention
viii. Sound management practices are lacking
ix. Employee training and development are seen as avoidable cost
x. Management succession planning is lacking
xi. Week customer care
xii. Non accessing of available business support services
xiii. Poor risk management

xiv. Near absence of financial management practices
xv. Lack of vision, and
xvi. Absence of core values

In view of the above, Bhide (1996), a professor of Entrepreneurship at the Harvard Business school had this to say:
"The hundred of thousands of business ventures that entrepreneurs launch every year, many never get off the ground, others fizzle after spectacular rocket starts. These enterprises lack coherent strategies, competitive strengths, talented employees, adequate controls and clear reporting lines"

Preliminary Consideration before Venturing into SME
Self Analysis:
Those who break the frontiers of business to start new ventures, even at the risk of failure, are called entrepreneurs. Self analysis requires that one must objectively appraise himself to ascertain whether he has all it takes to set up small or medium scale enterprise. David McClelland discovered through research findings that successful business owners must have high "need for power and achievement" (Onodugo, 2000). They are generally aggressive, confident, upwardly mobile, positive toward risk, hardworking and dogged. In assessing oneself, one needs to take recourse to one's aptitudes about the things one has done in the past, opinion of close and yet objective friends and confidants, spouses and professional business consultants (Salema, 2008).

Feasibility Study:
This is a careful and yet systematic examination of the business idea. Several people start business because their friends are doing the same business. Others are advised by their folks to join and yet some get into business on the presumption that it will succeed. It is some of these tendencies that account for the preponderance of the failure of most SMEs. To avoid this, it is important to carryout feasibility studies before going into business (Mboko, 2008).Feasibility study is an exercise in discovering whether the business idea is practicable, profitable and/or needed by anybody. It has three sub components which seek to answer three fundamental questions viz:

i. Market – Who needs the product or service? Can those who need it pay for it?
ii. Technical – Can this product be manufactured? Does one have the requisite resources input to effect the production of the product? What are the legal requirements involved in starting a business?
iii. Financial – Is the business financially worthwhile? Would the returns justify the investment? (Nwosu and Okereke, 2007). Management consultants can be hired to do proper feasibility studies before one ventures into starting a business.

Strategic Business Planning:
It is often said that when one fails to plan such a one has planned to fail by default. Nzelibe (1996) rightly observed that one of the most serious operational problems of SME is lack of effective and formal planning. Planning is the process of determining what to do in the future and how it is going to be done. It takes discipline and mental hardwork to plan. At the end of the planning process the following outcomes would be arrived at (Onah and Thomas, 2004):

i. **Ends-in-view:** This is the major outcome of planning which consists of vision, mission statement and objectives. They reveal what the owners of the business entity wants to achieve. The difference amongst vision, mission statement and objectives is a matter of scope and specification. Vision and mission are broader; cover a longer time span and less specific. Objectives are specific, measurable, realistic and time bound. They are derived from and are a stepwise means of attaining visions and missions.
ii. **Strategy:** This is the means of realizing these objectives, and encompasses how one would compete. Under strategy, one needs to consider the particular market to go for and what special offer to give them. Depending on the organization's strength and weaknesses one may offer unique, high value products, or penetrate the market with low prices. Another important consideration in strategy is on how to grow. Growth can be undertaken by expanding the current business operations by operating at full capacity or integrating either forward by taking on the activities of distributors or backward by doing what the supplier used to do. Growth can be undertaken by outright diversification into an entirely new field. This happens when growth prospects in the current business is limited or not very rewarding. Growth can also be attained by either merger or amalgamation. Both forms entail fusing two existing organizations into one. It is called merger when the identity of one of the old firms is retained. It is amalgamation if a new identity is entirely given.

iii. **Financing options:** It is during planning that one determines how to finance a business. Major determinants of the choice of financing option are the willingness or otherwise to dilute ownership, the size of the business and its profitability. The spectrum of financing options available to a prospective SME owner is **personal savings** and contributions from family members, **equity financing** from partners and other stakeholders and **debt financing** from commercial banks, finance houses and government financial institutions. All of them require some processes and technicalities, which for the most part and for a long time, have not been met by SMEs leading to poor flow of funds from such sources.

A new scheme however has been invented by the Bankers' Committee supervised by CBN to help the funding problem of SMEs. It is called Small and Medium Industries Equity Investment Scheme (SMIEIS), which came up to fill the gaps created by debt financing by identifying profitable SMEs business proposals and facilitating such business via equity financing. This is a major milestone in business financing in Nigeria and would be entrepreneurs need to have their business concern registered, with proper records and a good business proposal to apply to one of the commercial banks for equity participation (Chidozie, 2006).

iv. **Personnel Requirements:** The wheel that moves organizations forward are the human resources therein. During planning, a careful design of how to attract and retain requisite personnel to run the firm will be undertaken. An organization may go for experienced people immediately and get trainees later. The approach used is a reflection of the nature of the organization and the strategies with which they want to invade the market with. Personnel policies are designed to guide the implementation of personnel decisions (Fajana, 2002).

Identifying and Exploiting Investment Opportunities in Small and Medium Scale Enterprises

It is sometimes difficult to identify viable projects, but that precisely is the beginning of starting a business. Over one hundred business opportunities for small and medium scale categories have been identified which cover service oriented ventures, craftsmanship, agriculture, processing, manufacturing and commerce (Ayodele, Nwankwo and Madichie, 2008).

Examples of small-scale businesses are:

1. Backyard poultry raising
2. Firewood supply
3. Operating a nursery for children
4. Home laundry service
5. Arranging foods/drinks for parties
6. Growing fresh maize
7. Charcoal making
8. Making brooms
9. Typing institute
10. Research materials collection, etc.

Examples of medium-scale business are:

1. Palm kernel oil production
2. Piggery farm
3. Aquaculture/fish farming
4. Chalk making
5. Foam production
6. Chemical production
7. Concrete block production
8. Ice block production
9. Big Time rental services (chairs, canopies, cutleries, plates, etc.
10. Professional practice (law, accountancy, education etc.).

Paradigm Shift

Our attention can be drawn to the current paradigm shift in modern business management practices from focus on profit maximization to focus on customer satisfaction and retention. The logic is not anti-profit because the more customers one can get, satisfy and keep, the more profit one will definitely make. The business slogan of this new paradigm shift in modern business management is "Get ye first the kingdom of the customer and the rest will be added unto you, including profit" (Davidow and Utal, 1990; Nwosu, 2003). Good product no longer sell themselves. The more customer focused one is, the more profit one will make. This paradigm shift does not only require entrepreneurs (Managers) and would-be entrepreneurs to practice aggressive or proactive marketing but requires them to practice customer relations and customer retention as a sure route to steady profit, gaining the competitive edge and ensuring the survival and growth of the business enterprise, no matter how depressed the economy is or how tough the competition is (Nwosu, 2003).

The Good Old Management Function

Despite the emergence of several new management strategies, the good old management functions are still relevant. Managers of small and large scale enterprises are therefore advised to ensure that they are performing them well in their companies. They are like old firewood that remain always reliable. They include **planning, organizing, directing, delegating, controlling, communicating and decision-making**. Understanding and properly applying the tenets of the above listed management functions will help us manage well the essential factors of business that include **human resources, financial resources, materials resources, technological resources and** of course **time resources** which need to be managed well in the current competitive business environment in which everyone and everything is moving and must move on the "fast lane" of the globalised economy and information super high way (Udemezue, 2006). These resources are always scarce, dynamic, and generate a lot of competition and it is only the application of sound management principles and strategies, the old and the new, that will help us to deal adequately with them in our small and medium scale enterprises.

Running of Small and Medium Enterprises

No business can survive in the modern business world that is sharply competitive and dynamic, if its mangers do not engage in strategic thinking, knowledge and actions. This is because strategic thinking and actions help any business enterprise to develop shock absorbing capabilities (SAC) which will help it to survive any change or challenge in the current business environment that is globalized, sharply competitive, ever changing and unpredictable (Mboma, 2008). To effectively run SME after inception entail these related activities: design and implement action of systems and structures; mastery of management/planning model and environmental scanning model; understanding and applying change management, total quality management (TQM); motivation/empowerment of our workers; leadership management; team management and of course controlling strategy (Olomia and Swai, 2008).

Design and Implementation of Systems

Hindsight in consulting for SMEs has shown that most business concerns that fail do not have systematized procedures of doing things. Those who overtime and through rigorous effort were able to systematize the way they recruit, devolve authority and responsibility, manage inventory, train, discipline, record and disburse funds, etc, hardly ever do badly (Onodugo, 2000). Essentially there is need to have the following systems for effective running of SMEs they are;

i. **Administrative System**

This comprises organogram and job description manual. It shows at a glance who occupies what positions, who reports to whom, and their authority relationships. With this, vacancies can be declared and training of new entrants proceed systematically.

ii. Accounting System

This shows in a nutshell how money comes and moves within and outside the organization. It entails the design of requisition forms and payment vouchers. This system defines authority limits in terms of finances. Imprest for various offices and its retirement procedures are identified.

iii. Inventory System

This simply details what happens to raw materials from the point of purchase till it is turned into a finished product. It says something about the required quantities of both finished product and raw materials that should be held at any point in time. Issues as to when to order for more, discard the ones held and the like will be handled by it.

iv. Personnel policies record

It is important for every staff on entry to be acquainted with the code of conduct expected of him/her. It defines what are the dos and don'ts as well as the rewards for the dos and penalties for the don'ts. This is important since most SMEs carry out these things retroactively. Sometimes punishment is determined only when the offence is committed. This does not augur well for the smooth running of the organization.

Management/Planning Model

Vision refers to creative business idea that can be translated or converted to profitable and sustaining business enterprise. It is a dream, a practical dream that can be converted to business action. It is part of strategic thinking and action which every business, small, medium or largescale must engage in to succeed in today's business world. Resource managers/entrepreneurs must translate this vision to a sound **mission** statement that will give us focus to where we are going or what we want the business enterprise to achieve.

Figure I: The strategic management/planning model
Source: Onah, Nwosu and Ocheoha (2004). Empowering small and medium scale enterprises in Nigeria. Enugu: ECCIMA/Manmark Associates Ltd.

Beyond the vision and mission, the entrepreneurs should formulate their corporate philosophy (their world view or cosmology as a business enterprise, their corporate policy (set of rules/regulations that guide them as a business family or enterprise), and corporate culture (the unique way they do things in their company). It is after all these that they can now define their corporate goals which refer to broad general targeted results for their company. Then they can come up with their corporate objectives which refer to specific targets or results that are measurable, attainable, reasonable or realistic, timebound and adaptable or flexible.

It is these set of clearly defined corporate objectives that will help them to come up with the corporate strategy which spells out how to achieve the stated objectives of the enterprise. These can be in form of actions; plans, business activities, etc. But for the overall corporate strategy to work, it must synergise or receive appropriate strategic inputs from the various Standard Business Units (SBUs) in the company. It is these SBUs that will work out specific objectives and manage the appropriate or required functional strategies like personnel, production, administration, marketing public relations and other specific company functions that will help the company to achieve the overall set objectives (Nwosu, 1996; Fajana, 2000).

Environmental Scanning

This is a tool of strategic thinking and management. It can be defined as the regular and systematic collection, collation, analysis and packaging of all data and information vital to the operation of a business enterprise and the presentation of all the data and information tothe management team to guide business decisions and actions (Nwosu, 2003). These data/information are usually collected from the company's three major operational environment namely: the internal, competitive and external environment which are represented in figure 2 below.

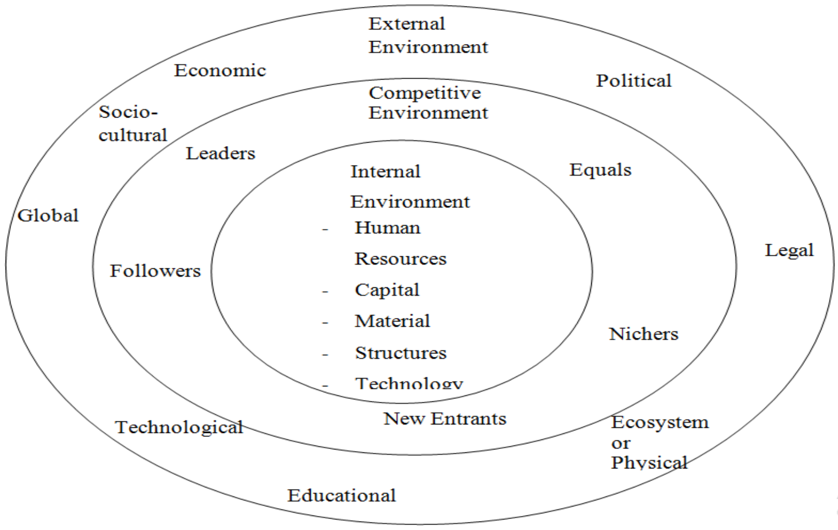

Figure 2: The Environmental scanning model

Source: Nwosu and Okereke (2007).Growing the Economy and achieving poverty reduction in Nigeria. The crucial role of MSMEs Enugu: Ezu Publishers Ltd.

All the elements in these three environments strategically determine the failure or success of any business enterprise in today's national and global economies. They must, therefore, be regularly monitored and managed well to avoid business failure and to enhance business enterprise survival and growth (Nwosu, 2003).One comprehensive and convenient tool for analyzing the data and information collection in environmental scanning is the SWOT Analytical tool:

S = Strength
W = Weakness
O = Opportunities
T = Threats

In other words, appropriate combination of the environmental and SWOT analytical tools will help our small and medium-scale enterprises to always identify their strengths and put them to maximum use in a competitive business environment; identify their weaknesses and know how to overcome and manage them for business survival; identify their opportunities and know how to exploit them maximally for business success; and identify their threats and know how to avoid them or manage their negative consequences, for those that cannot be avoided.

Change Management

Ezigbo (2007) defines change as the organizational process that brings about condition and situation different from already existing practices and processes in an organization. It is an alteration in, a shfit or passing from one stage to another of rules, regulations, policies, practices, procedures, norms, authorities and responsibilities in an organization setting. The current business environment in which small and medium scale enterprises operate is very dynamic, hence the need for change management, knowledge and skills. These changes do not occur only quickly but in heavy quantum, such that before a manager finishes dealing with one change, another big one has occurred. These changes occur because of pressures impacting on the organization from both within and outside the business enterprise (internal, external and competitive environments).

Since these changes can spell doom to any business enterprise, as they did to the **LUDDITES** and the **DODO** bird of Mauritius that could not respond to change, Nigerian small and mediumscale enterprises must put change management mechanism in place, understand them and be always prepared for it. It is inevitable. It is even desirable in a lot of ways (Fajana, 2000; Nwosu, 2003). There is no cut and dry formula for managing change, but the following guidelines will help entrepreneurs to come with their own creative change management strategies as managers and for their own peculiar enterprises-

1. Establish clearly the rationale and objective for the change
2. Carry out adequate situation analysis (i.e, systematic collection and analysis of all information, action, opinions, etc that are related to the change).
3. Anticipate and understand the problems and benefits that the change will bring about.
4. Plan the implementation and timing of the change.
5. Communicate the change plan with everyone involved.
6. Explain the role to be played by everyone involved, clearly
7. Identify and put in place a plan to deal with "change resisters" who do not want to move from their "comfort zones" and may derail the change process.
8. Implement the change
9. Monitor the change process and activities
10. Make adjustments where necessary
11. Evaluate the change results
12. Implement sustenance and follow-up plans (Fajana, 2000; Nwosu, 2003).

Total Quality Management (TQM):

Total quality management, commonly called TQM, has been defined as a management philosophy which provides the framework for seeking continuous improvement in the quality of performance of all processes, products and services of a company, with the primary objective of achieving customer satisfaction and loyalty. Every organization in every sector of business community, seeks ways of improving its financial performance, total market share, customer loyalty and the contribution of employees to the business. TQM affords a tool for effectively and comprehensively tying together all these important business goals (Okolie, 1999; Osisioma and Osisioma, 1999).

In other words, TQM is a management strategy that emphasizes the achievement of total quality satisfaction for our customers by giving them total quality products and services all the time to ensure steady business success. TQM introduced the concept of internal customers (similar to the concepts of internal publics in public relations management) which refers to the employees or internal stakeholders of the company. TQM insists that internal customers should be given total satisfaction (e.g through good salaries and other motivations) because they are the geese that lay the golden eggs. TQM also insists on such management skills as "zero defect", benchmarking and "getting it right the first time and all the times" (Chukwuemeka and Echekoba, 2007). TQM demands perfection from the manager all the time and its strategy is indeed not an end but a means to an end; and that end is excellence or excellent performance. It is worthy to note that TQM has been tried and tested and is still very much in use in developed and successful economies like the U.S.A., Japan, Britain and others. That is why we are confidently recommending it to managers of small and mediumscale enterprises in Nigeria. Many Nigerian multi-nationals have indeed installed TQM in their companies (Fajana, 2000; Nwosu, 2003).

Leadership Management

Leadership management has to do with meeting the emotional expectations and desires. Example include attitude, commitments, behaviours, attention, credibility, consistency and loyalty etc of the employees. Operationally, it has to do with the reduction of error, waste, remarks and scraps and aim at achieving zero-defect in quality of product or service. Organizationally it involves knowing and satisfaction of internal and external customers and working as a team (Onah, 2004). Aroro (1998) contends that an organization can only be perceived and acknowledged when quality exists in the three components of management (human resource, processes and product/service). Achieving quality in people calls for quality in recruitment and selection, quality in orientation, quality in appraisal, quality in human resource development and management. It also calls for quality leadership at all levels of the organization that can motivate their followers to peak performance through creating room for innovativeness, inspiring, vision and empowerment. Attaining quality in process therefore means that all business processes of administration, information, finance, audit, strategic planning, reception, telephone, sales, marketing, etc. must be capable of achieving for the customer the right products and services at the right time. Leaders should encourage participative management, high performance team, consensus decision making and effectiveness.

Leadership has a great role to play in adopting total quality management (TQM). Fundamentally the objectives of TQM which leadership should always strive to achieve according to Ejiofor (1998) may include the following:

i. Improvement in quality of products and services
ii. Improvement in communication and attitude
iii. Waste reduction
iv. Job satisfaction
v. Cost reduction
vi. Improvement in productivity
vii. Safety improvement
viii. Problem solving opportunities
ix. Team work
x. Link all levels of management and worker
xi. Total employee involvement
xii. Reduced absenteeism and grievance
xiii. Human resource development

Motivation

Motivation constitutes those things which when put in place propels a worker to behave in desired manner in the work environment (Onodugo, 2000). It is what explains why people behave in certain ways in an organization. This is very important as the bane of most SMEs is their inability to retain staff. High staff turnover makes succession and continuity difficult and throws overboard the benefits of training. To overcome these, one needs to motivate staff to make them put in their best. Below are basic guidelines that underlie effective motivation.

Adequate reward for labour

Workers respond to their work the same way they are treated. Often time entrepreneurs and business managers think that they are doing themselves a favour by paying pittance to their workers. Once a worker is not well paid, not only will he not put in his best but he will be looking for job elsewhere.

Participation decision making

Nothing is as motivating as a feeling of sense of belonging. When workers are allowed to know what is happening in an organization to the point of being allowed to make an input, they will naturally own the outcome of such decisions. Feeling of sense of belonging and camaraderie will pervade the environment leading to increase in productivity (Onodugo, 2000).

Reinforcement

Staff members can be prodded to put in their best by acknowledging their efforts in the work place. It is not always money that motivates. Acknowledgements such as praise, certificate of merit and/or promotion can equally serve as a positive re-enforcement to such worker to do more.

Job environment and growth path

Once a worker can readily predict what he/she is required to do most of the time, boredom starts setting in. But if the job is challenging presenting varying phases and fronts, it draws out the best from the workers. This is more so, if such a staff knows the clear growth path such a hard work will earn him (Ezeh, 1999).

Training

Training does two functions. It empowers the staff to do work better. It also meets the intrinsic desire of staff members who crave for improvement. This is motivation (Nzelibe, 1996).

Team management

Work teams represent formal work group that is established and formally recognised by the organizing function and management. They are identifiable, interdependent employees who are held accountable for performing tasks that contribute to achieving an organization's goals. Members of a work team have a shared goal and they must interact with each other to achieve it (Ezigbo, 2011). The shift to work teams is largely due to factors such as globalisation, down-sizing, stiff competition, and the need for technological efficiency. In addition, the convergence of products, services and technology from around the world has forced companies to work in a cross functional environment for which the best organisation design is often working in teams.Work teams are designed to operate in such a way that the productivity of the whole is greater than the sum of its parts (Ezigbo, 2007).

Though they function collaboratively, most teams have a member who can function in a leadership role. When teams develop, natural leaders should be allowed to emerge. Team leaders have a role that is very different from traditional managers. The leader may facilitate group activities, such as brainstorming sessions in which no idea is a bad idea (Abdolo, 1998). With a free expression of ideas in an environment that encourages people to think actively, team members are more likely to proactively seek solution in a way that allows every member of the team to participate according to his or her strengths and level of skill. When every member of the team is engaged, the group as a whole will be productive. Knorr (2005) contends that many managers and executives that view teams as the most effective design for involving all employees in the success of a company, may not be skilled in the group dynamics needed to run teams effectively. This, along with the fact that many people are initially more comfortable working alone may cause executives to be sceptical about the value of work teams and hesitant to take the necessary steps to create them. With some basic planning and preparation, however, most organisations can implement a system of work teams that thrive.

Controlling strategy

This is the managerial function which ensures that the goals and objectives of any organization are realized. It is not enough to plan and start-up businesses, it is equally important that close monitoring of activities are embarked upon to ensure that it conforms tothe initial plan. SMEs by their very nature are prone to fraud and wastes. In order to ensure proper running of the firm, adequate control measures must be deployed to guard the conduct of organisation members. The following are the techniques that will help business organizations facilitate control (Onodugo, 2000).

i. Careful adherence to plan and policies

The results of planning are enshrined in a document called plan. It is important that the targets contained in the plan and policies initiated to facilitate it are all closely adhered to. In other words, a sine-qua-non for good control starts with good planning.

ii. Periodic evaluation of the financials

One way of controlling of the financial activities of SMEs is by looking at their financial statements (FS). FS consist mainly of income statement and balance sheet. The former reveals the difference between operating income and expenses. The balance is either profit or loss. While the latter shows the net worth of the organization. It shows in sum the profile of organization's assets and liabilities. With this information, managers of SME would make the necessary adjustments to ensure that the organisation is financially healthy.

iii. Budgetary Control Technique

Budgets are action plans expressed in quantitative terms. It is a statement of future expected income and expenditure. Budgeting is the process of preparing a budget, while budgetary control is the process of controlling organization's activities through the instrumentality of a budget (Onah, Ndolo and Allison, 2006). Once a budget is prepared, every operative with align its activities to conform with the budget items. Deviations from the budget estimate must be done with the prior knowledge of the appropriate authorities. With this, financial recklessness is reduced to the barest minimum.

iv Inspection and quality control

This is mostly used in manufacturing concerns. It proposes periodic check of the manufacturing process to ensure that the output conforms to initial design specification and level of performance. In the process, sub-standard and defective products are isolated for rework or discard. This helps to ensure that the products that reach the consumers are top value products that are intended for them.

v Benchmarking

This is one way by which SMEs can ensure control and attain improvement. It is the process by which organization's products and processes are matched with prevailing standard of the "best practice". The closer a firm's activities are to the best practice the better the chances of it realizing corporate goals.

IV. Conclusion And Recommendations

The central thrust of this paper is that in the wake of the deregulation of the Nigerian economy, we shall witness the birth of many small and medium scale enterprises (SMEs). If these firms are well managed, they will bring about the required improvement of our economy. This paper had deliberated on how to set up and run a small or medium scale business concern in a competitive economy. While one cannot claim that it is exhaustive, it certainly has the basic ingredients that will help those who genuinely want to start and run one. The researcher has drawn our attention to some of the crucial areas of modern management which Nigerian small and medium scale enterprises would embrace and also urge them to go back to the management literature and reshape their skills in these areas. They should critically examine them from time to time because there are some grey areas in them that they need to clarify, especially in the Nigerian context and in the context of small and medium scale enterprises in Nigeria.

Finally, small and medium scale enterprises in Nigeria should embrace Information and Communications Technology (ICT) revolution that is vogue in the business world today. Managers of SMEs in Nigeria must endeavour to become computer literate as a pre-requisite to open and operate small and medium scale businesses effectively and efficiently.

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