

**AN ANALYSIS OF STRATEGIC MANAGEMENT  
APPROACH IN THE MANAGEMENT OF SMALL AND  
MEDIUM SCALE ENTERPRISES IN NIGERIA  
(A CASE STUDY OF F.C.T)**

**BY**

**JOSIAH CHUKWUNONYEREM ALOZIE  
PG/MBA/98/45790**

**BEING A RESEARCH PROJECT SUBMITTED TO  
THE DEPARTMENT OF MANAGEMENT,  
FACULTY OF BUSINESS ADMINISTRATION  
UNIVERSITY OF NIGERIA  
ENUGU CAMPUS**

**IN PARTIAL FULFILMENT FOR THE AWARD OF  
MASTER OF BUSINESS ADMINISTRATION  
(MBA- MANAGEMENT)**

**MAY 2002**

## ABSTRACT

The aim of the research is to analyse and evaluate strategic planning as an essential management tool for the small and medium enterprises (SME); with a view to help them achieve a more predictable and stable growth over a long-term. This study was motivated by the incessant failure and eventual collapse of small and medium enterprises in Nigeria against the backdrop of contributing to the development and economic recovery of the nation.

This research became relevant because of the inefficient management styles of owners and managers of small and medium business concerns, which ultimately affected the performance and contribution of these enterprises to the consumers, shareholders, stakeholders and the economy in general.

To understand the analysis, primary investigation were carried out at the Federal Capital Territory (FCT). The choice of Federal Capital Territory was necessitated by the fact that FCT is the seat of government and the capital of Nigeria. And since policies are made here, its business atmosphere can be used in drawing conclusions, on what applies in other cities and towns in Nigeria.

In the process of the study, a sample size of 140 respondents were used, 50 for the staff and 90 for the users and public. Questionnaires were completed through physical observation and personal interview granted by concerned enterprise management staff with the aim of eliciting necessary data and information. For a computable statistical analysis, percentages of tables were used to evaluate responses. And Chi-squared was also used to relate responses with hypothesis.

By and large, the usual framework of analysis, choice and implementation of strategy was followed. Small and medium enterprises (SMEs) are also urged to take a look at some of the strategic tools and approaches, which had not gained much popularity or acceptance such as the threat-driven and Rival-driven strategies, and

the testing of strategic choice. Discussions were simple while retaining the essence, with SMES in mind.

Based on the findings, and problems identified, recommendations were made, it is expected that the implementation of the recommendations by SME's would greatly enhance their performance. But care was taken to maintain objectivity.

The conclusion is that strategic management is largely relevant to small and medium enterprises (SMEs) and so long as due attention is paid to threats and crisis handling, the vulnerability of SMEs would be reduced. However, considering the universal laws of cause and effect, SMEs must recognise the inevitability of applying as many techniques as possible in order to get the maximum results. If SME owners and managers will overcome the temptation of using time and workload as a good justification for not strategizing, they will have a rewarding and satisfying venture. However, the choice is up to each SME.