

# Professionalizing Family Businesses in the South-East Region of Nigeria

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## Abstract

This article is on Professionalizing Family Businesses in The South-East Region of Nigeria. The survey research covered the eight commercial cities of the region. The study revealed that virtually all the family businesses surveyed are not professionalized. Majority of family enterprises have no clearly stated vision and mission statements, they rarely attended seminars and training programmes; have few graduates and professionals in their employment, have poor wages and salaries structure;; not incorporated; few are members of professional and trade associations; and largely not aware of government incentive policies on entrepreneurship development. It is against this backdrop that the paper made far reaching recommendations: such as incorporating family businesses, employing graduates and professionals, having functional boards of directors, employing the services of consultants, striving to be the best at something, etc, and highlighted the advantages of professionalizing family businesses to the benefit of the enterprises themselves and the Nigerian economy.

**Keywords:** Professionalizing, family businesses, government policies, entrepreneurship development, strategies, South-East Nigeria.

## Introduction

In most international fora, as well as global publications and documents, Nigeria is often described as a third world or developing nation. When a nation is considered developed or advanced, it is the private sector, dominated by entrepreneurs and SMEs, of that nation that is developed. The reverse is also true. When a nation is described as under developed or developing, its private sector is under developed or developing. Nigeria as a developing nation has a developing private sector. Majority of enterprises in the private sector are family businesses. They provide more resources for entrepreneurial economy than any other source. Family businesses are very significant because they hold the linkage for social and economic wealth, creation of communities, states, nations and maintenance of regions and competition across the globe.

The nation's quest to be one of the biggest twenty economies in the World by the year 2020 cannot be realized without the contributions of small – to – medium scale enterprises (SMEs), majority of which are family businesses. This will be possible when this category of business is properly and legally structured, well managed, and professionalized. By so doing, they will be

contributing to the GDP of the country and increasing her global visibility via active participation in international trade.

While there are institutional and regulatory frameworks to encourage the continuous growth and development of the small-to-medium scale enterprises in the advanced nations, including incorporation, much have not been done in the Third World, including Nigeria. The result is that most of these enterprises operate blindly, and without professionalism.

It is against this backdrop that, this article is going to discuss the various strategies which will greatly assist family businesses in South-East Nigeria and indeed other regions in the country to professionalize.

### **Theoretical Framework**

The family enterprises are business concerns in which members of a nuclear or extended family hold majority shareholdings in them. They are also those whose boards and management teams are dominated by the siblings of a particular family – nuclear or extended. When we hear the phrase family business, images of high-flying, harvesting entrepreneurs are not usually the first thoughts that come to our mind. We more often think of small kiosks, provision stores, barbing salons, patent medicine stores, etc around us, or the large business family fights, conflicts and struggles over properties and other investments, mostly by polygamous rich families we regularly read in newspapers and magazines in Nigeria.

Timmons and Spinelli (2009:592) are of the view that families do not always look and act entrepreneurially. Why? They can focus on serving local markets, sustaining the family's lifestyle, or providing jobs to family members. They are often conflicted due to family dynamics constrained by nepotism or limited by their conservative risk profile.

Family-owned businesses may be the oldest form of business organization, but it is only in recent decades have their benefits and roles in the economy been researched into. More than 70 percent of companies in most countries are family owned.

The contributions of SMEs and family-owned enterprises in an economy are numerous, diverse and integrated. Some of them include: stimulation of indigenous entrepreneurship, creation of thousands and millions of employment opportunities and openings, maintenance of competition, greater innovations and creativity, paying taxes, earning foreign exchange, mobilizing savings and contributing reasonably to a nation's gross domestic product.

Family enterprises may include various combinations, including husbands and wives, children and parents, extended families, two or more generations in the forms of employees, stock holders, advisors, partners, board members, etc, (Lannarelli: and Bianco, 2010). This scenario of multiple membership of family businesses is mostly common in the US and Europe. In most developing countries, including Nigeria, ownership and membership of family enterprises are

limited to nuclear and sometimes, the extended family, coupled with conflicts that may also account for the reason why family businesses have high mortality rate in Nigeria.

The percentage family businesses occupy in some of the important economies are as follows:

Brazil – 90%, USA – 96%, Belgium – 70%, Finland – 80%, France – 60%,

Germany - 60%, Netherlands – 74%, Poland – 80%, Portugal – 70%, Spain – 79%,

UK – 70%, Australia – 75% (Timmons and Spinelli, 2009:596). The percentage in the Third

World Nations are similar if not more. These statistics underscore the dominance of family businesses in most economies.

### **Methodology**

This is essentially a survey research. It covered the major commercial centres of all the South-East States – Abakailiki (Ebonyi States), Enugu (Enugu State), Nnewi and Onitsha (Anambra State), Orlu and Owerri (Imo State), Aba and Umuahia (Abia State). These towns are the commercial nerve centres of the South – East. The South – East, Nigeria has a long history of entrepreneurship in West Africa. The researcher with the assistance of his postgraduate students that served as research assistants distributed 2,300 questionnaire to owner-managers of enterprises in the above listed cities. Out of this number, 2000 were correctly filled out and returned, representing – 87% response rate. The major objective of this research is to find out to what extent family businesses in the South-East are managed professionally which will enable us proffer strategies which will help them to professionalize and for the other regions in Nigerian to follow suit.

### **Survey Findings**

**Table1: Professional Exposure Of The Enterprises**

<b>QUESTION</b>	<b>RESPONSE</b>	<b>RESPONDENTS</b>	<b>PERCENTAGE</b>	<b>TOTAL</b>
Do you have clear vision and mission statement ?	Yes	215	10.75%	-
	No	1785	89.35%	-
Have you attended	Yes	250	12.5%	2000

any kind of in-service training before	No	1750	87.5%	-
If yes, indicate the frequency of attendance	(a)Very often	80	4%	25
	(b) Regularly	120	6%	0
	(c) Occasionally	50	2.5%	
	(d) Rarely	-	-	
If no, give reasons	Distance	300	15%	
	No Time	450	22.5%	17
	No Interest	520	26.5%	50
	Financial Burden	480	24%	
Are you a member of any of these trade associations ?	a) NACCIMA	220	11%	
	b) NASSI	150	7.5%	
	c) IoD	-	-	-
	d) NECA	-	-	
	e) MAN	70	3.5%	
	f) None	1560	78%	
How many of your staff are graduates in different disciplines	-	150	7.5%	-
How many of your staff have one form of professional or the other ?	Like ICAN, ANAN, COREN, NIM,CIB, etc	175	8.75%	-

Source: Survey date, 2012

Table 1 shows poor professional exposure of enterprises in the South-East. Due to the fact that majority of enterprises surveyed operate un-incorporated, a large number of these enterprises – 1785 or 89.25% have no vision and mission statements, and by extension not involved in strategic management. Again, 1750 or 87.5% have not undertaken any form of in-service or manpower development programmes. Some of the reasons adduced for this ugly professional posture range from distance, no time, no interest to financial implications of such training activities.

It was also found out that over 1560 or 78% are not members of such very relevant trade associations (crucial members of the Organized Private Sector – OPS) as National Association of Chambers of Commerce, Industries, Mines and Agriculture (NACCIMA); National Association of Small Scale Industrialists (NASSI); Institute of Directors (IoD); Nigerian Employers Consultative Association (NECA) and Manufacturers Association of Nigeria (MAN). Membership of these associations entails many benefits which most family owned enterprises in the South-East are missing.

In terms of having graduates and employees with professional qualifications in their employment, the outcomes were abysmally poor: 7.5% and 8.75% respectively.

**Table 2: Knowledge Of Government Policies On Entrepreneurship**

QUESTION	RESPONSS	RESPONDENTS	PERCENTAGE
Are you aware of the existence of a number of government policies to encourage entrepreneurship development in the country?	Yes	450	22.5%
	No	1550	77.50%
Have you benefited from any of these government incentive packages?	Yes	-	-
	No	2000	100%

**Table 2 Continued: Knowledge Of Government Policies On Entrepreneurship**

QUESTION	RESPONS	RESPONDENT	PERCENTAG
How many of your employees have	Yes	112	5.6

benefited from training, seminars/conferences or trade exhibitions or extension programmes by governments or their agencies	No	1,888	94.4
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Source: Survey Data, 2012

The survey showed that majority of the entrepreneurs and their enterprises – 1550 or 77.5% are not aware of the existence of government policies and incentives for effective entrepreneurship development in the country. Emanating from this ignorance, 1888 enterprises or 94.4% revealed that their employees have not benefited from numerous government sponsored training, seminars, conferences, trade exhibitions and extension programmes. This is also an indication of poor professional orientation and practice, which must be reversed in the interest of the enterprises themselves and the economy.

### **STRATEGIES FOR PROFESSIONALIZING FAMILY BUSINESSES**

It is imperative that we start this section by making a distinction between professionalization of a trade or occupation and a family business.

Professionalisation of a trade or occupation is the social process by which a trade or occupation transforms itself into a true ‘profession of the highest integrity and competence (Henrik, 2007). This process tends to involve establishing acceptable qualifications, a professional body or association to oversee the conduct of members of the profession and some degree of demarcation of the qualified from unqualified amateurs. This demarcation is also referred to “occupational closure” (Weeden, 2001;). The implication is that the profession has become closed or restricted to entry from outsiders, amateurs and the unqualified. By so doing, it promotes professionalism, certification, self-branding and relevance in the industry.

Professions also possess power, prestige, high income, high social status and privileges (Johnson, 1972) and establishing group norms and code of conduct. The following disciplines - Accounting, Management, Marketing, Banking and Finance, Public Relations, Engineering, Medicine, etc, all have professional bodies or associations.

On the other hand, professionalizing family business management is the process of transitioning from an informal management style to a more formal management style. The major challenge becomes particularly evident when the business is moving from a founder/owner managed business environment to a professionally managed business environment.

Experts on family businesses such as Schwerzler (2010), recommend that professionalizing family business should be an evolutionary process. The import of this suggestion, is that professionalizing can not be said to be complete by mere hiring of a high priced executive from outside the enterprise. As an evolution, the basic philosophy, values, goals (objectives), corporate culture and other stakeholders - employees, suppliers etc, have to be re-evaluated or else, it is bound to be fail.

Though the two concepts highlighted above are interwoven and complement each other, our interest is on the latter. It is against this backdrop that this section will discuss some of the relevant strategies that can greatly assist family businesses in South-East, Nigeria to professionalize. They include:

### **Incorporating Family Businesses**

Incorporation is a legal process by which a business seeks a legal permission from a government or its agency to operate as a distinct and unique legal entity, different from its owners or founders. The business, on incorporation becomes an individual or entity that can own property in its own name, sue and be sued, earn income, pay taxes, incur liabilities and enjoys all the privileges and rights incorporation confers on it. By incorporating, we mean that the family businesses should be incorporated as limited liability entities and not mere business names. Incorporating will enhance professionalism, corporate governance and competitiveness.

The government agency responsible for incorporating businesses in Nigeria is the Corporate Affairs Commission (CAC), deriving its powers from the Companies and Allied Matter Act, 1990. Parts II, sections 18, 20 and 35 have relevant information on the formation and registration of companies. As from the commencement of CAMA, any two or more persons may form and incorporate a company by complying with the requirements of this Act in respect of registration of such company (section 18).

Section 20 sub-section 2 specifies the qualifications of people who want to form companies. An individual shall not join in the formation of a company under this Act if – (a) he is less than 18 years of age; (b) he is of unsound mind and has been so found by a court in Nigeria or elsewhere; (c) he is an undercharged bankrupt; (d) he is disqualified under section 254 of this Act from being a director of a company; (e) if it is a corporate body in liquidation; (f) an alien may join in the formation of a company provided he complies with the provisions of any enactment regulating the rights of aliens to engage in business in Nigeria.

Before a company is registered the following documents shall be delivered to the Commission.

- a) The memorandum of association and articles of association of the proposed company;
- b) The notice of the address of the registered office of the company and the head office if different from the registered office;
- c) A statement in the prescribed form containing the list and particulars together with the consent of the persons who are to be the first directors of the company.

- d) A statement of the authorized share capital signed by at least one director;
- e) Statutory declaration of compliance with the provisions of the Act signed by a legal practitioner on a prescribed form;
- f) Return of allotment of nominal share capital;
- g) Particulars of the secretary, where he is mentioned in the Article of Association;
- h) Any other document required by the Commission to satisfy the requirements of the law relating to the formation of a company.

### **Having Mission and Vision Statements**

It is very crucial that family enterprises should have good mission and vision statements. A company's mission is a key reason for its existence. A mission statement conveys a sense of purpose to employees and projects the company's image to the customer(s). The major features of a company's mission statements include: its underlying values and philosophy; its stakeholders; its core technologies; its public image; its economic goals (Goldberg and Sifonis, 1994:176; Onuoha, 2011:4-5).

Three issues have become so prominent in the strategic planning for organizations that they are now integral parts in the development and revisions of mission statements: sensitivity to customer wants, concern for quality and statement of company vision (Pearce II and Robinson, 2011:30).

Whereas the mission statement expresses an answer to the question "what business are we in"? a company's vision statement expresses the aspirations of the executive leadership. A vision statement presents the firm's strategic intent that focuses the energies and resources of the company on achieving a desirable future. However, in actual practice, the mission and vision statements are frequently combined into a single statement. When they are separated, the vision is often a single sentence, designed to be memorable (Pearce II and Robinson, 2011:33). For examples, a) Ford Motor Company's vision – to become the world's leading consumer company for automobile products and services; b) Microsoft's vision is enable people and businesses throughout the world to realize their full potentials; c) General Electric Corporate vision – we bring good things to life.

### **Active Involvement In Strategic Management**

A major obstacle to the development of most family – owned enterprises and SMEs in the Third World Nations to becoming multinational corporations is their poor attitude to strategic management. This accounts for their high mortality rates and poor global competitiveness, hence abysmal contribution to their countries' gross domestic product (GDP) and economic advancement.

Strategic or institutional management is the conduct of drafting, implementing and evaluating cross functional decisions that will enable an organization to achieve its long-term objectives (Nag, et al, 2007). Strategic management can also be viewed as that set of managerial decisions



and actions that determines the long-run performance of a corporation. It includes environmental scanning (both internal and external) strategy formulation (strategic or long – range planning) strategy implementation, and evaluation and control (Wheelen and Hunger, 2008:3).

### **Employing Graduates and Professionals**

Family businesses do not have the zeal to employ graduates and professionals. To re-engineer their operations and make them competitive in an increasing hostile business environment, it is advisable that they have in their employment a sizeable number of graduates and professionals. They should also ensure their continuous training and development, coupled with appropriate salaries and other incentives and conducive working environments.

### **Having Functional Boards of Directors**

Family enterprises are encouraged to have functional Boards of Directors consisting of objective and experienced people who are not family members or managers of the business, in addition to family siblings. These people may include bankers, lawyers, accountants, consultants or indeed people whose training and experiences will improve the fortune and profile of the enterprise.

### **Registering As Members of Professional and Trade Associations**

Owner-managers of businesses and their key staff should endeavour to be members of professional and trade associations. Trade associations are the major forms of the Organized Private Sector (OPS). The major trade associations include: Manufacturers Association of Nigeria (MAN); National Association of Chambers of Commerce, Industries, Mines and Agriculture (NACCIMA); National Association of Small-Scale Industrialists (NASSI); Nigerian Employers Consultative Association (NECA); National Association of Small-to-Medium Enterprises (NASME). The roles of these associations to members and the economy are clearly highlighted in their functions.

### **Employing the Services of Consultants**

There are some aspects of the business operations where the enterprise may not have key staff or experts to handle. From time to time, organizations usually have challenges outside or beyond their control. Again, government agencies often make certain demands on enterprises before they can operate or access funds or other incentives which they find difficult to meet. In such cases, it is advisable to seek outside expertise or help from consultants. There are consultants in many areas of business who may be of immense assistance to the operation of family enterprises.

## **Strive To Be the Best At something**

One sure way of professionalizing is making concrete efforts to be the best at something in terms of pricing, quality, reliability, etc of a product or service. In other words, building a unique brand in a particular sub-sector or sector of the economy. For example, ABC Transport is a known name in the passenger and haulage business in Nigeria; in terms of motor cycle tyres, tube and spare parts, Ogbuawa and Sons is a foremost business name; and you cannot talk of electrical wires and cables in South-East and Nigeria, without mentioning Cutix Nigeria Ltd.

## **Advantages Of Professionalizing Family Businesses**

There are numerous advantages derivable from professionalizing family businesses, first to themselves for survival, growth and competitiveness; to the sub-sector or industry they are operating in; and to the economy as a whole.

## **Benefits of Incorporation**

The implications of incorporation have been highlighted by many researchers in this area including Sofowora (1992:27-8) and Onuoha (1996:50), and are summarized thus:

- a) being the creation of law, a company possesses those properties which the certificate of incorporation confers upon it, either expressly or as incidental to its existence;
- b) as an independent legal entity, it may have perpetual life and perpetual succession. This implies that the death of a member does not affect the existence of the company;
- c) it can hold or own property in its name and can transact business in the same capacity;
- d) the liabilities of the owners are limited to their investments in the business;
- e) it has capacity to sue and be sued in its own name. As a legal personality, it can take action to enforce its legal rights or be sued for breach of legal duties or obligations.;
- f) members' shares are easily transferable unless there is restriction to that effect;
- g) an incorporated company finds it easier to raise money by borrowing. It now possesses a higher ability to provide effective security to avoid default in the repayment of the loan;
- h) as result of the principle of corporate personality, it had been held where a person works for a company and the assets of that company are transferred to another company, that, such a person is not obliged to work for the transferee company.

## **Benefits of Mission Statement and Strategic Management**

King and Cleland (1979) quoted in Pearce II and Robinson (1982:82) had identified the merits of a well – articulated mission to include:

- To ensure unanimity of purpose within the organization

- To provide a basis for the motivation of the organizational personnel.
- To develop a basis or standard for allocating organizational resources.
- To establish a general tone of organizational climate, example, to suggest a business like operation.
- To serve as a focal point for those who can identify with the organization's purpose and as an explication to deter those who cannot from participating further in the organization's activities.
- To facilitate the translation of objectives and goals into a work breakdown structure involving the assignment of tasks to responsible elements within the organization.
- To provide a specification of organizational purpose and the translation of those purposes into goals in such a way that the cost, time and performance parameters of the organization's activities can be assessed and controlled.

Research findings and actual practices indicate that organizations that engage in strategic management generally outperform and are more successful than those that do not.

- A survey of 50 corporations in a variety of countries and industries found the three most highly rated benefits of strategic management to be:
  - Clearer sense of strategic vision for the firm.
  - Sharper focus on what is strategic vision for the firm.
  - Improved understanding of a rapidly changing environment (Wilson, 1994:20).

Pearce II and Robinson (2011:9 – 10) have identified five benefits which are:

1. Strategy formulation activities enhance the firm's ability to prevent problems. Managers who encourage subordinates' attention to planning are aided in their monitoring and forecasting responsibilities by subordinates who are aware of the needs of strategic planning.
2. Group-based strategic decisions are likely to be drawn from the best available alternatives. The strategic management process results in better decisions because group interaction generates a greater variety of strategies and because forecasts based on the specialized perspectives of group members improve the screening of options.
3. The involvement of employees in strategy formulation improves their understanding of the productivity – reward relationship in every strategic plan and, thus, heightens their motivation.
4. Gaps and overlaps in activities among individuals and groups are reduced as participation in strategy formulation clarified differences in roles.
5. Resistance to change is reduced. Though, the participants in strategy formulation may be no more pleased with their own decisions than they would be with authoritarian decisions, their greater awareness of the parameters that limit the available options makes them more likely to accept those decisions.

### **Making Employment in Family Businesses More Attractive**

Professionalizing family businesses will make job opportunities and openings and working in them more attractive to new or future employees, particularly graduates/professionals and new generation workers. New generation workers are younger, more educated at entry point, mobile, more vocal on issues that directly affect them, want more interesting and challenging jobs, want to see themselves to as socially and economically useful to the society and not mere working tools used to make profits for companies, and so on. There is also the feeling of working for a profitable enterprise associated with professionalism.

### **Enhanced Credit Rating by Financial Houses**

Professionalizing will greatly enhance the credit rating of family business by financial institutions in the country. Positive and favourable rating will surely address some of the financing problems and challenges of SMEs, which family businesses are in greater majority. Some of these challenges include: poor capital structure; inadequate sources of funds for investment; poor financial management practices including untrue and misleading financial records; high costs of bank financing and debt ratio, lack of adequate collateral security; aversion to financial and accounting disclosure; etc; (Onuoha, 2008:37). There are also tax advantages such as tax deferral potentials.

### **Effective Use of Boards of Directors**

One of the benefits of professional management is effective use of boards of directors or advisory boards, made up of family and non-family members. A company's Board of Directors usually has a great deal of influence on the basic missions, objectives and strategies of the organization, Burton and Thakur (1997). What are the qualifications of would – be members of boards of family businesses? It is imperative that companies should look out for certain qualifications in who would be a director in their organizations. These include relevant academic and professional qualifications, experiences, special trainings, skills, qualities and attitude. Infact, there are no hard and fact rule. One thing is certain, the individual must add value to the organization (Onuoha, 2011:122).

In a survey of directors of US corporations, the following were revealed as the criteria of a good director: Is willing to challenge management when necessary; has special expertise important to the company; is available for outside meetings to advise management; has expertise on global business issues; understands the firm's key technologies and processes; brings external contacts that are potentially valuable to the firm; has detailed knowledge of the firm's industry; has high visibility in his or her field/profession; is accomplished at representing the firm to stakeholders; (26 Annual Board of Directors Study, 1999:30).

## **Benefiting From Membership of Professional and Trade Associations**

Professionalized family businesses are in a better position to be members of professional and trade associations, which are the core members of the Organized Private Sector (OPS).

The functions and benefits of most trade associations tend to be similar with only minor modifications in line with the individual association's objectives. Nwabuzor (1990:98-99), identified the functions to include:

- i) Disseminate information to their members about the developments in government thinking and regulations.
- ii) Make representations to government on issues affecting their various businesses.
- iii) Provide relevant data to the members for both business decisions and meeting government requirements.
- iv) Interpret State and Federal annual budgets as well as legislations and/or regulations to the benefit of the members.
- v) Organize seminars and workshops for their members in the area of government relations so as to know government agencies to approach given certain problems.
- vi) Organize visits and tours for the benefit of government officials who will be better informed about the association's problems. The objective is to drive home the impact of such problems to government officials.
- vii) Prepare and send documents concerning the associations and the economy to the relevant government agencies to guide them in their decisions, etc.

## **Training Ground**

Family businesses provide the best on the job training opportunities. A major factor for choosing a particular line of investment or line of business by entrepreneurs and SMEs is familiarity with a particular line of business. This is made possible by early exposure to business by parents or relations and apprenticeship. Again research findings indicate that apprenticeship is the most popular model of entrepreneurship development in the South-East, Nigeria. This is the same in the other geo-political zones of the country.

To effectively and efficiently harness sustainable growth and development, entrepreneurs and SMEs need to upgrade their management skills, their capacity to gather-information and their technology base. The other key success factors have been identified by Utomi (1998:411-416): Identifying the opportunities; visioning the idea; forming the strategy; developing a business plan; marshalling resources; and institutionalizing the venture.

## **Improved Corporate Governance**

A well managed and professionalized enterprises will surely improve corporate governance. Corporate governance is concerned with promoting corporate fairness, accountability and

transparency. It seeks to protect shareholders' value, ensure market integrity through greater vigilance by regulators and enforcement agencies, high level of compliance by operators with market rules and regulations, maintenance of greater internal controls, better risk management, etc, Armstrong (2003) and Wilson (2003).

Good corporate governance consists of a system of structuring, operating and controlling a company so as to achieve the following:

- a) Long-term strategic goals of the owners, which consist of building shareholder values or establishing a dominant market share or maintaining a technical lead in chosen activities.
- b) Accommodate the interests of employees, assist to plan future human resource needs, recruitment, and training, working environment, severance and retirement procedures.
- c) Maintain excellent relations with both customers and employees, in terms of such matters as quality of service provided, etc.
- d) Maintain proper compliance with all the applicable legal and regulatory requirements under which the company is carrying out its activities, (Nzotta, 2010:19).

### **Access To Government Incentive Packages on Entrepreneurship Development**

Majority of enterprises surveyed indicated that they are aware of the numerous incentive packages of federal and state governments on entrepreneurship development in Nigeria. With professionalization, it will be easier and possible for indigenous SMEs and family owned enterprises to access these incentives.

### **Benefits to the Economy**

Professionalization of enterprises is also beneficial to the economy, in various ways, such as:

- 1) SMEs pay taxes and other economic levies which governments at all levels use in running their affairs and providing security and amenities. Some of the levies SMEs and entrepreneurs pay, particularly, to the local governments are: economic rehabilitation levies; business premises payments; city permits; township, operational, sales promotion levies; mobile adverts; environmental sanitation; mobile sanitation; income/business taxes; and all sorts of demands too numerous to list here.
- 2) They engage in competition which provide high quality products and services to the benefit of the citizenry and the economy.
- 3) They stem rural-urban migration, thus helping to decongest the cities.
4. They help to earn foreign exchange needed to finance economic development, and increase foreign reserves.
5. The proactive nature of most SMEs has become a major source of innovations, creativity, and technological breakthroughs (Onuoha, 2012).

## **Enhancing Succession Planning In Family Businesses**

Owner-managers of professionalized enterprises are in a better position to ensure effective succession planning than those that are not. They are likely to avoid the most common mistakes in family-based succession plans such as: not preparing themselves, not preparing the successor(s), not preparing the businesses for succession, no really giving up control, hanging on too long, not securing retirement money, not including their successors in the planning process and not doing a commercially sensible deal. They are also better placed intellectually and professionally to manage some other challenges and problems of succession planning in family enterprises like – control – oriented parents, intra – family communication problems, sibling rivalry, preferring blood to management ability, not preparing the family, coercing kids into the business, asking the business to support many families and not doing what is in the interest of the family ([www.thompsonlaw.ca](http://www.thompsonlaw.ca)).

### **Conclusion**

Our efforts in this article was to carry out a survey on the level of professionalization of family businesses in South-East, Nigeria, and made far reaching recommendations in that regard. Entrepreneurs and SMEs are agents of economic and technological advancement. The quest for Nigeria to be one of the biggest twenty economies in the year 2020 in the World can only be achieved by having thousands and millions, of well managed and professionalized Small-to-Medium enterprises, majority of which are family businesses.

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