

# Business Development Services and performance of Small and Medium Scale Enterprises in Benue State, Nigeria

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## Abstract

*This study examines the effect of business development services on the performance of SMEs in Benue State, Nigeria. The study specifically examines market access, infrastructure facilities, technology development and transfer, training and technical assistance and, alternative financial mechanism in Benue State, Nigeria. The study adopts a survey design and questionnaire was used as an instrument for data collection. The population of the study includes 650 licensed SMEs in Benue State and a sample of 359 was determined through Stratified sampling. Validity results of KMO, and Bartlett's test indicate that variables are highly significant, and principal component analysis was suitable (0.732). The test-retest result of reliability reported a reliability index of (0.748). Data collected from the organizations' surveyed were analyzed and presented using regressions analysis. Results of tested hypotheses indicated that market access (42.8.0%), infrastructure facilities (52.4%), technology development and transfer (48.3%), training and technical skills (40.3%), alternative financial mechanism (56.2%) all have positive and significant effect on the performance of SMEs in Benue State, Nigeria. Therefore, it is established that business development services have influence on the growth of firms in a constantly changing business environments. It is recommended among others that since gaining market access increases performance of SMEs, it is recommended that market information, advertising facilities and market linkage which are the key components that affect organizations' market outreach through continuous innovation of products or processes, and response to dynamic customer requirements should be supported for SMEs survival and growth.*

**Keywords:** *business development services, performance of SMEs, technology development, alternative financial mechanism, training and technical skills.*

## I. Introduction

The need for business development services emanates from the increased level of competition resulting from the ongoing economic liberalization and globalization of world trade. In order to keep their positions in the market and compete, businesses, including those owned by women, need to learn to become more innovative and agile. This calls for business development services and policies to be supportive to the SMEs sector in general and to women entrepreneurs in particular (Nyamagere and Nchimbi (2018). Business development services can be provided by commercial, for-profit agencies, or

by institutions that are not-for-private-profit organisations. Those services provided on a commercial basis include the services made available by private consultants and consulting firms, as well as those provided under contract in the context of commercial transactions with suppliers, contractors or firms offering specialised services. These services are demand-driven, and client satisfaction plays an important role in the growth of these service providers. Business development services provided on an institutional basis includes those made available by private sector organizations government organizations and institutions or associations of SMEs and NGOs, under various arrangements and conditions. These services are usually provided free-of-charge or at subsidised fees, for non-private-profit motives, as part of the organization's mandate to promote the SMEs sector. These services may or may not be demand driven. Indeed, good quality business development services providers respond to quantifiable demands of the SMEs sector.

Few existing or potential entrepreneurs can establish or expand a business without access to some forms of business development services, as defined earlier. These may be formal or informal services, provided through commercial or institutional sources. The proportion of SMEs that never use development services of one sort or other is very small. Most SMEs need some information and training, whether this is provided through formal or informal channels. They may also need to deal with contractors or intermediaries if they are involved in subcontracting, or the services of a technician may be required for major repairs to their equipment. Access to quality business development services by SMEs can boost the growth and competitiveness of the enterprises. It can also increase the impact of existing financial services and improve the capacity to repay loans. Business Development Services help businesses become more profitable by assisting beneficiaries in developing and producing quality products effectively; accessing higher value markets; managing their business efficiently and generally improving and developing their business (ILO, 2005). Business development services can be directed at micro and small enterprises (MSEs) facing a variety of constraints due to poor levels of education, weak management, competitive markets, low quality products and/or services, lack of marketing skills, inefficient infrastructure and lack of familiarity with the local economic environment (ILO, 2005).

In develop countries, the provision of business development services is largely the job of the private sector and is manifest in many forms. In relation to technology transfer, equipment manufacturers compete to increase their share of the SMEs market. SMEs operate in complex and dynamic business environments characterized by perpetual changes due to globalization hence require greater efficiency and effectiveness (Raymond, Bergeron and Blili, 2005). This increases the need for SMEs to engage in practices that can enhance their competitive position in the marketplace. Therefore, managements of SMEs seek solutions for high quality products and services through increased productivity by adopting customer-centric and pro-market practices. They constantly develop equipment that is more advanced and use aggressive advertising to attract SMEs. The equipment is made available through a wide network of dealers, which also provide maintenance and repair services. Leasing of equipment is also available to interested entrepreneurs who may fear that equipment may quickly become obsolete. Innovators develop more advanced production technologies and sell their patents to larger firms for their commercialisation. Entrepreneurs subscribe to a wide range of technical magazine which provide information on the latest technologies and equipment. They visit specialised fairs and exhibitions where they can get first-hand information on developments in their trade. Thus, many of the most important aspects of technology transfer are dealt with by the private sector.

In industrialised economics, many large equipment manufacturers and suppliers of raw materials and intermediate inputs are aware of the importance of the SMEs market and are active in responding to

demand for capital goods, services, and inputs from this market. In developing countries, large enterprises are less responsive to this market for reasons not clearly established. Thus, SMEs are frequently obliged to depend on suppliers of expensive imported equipment or sub-standard secondhand equipment. Furthermore, maintenance and repair services are not easily available for this type of equipment. Business development service is a very important means of supporting the development of micro, small and medium-sized enterprises, which are known to create employment, generate income and contribute to economic development and growth (UNDP, 2004). To adopt such practices, a business development approach to managing SMEs referred to as business development services is said to exist for firms with high appetite for market access, product development, negotiated procurement arrangements, alternative financing, infrastructure facilities and advocacy for favorable policies (Okeyo, Gathungu and K'Obonyo, (2014).).

In Nigeria, the role of small business development as a way of boosting employment and income for the majority poor and low-income earners has been recognized by governments, development agencies and researchers in many countries for several decades now. This led to the introduction of micro-finance services, which demonstrated that services tailor-made for small businesses can be economically viable and be used in poverty reduction. However, it was realized that still, small, and medium scale enterprises are constrained by other factors such as lack of education, inadequate technical skills, poor access to markets, lack of information and unreliable infrastructure (Miehlbradt and McVay, 2003). Empirical literature in Africa, particularly Nigeria, however, shows that there is a dearth of studies focusing on the effect of business development services in Nigerian organizations, especially in relation to performance of SMEs. Brijlal (2008) examined the gap in business development services provision in Western Cape of South Africa and few studies (Gathenya, Bwisa and Kihoro, 2011; Kimando, Sakwa and Njogu, 2012) have analyzed the effect of business development services on performance of SMEs and reported mixed reactions . There is need to conduct an evaluation of SMEs in Nigeria with the aim of unlocking growth and development of the sector in Nigeria. It is from the foregoing that this study is undertaken to examine the effect of business development services on the performance of small and medium scale enterprises in Benue State, Nigeria. The specific objectives of the study include to; ascertain the effect of market access on the performance of SMEs in Benue State, Nigeria, investigate the effect of infrastructure facilities on the performance of SMEs in Benue State, Nigeria, examine the effect of technology development and transfer on the performance of SMEs in Benue State, Nigeria, assess the effect of alternative financing mechanisms on the performance of SMEs in Benue State, Nigeria, examine the effect of the effect of training and technical assistance on the performance of SMEs in Benue State, Nigeria. The results and recommendations of the study would contribute towards unveiling of the contributions of business development services towards performance of SMEs in Benue State, Nigeria. In pursuance of these objectives, the study is divided in to five components. Having discussed part one, part two focuses on the literature review covering the conceptual, theoretical framework and empirical review. Part three handles the methodology employed in carrying out the study. Part four deals with analysis of data collected for the study. The last part provides the conclusion and recommendations.

## **II. Literature Review**

This section of the research reviewed literatures on the concepts under study. The concepts under study are business development services and performance of SMEs.

## **Business development Services**

Committee of Donor Agencies for Small Enterprise Development in 2004 has defined business development services as services that improves market accessibility, competitiveness, and overall performance of an enterprise. Business development services refer to the provision of information, knowledge, and skills, as well as advice on the various aspects of a business. This definition of business development services implies a conscious action performed by the service provider for the benefit of the receiver of the service. Thus, the action of an individual using savings for establishing a business may not be considered as a financial service. Similarly, information obtained inadvertently by an entrepreneur may not be considered an information service. This is an important distinction that is not made by some practitioners who tend to use the term business development services whether a service provider is involved or not. Business development services has been perceived in many different forms in literature. The dominant ones have been non-financial services such as market access, infrastructure, policy and advocacy, input supply, training and technical assistance, technology and product development, and alternative financing mechanisms (International Labour Organization, 2003). Business development services may also be required for the establishment and operation of an enterprise. Services required in this instance may include legal services training of owners and workers, special laboratory services for testing goods produced by the enterprise, and assistance in arranging contracts with larger firms.

According to Brijlal (2008) contend that business development services is a means through which SMEs can overcome market failure by providing information needed by businesses, availing consultancy services, enhancing skills and business training, improving quality through technology transfer and development, and providing access to subsidized infrastructure. Service providers should be sufficiently qualified to provide good quality services. Consulting services should be based on a good understanding of the problems faced by the enterprise. The entrepreneur should have confidence and trust in the business development services provider, and this should increase the chances of the entrepreneur adopting and applying the relevant advice of the service provider. United Nations Committee on Trade and Development (UNCTAD) observe that business development services comprises “all types of SME support services including training, consulting, technical and managerial support, marketing, physical infrastructure and policy and advocacy” (UNCTAD, 2005). Business development services has been perceived in many different forms in literature. The dominant ones have been non-financial services such as market access, infrastructure, policy and advocacy, input supply, training and technical assistance, technology and product development, and alternative financing mechanisms (International Labour Organization, 2003). From the foregoing, business development services are demand driven, and the owner of the enterprise should recognise the need for its assistance. However, the service provider may also have a role in helping the entrepreneur to identify the specific problems of the enterprise, and in offering appropriate assistance. This should ensure that the business development services are relevant. The Committee of Donor Agencies for Small Enterprise Development (2001), advance some of the services that improve the performance of an enterprise, its access to markets, and its ability to compete. These services include an array of business services (such as training, consultancy, marketing assistance, information, technology development and transfer, business linkage promotion, etc.), both strategic (medium to long term issues that improve performance and operational day issues). The current study adopts business development services to include but not limited to market access, infrastructure facilities, training and technical assistance, technology development and transfer, and financial mechanisms.

## **Dimensions of Business Development Services**

**Market access:** Market access refers to the ability of a company or country to sell goods and services across borders. Market access can be used to refer to domestic trade as well as international trade, although the latter is the most common context. Market access is not the same as free trade. According to Small Enterprise Education Program guide (SEEP, 2000), market access consists of marketing business, market linkages, trade fairs and exhibitions, development of samples for buyers, market information, subcontracting and outsourcing, marketing tips and meeting, market research, marketing space development, showrooms, packaging, and advertising. Market access is a company's ability to enter a foreign market by selling its goods and services in another country. Market access is not the same as free trade, because market access is normally subject to conditions or requirements (such as tariffs or quotas), whereas under ideal free trade conditions goods and services can circulate across borders without any barriers to trade. Expanding market access is therefore often a more achievable goal of trade negotiations than achieving free trade. UNDP (2004) presented market access as a seven-element factor comprising market research, market information, trade fairs, product exhibitions, advertising, packaging, marketing trips and meetings, and subcontracting and outsourcing. In this study, market access was regarded from the viewpoint of market information and advertising facilities, market linkage with input suppliers and customers, which are the key components that affect organisations market outreach. Market access for services is by nature more complicated than that for goods. In the realm of merchandise trade, market access basically concerns the reduction of border measures as goods enter a foreign market. Whereas, in services trade, market access involves "reducing government policy interventions which are less visible and may be applied after a service supplier has entered the market (McGuire, 2002).

**Infrastructure facilities:** Infrastructure is the set of fundamental facilities and systems that support the sustainable functionality of households and firms. Serving a country, city, or other area, including the services and facilities necessary for its economy to function (O'Sullivan and Sheffrin, 2003). Infrastructure is composed of public and private physical structures such as roads, railways, bridges, tunnels, water supply, sewers, electrical grids, and telecommunications (including Internet connectivity and broadband access). In general, infrastructure has been defined as "the physical components of interrelated systems providing commodities and services essential to enable, sustain, or enhance societal living conditions and maintain the surrounding environment (Fulmer, 2009). According to Easterly (2002), infrastructure facilities have been viewed as the basic structures physical and organizational that provides support for development of an organization or economy. It has been regarded as an essential linkage between a firm and its markets which can have the potential to impact on the firm's revenues and overall effectiveness (Price, Stoica and Boncella, 2013). He added that well developed infrastructure facilities reduce the impact of inter-regional distances, integrating the local markets as well as connecting them at low cost to markets in other countries and regions. Organizational infrastructure refers to the physical structures that enable businesses to run smoothly (Horby, 2005). In a manufacturing concern, infrastructure facilities consist of the factory, equipment, and warehousing facilities. Unavailability of appropriate infrastructure could lead to excessive capital investments, support levels and inadequate organizational flexibility. Thus, strained access to infrastructure components like warehousing may have adverse implication for performance in a manufacturing enterprise. Infrastructure such as construction, operation or maintenance of markets, industrial parks or sheds, business incubators, storage and cooling facilities, power, information and communication technology. Infrastructure; specialized services such as legal, financial management and auditing



services and policy advocacy services that include influencing policy makers to improve policies, laws, regulations, procedures or administrative practices and processes, hence improving the business environment are also part of services received by Business enterprises (Oloni, 2007).

**Technology development and transfer:** This is a process of ensuring that adoption of technology in classroom instruction follows sequentially from the stage of procurement of technology resources to acquisition of technological skills and lastly utilization of such skills to achieve set goals. The systematic use of scientific, technical, economic, and commercial knowledge to meet specific business objectives or requirements. Technological development is the overall process of invention, innovation and diffusion of technology or processes (Jaffe *et al.* 2002). Technology transfer is the process of transferring (disseminating) technology from the person or organization that owns or holds it to another person or organization. These transfers may occur between universities, businesses (of any size, ranging from small, medium, to large), governments, across geopolitical borders, both formally and informally, and both openly and secretly. Often it occurs by concerted effort to share skills, knowledge, technologies, manufacturing methods, samples, and facilities among the participants. To ensure that scientific and technological developments are accessible to a wider range of users who can then further develop and exploit the technology into new products, processes, applications, materials, or services. It is closely related to (and may arguably be considered a subset of) knowledge transfer. Horizontal transfer is the movement of technologies from one area to another. At present transfer of technology is primarily horizontal. Vertical transfer occurs when technologies are moved from applied research centers to research and development departments (Grosse, 1996). Oloni (2007) continues by saying that through business development services, the business can gain support in technology development and transfer through assistance in research and development of appropriate technologies; promoting, distribution and installing such technologies, developing distribution channels for the technologies and advising on appropriate technologies.

**Training and technical assistance:** Training is a process or procedure through which skills, talents, knowledge of employees are enhanced. To Thaker (2008), training is an organized procedure by which people learn knowledge and skills for a definite purpose. Human capital development represents the planned opportunity that is provided for training as the overall process whereby an individual's behavior is modified to conform to a pre-defined and specific pattern. Training and technical assistance According to Basilio and Rodriguez (2010) training and technical assistance includes mentoring, feasibility studies and business plans, exchange visits and business tours, management training, franchising, technical training, counseling/advisory services, financial and taxation advice, legal services, accountancy, and bookkeeping. Technical assistance is non-financial assistance provided by local or international specialists. It can take the form of sharing information and expertise, instruction, skills training, transmission of working knowledge, and consulting services and may also involve the transfer of technical data. The aim of technical assistance is to maximise the quality of project implementation and impact by supporting administration, management, policy development, capacity building. Technical assistance means any technical support related to repairs, development, manufacture, assembly, testing, maintenance, or any other technical service, and may take forms such as instruction, advice, training, transmission of working knowledge or skills or consulting services; including verbal forms of assistance. Technical assistance means services provided to the public for the development of skills or the provision of knowledge relative to the background, significance, operation, or implications of some aspect of the historic preservation program. Training and Technical Assistance is also benefited by the business where business enterprises are assisted in cross cutting areas of

cooperative development need such as behavioral change; policy and regulations awareness, and enhanced understanding of gender (Oloni, 2007).

**Alternative financial mechanism:** A financial mechanism refers to the way in which a business, organization, or program receives the funding necessary for it to remain operational. While there is no single authoritative technical definition of “alternative finance, it can be identified as financing from external sources other than banks or stock and bond markets (Allen *et al.*, 2012). In addition, some definitions emphasize the direct connection of fundraisers with funders, often via online platforms (Baeck Liam & Bryan, 2014). Private companies, for example, typically receive such funding through a variety of means, including revenue generated from the sale of services and products as well as from loans or the sale of stock. Other organisations typically receive funding through various means, such as donations provided by individuals and companies as well as fund-raising events. The financial mechanism for government typically comes from taxes or other means of acquiring resources from the populace, which is then used as funding for various agencies and programs. It focuses on the significance of the increasing relevance of alternative finance mechanisms. The series consists of white papers, issue briefs, and fact sheets on emerging alternative finance topics such as changing securities regulations, interest rate outcomes, and the value of crowdfunding to small businesses. The intended audience of this series includes policymakers, researchers, and small business owners. Revenue is one of the most common forms of financial mechanism for a business. This is typically generated through the sale of various products or services that the company manufacturers or otherwise provides for customers. Large companies, especially corporations, may use the creation and sale of stocks as a form of financial mechanism, to allow for a greater influx of resources based on the perceived value of the company. Businesses can also take out loans from banks and other institutions that ultimately must be paid back, but which provide that company with initial capital for development.

### **Performance of Small and Medium Enterprises**

The position of small and medium businesses in stimulating global economic progress has interested researchers in recent decades. Small and medium businesses account for the transition to a market economy playing an important part in innovation, income generation and dynamism in economy and employment. Depending on the approaches and purposes of the enterprises performance and its indicators have been variously classified. Furthermore, performance measurement systems are important tools as they provide enterprises with the necessary information to design, control and achieve their goals. Yucesoy and Barabási (2016), performance represents the totality of objectively measurable achievements in a certain domain of activity. Business performance defines the extent to which the target task of the business was accomplished in comparison to the final output at the end of a business period (Yıldız, Baştürk and Boz, 2014). In this study, customer satisfaction, market share, sales growth, profitability, and liquidity are used as measures of performance.

#### **Dimensions of performance**

**Customer satisfaction:** Customer satisfaction is defined as a measurement that determines how happy customers are with a company's products, services, and capabilities. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals (Farris *et al.* 2010). Customers play an important role and are essential in keeping a product or service relevant; it is, therefore, in the best interest of the business to ensure customer satisfaction and build customer loyalty. Customer satisfaction is viewed as a key performance indicator within business and is often part

of a Balanced Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a major differentiator and increasingly has become an important element of business strategy (Gitman and Carl, 2005). Customer satisfactions are studied from different perspectives. These perspectives extend from the psychological to the physical as well as from the normative perspective. However, in much of the literature, research has been focused on two basic constructs; expectations prior to purchase or use of a product and customer perception of the performance of that product after using it. Especially for durable goods that are consumed over time, there is value to taking a dynamic perspective on customer satisfaction. Within a dynamic perspective, customer satisfaction can evolve over time as customers repeatedly use a product or interact with a service. The satisfaction experienced with each interaction (transactional satisfaction) can influence the overall, cumulative satisfaction. Scholars showed that it is not just overall customer satisfaction, but also customer loyalty that evolves over time (Johnson, Andreas, and Huber (2006).

**Market share:** Market share is said to be a key indicator of market competitiveness, i.e., how well a firm is doing against its competitors. Firms with market shares below a certain level may not be viable. Similarly, within a firm's product line, market share trends for individual products are considered early indicators of future opportunities or problems (Farris *et al.*, 2010). Market share competition drives companies to support climate change policies with a view to imposing costs on domestic competitors (Kennard, 2020). Research has also shown that market share is a desired asset among competing firms (Scott and Kesten 2007). Additionally, market share is a key metric in understanding performance relative to the growth of the market as measurement of internal sales growth (or decline) only may be a result of similar growth or declines in the industry being measured. The main advantage of using market share as a measure of business performance is that it is less dependent upon macro environmental variables such as the state of the economy or changes in tax policy. The usage of market share as a basis for gauging the performance of competing firms has fostered a system in which firms make decisions regarding their operation with careful consideration of the impact of each decision on the market share of their competitors.

**Sales growth:** Sales Growth is the parameter which is used to measure the performance of the sales team to increase the revenue over a pre-determined period. Sales growth is an essential parameter for survival and financial growth of the company. A good sales growth can always be used for the benefits of the employees and company in terms of providing salary raise, acquiring new assets, an expansion of the company or the product line. A negative growth is an undesirable outcome, hinting a wrong strategy or decisions. When the growth of Sales numbers is more than the compared base, it is termed as positive Sales Growth. Every company always strives for positive sales growth, and it is always beneficial for the financial well-being of a company to have positive sales growth. When the current year earnings are lesser than previous years, it is termed as negative sales growth. It is an indicator that somewhere, something went wrong due to which the sales suffer. A continuous negative growth brings tough choices to a company, and it often does not end very well. Without revenue growth, businesses are at risk of being overtaken by competitors and stagnating. Sales growth is a strategic indicator that is used in decision making by executives and the board of directors and influences the formulation and execution of business strategy. It will be hard to overstate the importance of the sales growth metric because it is tied directly to revenue and profitability. Growth is the drumbeat by which all organizations march. When performance declines, pressure mounts on the sales organization to deliver results. Conversely, a high percentage growth in sales is cause for optimism for all stakeholders such as executives, the board of directors, and shareholders. From the above literature review, an



organization that is experiencing growth must have been or is making profit since efficiency and effectiveness in an organization also result in growth or expansion of the organization.

**Profitability:** To Amah (2006), profitability is the state of producing a profit in an organization or business or the degree to which a business or organization is profitable that is the primary goal for all business ventures. To Nongo (2011), profitable can be defined as either accounting profit or economic profit. Accounting profit of an organization is evaluated by comparing the amount of capital employed into the input with income or the output of the organization. This is popularly known as return on investment or return on capital employed. To Adudu, Asenge and Torough (2020). Profitability means the ability of a business to make profit and remain sustainable. It indicates and measures the success of the business. Profitability of an organization is an important financial indicator to reflect the efficiency of the organization and the owners / managers ability to increase sales while keeping the variable costs down (Davis and Nutley, 2000). The net profit or income is an indicator of the firm's profitable operations, which is the surplus of total revenues over total expenses during the accounting year. The firm may be unprofitable if the total expenses are more than total revenues, known as net loss. Profit margin, return on assets, return on equity, return on investment, and return on sales. Martz (2013) is of the view that profitability may be expressed in terms of net income, earnings per share or return on investment which is measured using profitability. Profitability ratios are used to assess the financial performance of an organization when compared to the standard or scale set by the organization towards attainment of its objectives. From the above discussions, profitability measure shows the extent to which the organization is effective towards attainment of organizational set goals and objectives. Profit can also be the yardstick for judging not just the economic activities, but the managerial efficiency and social objectives of an organization.

**Market liquidity:** Market liquidity is a market's feature whereby an individual or firm can quickly purchase or sell an asset without causing a drastic change in the asset's price. Liquidity involves the trade-off between the price at which an asset can be sold, and how quickly it can be sold. In a liquid market, the trade-off is mild: one can sell quickly without having to accept a significantly lower price. In a relatively illiquid market, an asset must be discounted to sell quickly (Moffatt, 2015). In the market, liquidity has a slightly different meaning. The market for a stock is said to be liquid if the shares can be rapidly sold and the act of selling has little impact on the stock's price. Generally, this translates to where the shares are traded and the level of interest that investors have in the company. Another way to judge liquidity in a company's stock is to look at the bid/ask spread. The market liquidity of assets affects their prices and expected returns. Theory and empirical evidence suggest that investors require higher return on assets with lower market liquidity to compensate them for the higher cost of trading these assets. That is, for an asset with given cash flow, the higher its market liquidity, the higher its price and the lower is its expected return. In addition, risk-averse investors require higher expected return if the asset's market-liquidity risk is greater (Acharya and Lasse, 2005). This risk involves the exposure of the asset return to shocks in overall market liquidity, the exposure of the asset's own liquidity to shocks in market liquidity and the effect of market return on the asset's own liquidity. Here too, the higher the liquidity risk, the higher the expected return on the asset or the lower is its price.

### **Empirical Review**

The advantages of small business development as one of alternative way of increasing employment and revenues for a lot of poor and low income earners has been prioritized by governments,

development agencies and researchers in many countries for several decades now. After introduction of micro-finance (MF) services, it was proved that services tailor-made SMEs can be economically viable and be one of strategy for poverty reduction though it was found that small businesses still are constrained by several non-financial factors such as lack of education, inadequate technical skills, poor access to markets, lack of information and unreliable infrastructure. According to their findings, James, Peter and Washington (2014) found that BDS that does contribute in improved productivity, market access and profitability is one of strategy that can be used to overcome those identified constraints.

Okeyo, Gathungu and k'Obonyo, (2014), carried out a study aimed at establishing how market access, procurement services and infrastructure facilities affect performance of small and medium manufacturing enterprises in Kenya. The study adopted a cross sectional survey design and examined primary data collected from 150 enterprises in Nairobi. Inferential statistics were used to interrogate relationships between independent variables and performance while descriptive statistics were used to determine distribution, central tendency and dispersion and hence establish conformity to linear regression requirements. Contrary to expectation, market access did not show any relationship but procurement services and infrastructure facilities each had a positive and significant influence on performance of the enterprises. The study also determined that the joint effect of the three variables on performance is greater than their individual effect. This study therefore concludes that since procurement services and infrastructure facilities showed a positive influence on performance of small and medium manufacturing enterprises in Kenya, the enterprise studied should adopt strategies that enhance procurement and improve infrastructure facilities to experience better performance. The study is in line with the current study even though it only captured two dimensions of business development services and both focuses on business performance.

Ashenafi and Batra (2016), investigated the role of business development services on the performance of micro and small manufacturing enterprises in Addis Ababa, Ethiopia. The data were collected through scheduled questionnaire, personal interview, and document review. 370 respondents were selected via multi-stage sampling technique. Descriptive statistics, one way ANOVA, and linear regressions were used for the purpose of data analysis. Factor analysis was used to check the construct validity and have a value for performance, business development services and its dimensions for regression. The study demonstrated that the overall practice of business development service was low, which need to be improved. The study also revealed that all business development services dimensions individually and jointly have a significant and positive effect on the performance of micro and small enterprises. More specifically, input supply, market access, and infrastructure facilities were the most important factors of SMEs performance, which should be underline while developing MSE strategy. This study contributes to theory since it empirically demonstrated that business development services has an impact on performance of MSEs in Ethiopia. It also significant to provide opportunity for MSEs owners, government, business practitioners, policy makers, and other development partners to make informed decision and choice best strategy that help to enhance SMEs performance.

Mengstie (2016), investigate the effect of business development services on the performance of Small-Scale enterprises in Kisii Town the study found out that the entrepreneurs who received business development services recorded an improvement in the growth of sales and growth in market shares on the various businesses they were operating. The study recommended that Government of Kenya should establish micro and small centres of excellence in each county for information dissemination, research,

and product development and program promotion. The Government of Kenya should develop and implement innovative curriculum materials and methods for training needs related to self-employment and entrepreneurship. The findings of the study are expected to assert the importance of the provision of business development services in the enhancement of business performance. The dimensions of business development services are not well combed in this study but both are tailored towards business performance.

Ombi, Ambad and Bujang (2018), investigated the effect of Business Development Services (BDS), namely the non-financial services and financial services on the performance of manufacturing Small Medium Enterprises (SMEs) in Sabah, Malaysia. Business development services are recognized as the support services to SMEs, aimed to assist SMEs in overcoming internal and external constraints in its development, thus, improving its performance. A self-administered questionnaire was used to collect data from 161 SMEs within the manufacturing sector in Sabah. Partial Least Square (PLS) was employed to analyze data collected. The results reveal that only financial support influences SMEs performance, whilst contrary to expectation, non-financial support was found to have no effect on SMEs performance in Sabah, Malaysia. The outcome of this study provided significant information, especially to the government agencies responsible for the development of SMEs such as SME Corporation Malaysia. They should evaluate further the existing programmes and guidelines and enforce more effective policies to improve the performance of SMEs in Malaysia, particularly in Sabah. The current study is much more concerned about the performance of SMEs, whereas this study is much more inclined about suggesting for government interference in the industry.

Kalina and Claude (2020), in their study focused on assessing the contribution of business development services on the financial performance of dairy cooperatives using a case study of selected dairy cooperatives from musanze district. The research questions focused on identification of the level of business development support services in selected dairy cooperatives, on assessing the level of financial performance of selected dairy cooperatives and to establish the relationship between business development services and financial performance of selected dairy cooperatives. Materials and the targeted population was 339 members and employees of selected dairy cooperatives where a sample of 77 respondents was selected using simple random probability sampling techniques. The study employed a descriptive research design using a case study area and both quantitative and qualitative research methods were used. The data collected was analyzed using SPSS and statistical tools like numbers, frequencies and tables. The model that was developed was found to be significant at 0.05. The results showed that there exist positive and significant correlations between the study variables. The  $R^2=0.763$  obtained showed that financial performance of the selected dairy cooperative is influenced by input services, training and technical assistance, infrastructure support and market access services provided by BDS at 76.3%. The researcher recommends that there is need to improve milk supply chain from the farmers to the final market to enhance performance.

The outcome of this study provided significant information, especially to the government agencies responsible for the development of SMEs such as SME Corporation Malaysia. They should

evaluate further the existing programs and guidelines and enforce more effective policies to improve the performance of SMEs in Malaysia, particularly in Sabah. The current study is much more concerned about the performance of SMEs, whereas this study is much more inclined about suggesting for government interference in the industry.

The study demonstrated that the overall practice of business development service was low, which need to be improved. The study also revealed that all business development services dimensions individually and jointly have a significant and positive effect on the performance of micro and small enterprises. More specifically, input supply, market access, and infrastructure facilities were the most important factors of SMEs performance, which should be underline while developing MSE strategy. This study contributes to theory since it empirically demonstrated that business development services has an impact on performance of MSEs in Ethiopia. It also significant to provide opportunity for MSEs owners, government, business practitioners, policy makers, and other development partners to make informed decision and choice best strategy that help to enhance SMEs performance.

### III. Methodology

This study adopted the survey research design due to its ease of application and the speed with which its results are ready. The choice of SMEs being the backbone of major developed economies, as well as important contributors to employment, economic and export growth. In Nigeria, SMEs contribute about 48% of national GDP, account for 96% of businesses and 84% of employment.

#### Population of the Study

The target population for this study consists of 5445 owners/senior management of SMEs in Benue State, Nigeria. These consisted of different sectors like but not limited to art/craft, transportation, health, trading, food processing, baking, table water, fashion and designing/ hair dressing Information and Communication Technology, school and, livestock rearing.

#### Sample and Sample Techniques

The sample size from the population of the study was computed scientifically, using Krejcie and Morgan (1970), formular as recommended by Biemer and Lyberg (2003). In this study, the acceptable amount of sampling error or precision is set at 0.05 or 5%. The study adopted the simple random technique. Iacobucci (2010), recommends a sample of 200 as fair and 300 as good. Considering the challenges of survey methodology in developing countries which can lead to low response rates, this technique has the potentials of increasing the response rates because the researchers engage the respondents' multiple times, using physical visits and reminders. The equation provided below:

$$S = \frac{X^2 NP(1-P)}{\alpha^2+(N-1) + X^2 P(1-P)}$$

Where:

S = Sample size

$X^2$  = Z Statistic value associated with the 95% confidence interval (1.96)

N = the population of the size

P = Population proportion assumed to be (50%)

The sample size of the participants who are employees of the selected Nigerian deposit money banks is computed as follows:

$$S = \frac{(1.96)^2 (5445) (0.50) (0.50)}{(0.05)^2 + (5445-1) + (1.96)^2 (0.50) (0.50)}$$
$$S = 359$$

Simple random sampling technique was used in the selection of the respondents. This technique, every member of the population has equal chances of being selected to participate in the survey.

**Instrumentation**

Primary data were collected through a structured questionnaire distributed to staff of SMEs in Benue State, Nigeria. The research derived measures for key constructs from existing scales in the literature. The questionnaire contains closed-ended questions developed on five-point Likert Scale measurements as follows: Strongly disagree (1), Disagree (2), Undecided (3), Agree (4), and strongly agree (5). The instrument was administered to the participants through resource persons.

**Validity and Reliability of Instrument**

In ensuring the validity of the instruments, the application of principal component analysis using SPSS version 21 was employed to investigate the latent factors linked to the items. The Kaiser-Mayer-Olkin and Bartlett Test of Sphericity was carried out to check the strength and sufficiency of the sample and relationship among variables. KMO is used to find out whether data are suitable for applying the factor analysis or not and explains which variable (s) should be dropped to overcome the multicollinearity problem, its ranges from 0 to 1, where a higher value greater than 0.6, indicates the significance of the data, and factor analysis can be employed. If its value is less than 0.60 then several items should be deleted, which are unnecessary variables based on the anti-image values. Results of KMO .732 and Bartlett’s test of sphericity 78.639 indicate that variables are highly significant, and principal component analysis was suitable (Table: 1).

**Table 1: KMO and Bartlett’s Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.732
Bartlett’s Test of Sphericity	Approx. Chi-Square	78.639
	Df	10
	Sig.	100

**Source:** Researchers Computation from SPSS Output, 2021

To ensure reliability of the instrument, the test-retest method of reliability was applied with Cronbach Alpha for each of the constructs calculated. The result gave a reliability index of (0.748) indicating a high degree of consistency (Table: 2), this result shows that all the constructs are consistent and reliable to be used in this study.

**Table 2: Reliability Test Results**

Variables	Item	Cronbach’s Alpha
Market access	5	0.781
Infrastructural facilities	5	0.744
Technology development and transfer	5	0.686
Alternative financing mechanisms	5	0.734
Training and technical assistance	5	0.702
SMEs performance	15	0.680
<b>Overall reliability</b>	<b>40</b>	<b>0.748</b>

**Source:** Researchers Computation from SPSS output, 2021.

**Model Specification**

This study contains the dependent and independent variables. The independent variable Business Development Services (BDS) comprises market access, Infrastructural facilities, technology development and transfer, alternative financing mechanisms, training and technical assistance. The dependent variable is SMEs performance (SMEs perf.) in this study is regarded as a function of Business Development Services (BDS)

SMEs perf. = f (BDS)

Where:

SMEs perf. = SMEs performance (dependent variable)

BDS= Business Development Services (independent variable)



Given that SMEs performance comprises of five dimensions, the implicit form of the model is given as follows:  
 SMEs perf. = (MKA, IFF, TDF, AFM, TTA)

Where:

MKA= Market access

IFF= Infrastructural facilities

TDF = Technology development transfer

AFM = Alternative financing mechanisms

TTA = Training and technical assistance

Thus, the explicit form of the model for the study will be as follows:

$$\text{SMEs perf.} = \beta_0 + \beta_1 \text{MKA} + \beta_2 \text{IFF} + \beta_3 \text{TDF} + \beta_4 \text{AFM} + \beta_5 \text{TTA} + \varepsilon$$

Where:

$B_0$  = Intercept of the Model (Constant)

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$  = regression coefficient

$\varepsilon$  = error term

### Techniques of Data Analysis

The study applied descriptive statistics as a tool to analyze bio-data of the respondents and multiple linear regression was used to test hypothesis at 0.05 level of significance. All analyses were done through the application of the Special Package for Social Sciences (SPSS 21 version).

### IV. Results and Discussions

Data collected from the respondents were analyzed using multiple linear regression and presented in tables.

#### Regression Analysis Result

The result of the model summary in Table 3 shows an  $R^2$  value of .631, meaning that 63.1% of the variation in the dependent variable (SMEs performance) is explained by the predictor variables, while 36.9% is explained by the other variables outside the model. The R value of 0.732 indicates that there is a strong positive correlation between the dependent variable (SMEs performance) and the set of independent (market access, Infrastructural facilities, technology development and transfer, alternative financing mechanisms, training and technical assistance).

Table 3: Model Summary

R	R <sup>2</sup> -Square	Adjusted R Square	Std. Error of The Estimate	Durbin-Watson
.732 <sup>a</sup>	.631	.628	.5624	1.882

a. Predictors (Constant), market access, Infrastructural facilities, technology development and transfer, alternative financing mechanisms, training and technical assistance).

b. Dependent Variables: SMEs performance

Source: Field Survey, 2021.

A p-value of less than 0.05 (p-value = 0.000) was obtained. This implies that the linear model with knowledge business development services as independent variable is significant. Therefore, as business development services are used, the performance of SMEs improves.

Table 4: Analysis of Variance (ANOVA)

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	34.236	5	8.282	30.242	.0000 <sup>b</sup>
Residual	46.201	403	.302		
Total	80.437	408			

Dependent Variable: SMEs performance

Predictors (Constant), market access, Infrastructural facilities, technology development and transfer, alternative financing mechanisms, training and technical assistance).

Source: Field Survey, 2021.

The result in the Table 5 shows that taking all other independent variables at zero, a unit increase in market access will lead to 42.8% changes in SMEs performance, a unit increase in infrastructural facilities will lead to 52.4% change in SMEs performance. Again, a unit increase in technology development and transfer will lead to 48.3% change in SMEs performance, a unit increase in alternative financing mechanisms will lead to 40.3% change in SMEs performance. Finally, a unit increase in training and technical assistance will lead to a 56.2% change in SMEs performance.

At 5% level of significance and 95% level of confidence, market access showed a beta value of .423 and .030 level of significance. Infrastructural facilities showed a beta value .521 and .040 level of significance, while technology development and transfer showed a beta value of .324 and .000. Alternative financial mechanisms showed a beta value of .362 and .010 level of significance, training and technical assistance showed a beta value of .420 and .020 respectively. The regression coefficient further shows that infrastructural facilities has more effect on SMEs performance. This is followed by market access, then Training and technical assistance, alternative financing mechanisms and Technology development and transfer accordingly.

Table 5: Regression Coefficients

	Unstandardized Coefficients			Standardized Coefficients	
Variables	B	Std. Error	Beta	T	Sig.
(Constant)	.760	.132		5.321	.000
Market access	.428	.052	.423	4.688	.030
Infrastructural facilities	.524	.042	.521	18.222	.040
Technology development and transfer	.483	.038	.324	10.110	.000
Alternative financing mechanisms	.403	.051	.362	10.222	.010
Training and technical assistance	.562	0.56	.420	4.466	.020

Dependent Variable: SMEs performance.

Source: Field Survey, 2021.

### Test of Hypotheses

The following hypotheses were tested at 0.005 level of significance:

**H<sub>01</sub>.** Market access have no significant effect on the performance of SMEs in Benue state, Nigeria.

The strength of the effect on the performance of SMEs in Benue state, Nigeria. Measured by the calculated p-value=.030 at a significance level ( $\alpha$ ) of 0.05. Since the computed p-value is less than the significance level ( $\alpha$ ) of 0.05 ( $p\text{-value } .030 \leq \alpha 0.05$ ), the null hypotheses was rejected, and we concluded that market access have positive significant effect on the performance of SMEs in Benue state, Nigeria.

**H<sub>02</sub>.** Infrastructural facilities have no significant effect on the performance of SMEs in Benue state, Nigeria.

The strength of the effect on the performance of SMEs in Benue state, Nigeria was measured by the calculated p -value =.040 at a significance level ( $\alpha$ ) of 0.05. Since the computed p-value is less than the significance level ( $\alpha$ ) of 0.05 ( $p\text{-value } .040 \leq \alpha 0.05$ ), the null hypotheses was rejected, and we concluded that infrastructural facilities have a positive significant effect on the performance of SMEs in Benue state, Nigeria.

**H<sub>03</sub>.** Technology development and transfer have no significant effect on the performance of SMEs in Benue state, Nigeria.

The strength of the effect on the performance of SMEs in Benue state, Nigeria was measured by the calculated p-value=.000 at a significance level ( $\alpha$ ) of 0.05. Since the computed p-value is less than the

significance level ( $\alpha$ ) of 0.05 ( $p\text{-value } .000 \leq \alpha 0.05$ ), the null hypotheses was rejected, and we concluded that technology development and transfer have positive significant effect on the performance of SMEs in Benue state, Nigeria.

**H<sub>4</sub>**. Alternative financing mechanisms transfer have no significant effect on the performance of SMEs in Benue state, Nigeria.

The strength of the effect on the performance of SMEs in Benue state, Nigeria was measured by the calculated  $p\text{-value}=.010$  at a significance level ( $\alpha$ ) of 0.05. Since the computed  $p\text{-value}$  is less than the significance level ( $\alpha$ ) of 0.05 ( $p\text{-value } .000 \leq \alpha 0.05$ ), the null hypotheses was rejected, and we concluded that alternative financing mechanisms have positive significant effect on the performance of SMEs in Benue state, Nigeria.

**H<sub>05</sub>**. Training and technical assistance have no significant effect on the performance of SMEs in Benue state, Nigeria.

The strength of the effect on the performance of SMEs in Benue state, Nigeria was measured by the calculated  $p\text{-value}=.020$  at a significance level ( $\alpha$ ) of 0.05. Since the computed  $p\text{-value}$  is less than the significance level ( $\alpha$ ) of 0.05 ( $p\text{-value } .000 \leq \alpha 0.05$ ), the null hypotheses was rejected, and we concluded that training and technical assistance have positive significant effect on the performance of SMEs in Benue state, Nigeria.

### **Discussion of findings**

Findings of the study on hypothesis two indicated that market access has a positive significant effect on the performance of SMEs in Benue State, Nigeria. To affirm the findings above, regression was used to test the hypothesis at 5% level of significance and the ( $p\text{-value } .030$ ) was lower than the significance level of 0.05. This can be statistically given as  $p\text{-value } .030 \leq \alpha 0.05$ . This result corroborated Kalina and Claude (2020), which their results showed that there exist positive and significant correlations between the study variables. The result also showed that financial performance of the selected dairy cooperative is influenced by market access services training and technical assistance, and infrastructure support provided by business development services at 76.3%.The researcher recommends that there is need to improve milk supply chain from the farmers to the final market to enhance performance. The result is also in line with that of Ashenafi and Batra (2016), who specifically found that market access and infrastructure facilities were the most important factors of SMEs performance, which should be underline while developing SMEs strategy.

Analysis of data for hypothesis two indicated that infrastructural facilities has a positive significant effect on the performance of SMEs in Benue State, Nigeria. To confirm the findings above, regression was used to test the hypothesis at 5% level of significance and the ( $p\text{-value } .040$ ) was lower than the significance level of 0.05. This can be statistically given as  $p\text{-value } .040 \leq \alpha 0.05$ . This result is an affirmation to that of Kalina and Claude (2020), in their study reported a results which showed that there exist positive and significant correlations between the study variables. The result also showed that financial performance of the selected dairy cooperative is influenced by infrastructure support, market access services training and technical assistance, and provided by business development services at 76.3%.The researcher recommends that there is need to improve milk supply chain from the farmers to the final market to enhance performance. Ashenafi and Batra (2016), who specifically found that market access and infrastructure facilities were the most important factors of SMEs performance, which should be underline while developing SMEs strategy.

On technology development and transfer, Findings of the study on hypothesis three indicated that technology development and transfer has a positive significant effect on the performance of SMEs in

Benue State, Nigeria. To affirm the findings above, regression was used to test the hypothesis at 5% level of significance and the (*p-value* .000) was lower than the significance level of 0.05. This can be statistically given as  $p\text{-value} .000 \leq \alpha 0.05$ . The result is in line with the findings of Nyamagere and Nchimbi (2018), show that business development services assisted entrepreneurs in formalizing their businesses, increased business management and technology capacity, market coverage and contributed to business growth. However, the issue lies when SMEs could not afford such technologies with limited financial and resources in hands. SMEs may be able to thrive and solve the internal and external limitations of a market growth with ample working capital and by that means, more financial incentives should be offered by the government (Ombi, Ambad and Bujang, 2018).

Findings of the study on hypothesis four indicated that alternative financing mechanisms has a positive significant effect on the performance of SMEs in Benue State, Nigeria. To confirm the findings above, regression was used to test the hypothesis at 5% level of significance and the (*p-value* .010) was lower than the significance level of 0.05. This can be statistically given as  $p\text{-value} .010 \leq \alpha 0.05$ . The result is consistent with that of Ombi, Ambad and Bujang (2018), who found that financial support has an effect on SMEs performance, whilst contrary to expectation, non-financial support was found to have no effect on SMEs performance in Sabah, Malaysia. Financial access is critical to the small and medium enterprises growth and development. Improved access to finance has clear benefits to companies of all sizes (Hallward-Driemeier and Aterido, 2007) and good for improving performance (Cecchetti and Kharroubi, 2012).

Finally, on training and technical assistance findings of the study on hypothesis five indicated that training and technical assistance has a positive and significant effect on the performance of SMEs in Benue State, Nigeria. To confirm the findings above, regression was used to test the hypothesis at 5% level of significance and the (*p-value* .020) was lower than the significance level of 0.05. This can be statistically given as  $p\text{-value} .020 \leq \alpha 0.05$ . This result is in line with that of Kalina and Claude (2020), in their study reported results showed that there exist positive and significant correlations between the study variables. The result also showed that financial performance of the selected dairy cooperative is influenced by training and technical assistance, market access services training and technical assistance, and infrastructure support, provided by business development services at 76.3%.The researcher recommends that there is need to improve milk supply chain from the farmers to the final market to enhance performance. Training support on using digital tools include cloud computing software, artificial intelligence, machine learning and data analytics must be carried out extensively on a wide scale so it can reach SMEs in rural area.

## **V. Conclusions and Recommendations**

Like every study, there are conclusions, recommendations and limitations that could be drawn from the findings of the research. Findings from this study indicates that business development services have influence on the performance of SMEs in Benue State, Nigeria. Specifically, this study concludes that market access, infrastructural facilities, technology development and transfer, alternative financing mechanisms and, training and technical assistance have a positive significant effect on the performance of SMEs in Benue State, Nigeria. Therefore, it is established that business development services have influence on the growth of firms in a constantly changing business environments. This study contributes to the existing literature on business development services and performance of SMEs by proposing a model that demonstrate how market access, infrastructural facilities, technology development and transfer, alternative financing mechanisms and, training and technical assistance affects performance of SMEs in Benue State, Nigeria. Therefore, SMEs should adopt strategies that enhances market access, infrastructural facilities, technology development and transfer, alternative financing mechanisms and,

training and technical assistance to experience better performance. In terms of practical application of the findings, the findings reveal how SMEs in developing countries can improve their effectiveness through different business development services.

### **Recommendations**

Since gaining market access increases performance of SMEs, it is recommended that market information, advertising facilities and market linkage which are the key components that affect organizations' market outreach through continuous innovation of products or processes, and response to dynamic customer requirements should be supported for SMEs survival and growth.

Considering infrastructural facilities as the basic elements or structures that provides support for physical development of an organization or economy. This becomes possible through a well-developed infrastructural facilities that narrows inter-regional distances, integrating the local markets as well as connecting them at low cost to markets in other economies. It is recommended that a link should be established between a firm and its markets to enhance firm's revenues and overall effectiveness.

It is recommends that there is need to improve supply chain to the final market so as to enhance performance. This is because market access and infrastructure facilities were the most important factors of SMEs performance, which should be underline while developing SMEs strategy.

The findings that business development services affects performance present an opportunity for SMEs management and practitioners, policy makers and other stakeholders to make informed decisions and choices regarding these important aspects of business management.

On financial mechanisms, it is recommended that entrepreneurs should be assisted financially by government and her agencies in formalizing their businesses, increased business management and technology capacity, market coverage in order to improve business growth. Since financial access is critical to the SMEs growth and development, improved access to finance has clear benefits to companies of all sizes and good for improving performance. SMEs may be able to thrive and solve the internal and external limitations of a market growth with ample working capital and by that means, more financial incentives should be offered by the government.

The study recommended that government and her agencies should develop and implement innovative curriculum materials and methods for training needs related to self-employment and entrepreneurship. The training support on using digital tools include cloud computing software, artificial intelligence, machine learning and data analytics must be carried out extensively on a wide scale so it can reach SMEs in rural area as well as providing business development service for SMEs so as to increase their knowledge in management and technical skills.

### **Research limitations and Directions for Further Studies**

There are limitations associated with this study. This study derives from a self-reported data obtained from owners/managers of selected SMEs in Benue State, Nigeria. This can potentially lead to common method bias. Secondly, this study recognizes differences in the nature of business development services. This study focused on market access, infrastructural facilities, technology development and transfer, alternative financing mechanisms and, training and technical assistance. The literature has identified several other business development services that are not captured in this study. These services are equally useful and deserves attention. Thirdly, a cross-sectional approach was used. This approach



does not capture the long-term nuances and mechanisms that interact to influence performance of SMEs. Finally, this study was limited to select SMEs in Benue State, Nigeria. It is therefore suggested that further studies should be carried out to cover other SMEs in other states in Nigeria. Further studies should implement a research design to the extent of having interviews with more SMEs to find out further what stimulates SMEs to adopt business development services in their operations and not just based on the questionnaire survey as it is not sufficient. Finally, other researchers could examine on the challenges of business development services in other sectors in Nigeria. Again, future studies can adopt a longitudinal approach to examine the long-term effect of business development services and how these services evolve over time. The findings from this study shows that business development services are very relevant to SMEs performance. Regardless of the stated limitations, this study provides a useful framework to explain how different business development services interact to enhance performance of SMEs.

### **Implications of Findings**

This study contributes to an evolving body of literature on the effect of business development services on the performance of small and medium scale enterprises. The insights are meant to challenge the entrepreneurs and business owners to re-strategize, promote and encourage the development of business services in their organizations for good performance. The findings will also create an understanding to the policy makers, practitioners and other stakeholders on the need to embrace business development services.

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