### MADEN EDITION HANG COMPANY OF COM MAIDEN EDITION JUNE 2020



# MSMESE

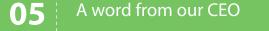
The Panacea For Economic Development In Nigeria

**Companies Are Brilliantly** Solving the **Wrong Problems** 

Fintech: The 'Not-So'-**New Kid On** The Block



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#### **Editor-in-Chief's Note**



Dear Reader,

It fills me with great pride and sense of accomplishment to introduce you to the maiden edition of the Development Bank of Nigeria's Bi-annual newsletter publication, christened the MSME Catalyst. This publication was birthed to carry our stakeholders along on the Bank's journey to being Nigeria's primary Development Finance institution.

In this inaugural edition, a plethora of topics covering a diverse field of interests such as development finance, economics, lifestyle, and career development are dealt with. Particular attention is also paid to accentuating the role of DBN in facilitating and stimulating economic development by bridging the funding gap to MSMEs in Nigeria.

We are cognizant of the fact that in these modern times, the business world is faced with dynamic and novel challenges, and the possession of the requisite

problem-solving skills is essential to any organization's growth and development. An article written by Jasper Kroese and culled from <a href="www.medium.com">www.medium.com</a> highlights the importance of having the required know-how-preventing organizations from expending boundless energy solving the wrong problems. Being a strong supporter of gender equality, I am pleased to see that the annual celebration of the International Women's Day (IWD) has gained traction in Nigeria, especially in corporate circles. IWD provides a platform for celebrating achievements, engendering gender parity, and breaking the proverbial glass ceiling of gender inequality. Coincidentally, the Bank also sponsored its maiden IWD seminar on the 8th of March this year and a well-versed article has been presented here for your reading pleasure.

In this time of global disruption and technological advancement, the global financial landscape has new kid on the block – Fintechs- firms that take advantage of the advancements in technology and communications to provide financial services. I encourage you to read this article as it is sure to provide some new insights to this "not so new kid on the block."

In going through the MSME catalyst, you will see that we have taken time to prepare a manuscript that will also provide self-help and developmental tips on soft challenges with huge ramifications in the workplace. The article on The Monster called Procrastination will broaden your understanding as it pushes you to overcome this all so common challenge.

This would not be a complete publication, if we do not acknowledge the global pandemic that has bedeviled the world today. We trust that you are keeping safe and following laid down social distancing and personal hygiene regulations. If we all play our role, we will flatten the infection curve quickly.

On a final note, I would like to thank the Board of Directors, Management team, led by Tony Okpanachi, staff, contributors, and the editorial team for making this publication a reality.

Enjoy your read.



#### **Background**

In many countries of the world, the Micro, Small and Medium Sized Enterprises (MSMEs) are the bedrock of their economies, stimulating economic growth and development because this sector is the largest employer of labour and driver of economic prosperity. The importance of the MSME sector is even more glaring in emerging economies like Nigeria, where its role cannot be overemphasized. In Nigeria statistics show that there are about 41.5 million MSMEs who account for about 50 percent of National GDP. This is forecast to increase to about 70 percent of the total GDP by 2050, according to the World Bank.

Despite the great potentials this sector holds for the Nigerian economy, the survival of most MSMEs is under consistent threat because of various challenges bedeviling this segment, chief of which is the lack of ready access to funds. The sector is also plagued with capacity impediments and macroeconomic headwinds, which if not properly handled will prove inimical to the slow but steady progress of this space.

In trying to address the funding gaps in the MSME sector, the Federal Government of Nigeria (FGN), in collaboration with global development partners conceived the Development Bank of Nigeria (DBN) as a panacea to the major financing constraints faced by MSMEs. In

trying to bridge the funding gaps, the DBN operates a wholesale lending model, where funding is provided to the MSMEs through Participating Financial Institutions (PFIs) – Deposit Money Banks, Micro Finance Banks and other approved Financial Institutions.

#### **Economic Insights**

Before the advent of the Novel Corona virus, the CBN projected GDP for FY 2020 was between 2.0 to 2.4 percent, the projected slow GDP growth is a reflection of the tight monetary policy stance of the apex Bank, lower daily crude production and revenue. However, with the mandatory lockdown to mitigate the spread of the virus. The Federal Ministry of Finance revised the GDP growth to contraction territory, Interest and inflation rates which increased to 11.8 percent in December 2019 is currently at 12.4% and climbing. The economic outlook for 2020 remains grim albeit with pockets of positive performances in a few subsectors.

Finally, the forecast for unemployment rate is not expected to improve from the last reported rate of 23.1 percent in the 3rd quarter of 2018.

#### **DBN's Performance**

Since commencement of operations in 2017, the

Development Bank of Nigeria Plc has been on a consistent path of growth and achieving its set performance targets. It is pertinent to note that in 2019, the Bank disbursed a total amount of N101billion in loans. Also in the same year under review, the Bank hired a qualified consultant for an assessment of its customer satisfaction level, which turned out to be 86 percent – a good leap from the previous year, where the Bank was rated at 70 percent.

It is also important to note that in 2019, the Bank achieved a100 percent adherence to its corporate governance target – a testament to the Bank's culture of excellence and innovation.

# Impact of DBN's Performance on the Nigerian Economy

The Bank, despite several challenges in the form of strong macroeconomic head winds, which have put a strain on the Bank's efforts to impact on the MSME sector, disbursements and the number of end borrowers have been on the upward trajectory. Translating to an increase in the lending tenor, number of women and young beneficiaries as well as geographical spread.

In 2019, 26,775 women led MSMEs and 17,362 youth led MSMEs were supported with loans., The Bank aims to increase lending to these

# Despite the great promise this sector holds for a country such as Nigeria, the viability and survival of most MSMEs are constantly under threat beyond their control.



demographics in 2020.

As a Development Finance Institution, we also place a premium on best global sustainability practices, and encourage our stakeholders to imbibe these practices, I am proud to report that our PFIs and other stakeholders are now adopting environmental sustainability standards as a direct result of engagements with them.

Furthermore, the appetite of the PFIs for DBN loans is increasingly on the high side, with many of them requesting for higher loan limits. DBN plans to take advantage of these requests to

expand its reach to more MSMEs, thereby empowering more organizations with new disbursements, with special consideration for women led MSMEs and the economically challenged regions. We also intend to explore new channels of lending, through which our loans can be more easily accessible to end borrowers.

Finally, I would like to thank you for taking time out to read this maiden edition of the MSME Catalyst.



#### **Our Operations**

As a wholesale development finance institution created to alleviate the financing constraints faced by micro, small and medium-scale enterprises (MSMEs) in Nigeria, the Development Bank of Nigeria lends to MSMEs through its participating financial institutions (PFIs). These PFIs are licensed and regulated by the Central Bank of Nigeria (CBN). Thus, all DBN products are created for the sole utilization of eligible PFIs, which on-lend the funds to MSMEs and small corporates as defined by DBN.

DBN's current classification and single obligor limit for MSMEs and small corporates are detailed in the table below:

Category	No. of Employees	Annual Turnover	Single Obligor Limit	Total Assets	Tenor	Moratorium
MSME	<250	<n1.125bn< td=""><td><n1.125bn< td=""><td>N200m</td><td>Maximum of 10 years</td><td>Maximum of 18 months</td></n1.125bn<></td></n1.125bn<>	<n1.125bn< td=""><td>N200m</td><td>Maximum of 10 years</td><td>Maximum of 18 months</td></n1.125bn<>	N200m	Maximum of 10 years	Maximum of 18 months
Small Corporates	<500	<5.4Bn	<5.4Bbn	N720m	Maximum of 10 years	Maximum of 18 months

#### **Participating Financial Institutions**

To qualify as a PFI, a company must hold a valid licence from the CBN, be regulated by the CBN, and meet and maintain the DBN's minimum eligibility requirements. A list of these eligibility requirements is provided in <a href="https://www.devbankng.com/eligibility-criteria">https://www.devbankng.com/eligibility-criteria</a>.

Financial institutions that meet the eligibility requirements can apply for on-boarding as participating financial institutions through the DBN Loan Management System available in <a href="https://loans.devbankng.com">https://loans.devbankng.com</a>.

Since the commencement of its operation, DBN has on-boarded a total of 11 commercial banks, 19 micro finance banks and 1 primary mortgage bank, bringing the total number of PFIs to 31.

After on-boarding, PFIs can apply for and receive funds from DBN up to their approved credit limit which is based on their shareholders' funds in line with their classification.

#### Lending

DBN offers PFIs competitively priced and market-referenced loans for on-lending to prequalified MSMEs and small corporates that have already been approved by the Bank.

These loans can be accessed by PFIs through DBN's recently developed Loan Management System. PFIs can also confirm their loan position, review and update their collateral position, and track their activities at any time, through the Loan Management System (https://loans.devbankng.com).

#### **Guarantees**

In 2018, DBN created a subsidiary company called Impact Credit Guarantee Ltd (Impact), in order to fulfil its objective of alleviating financial constraints by providing risk sharing facilities

with PFIs. Impact provides partial credit guarantees to PFIs which are limited to 60% of the loan amount and have a maximum tenor of five years.

There are three types of partial guarantee products offered to PFIs by Impact. These products are:-

- a. Individual Guarantee: Impact guarantees a single loan made by a PFI to a single borrower whose identity is known to Impact. The guarantee decision is at the discretion of Impact after individual appraisal.
- b. Blanket Guarantee: In this case, the guarantees provided are individual in nature, but the authority to decide on the guarantee is vested in the PFIs.
- c. Portfolio Guarantee: Impact guarantees a portfolio of loans made by a PFI to a target borrower segment up to the portfolio line ceiling.

#### **Capacity Building**

In line with its mandate, DBN also provides capacity building to PFIs and MSMEs in order to ensure PFIs have a full understanding of the business needs of MSMEs and upscale the capacity of MSMEs to provide bankable projects for financing.

The Bank recently launched BizAid, a mobile platform created to build the capacity of Nigerian MSMEs by providing training, income and expense tracking and accounting services via a mobile app and web portal.



#### MSMEs: The Panacea for Economic Development in Nigeria

ABUBAKAR SADIQ WADA

he micro, small and medium-scale enterprises (MSMEs) sector is highly regarded due to its immense contributions to the growth of both the micro and macro economies of every country. It promotes inclusive growth, increases the country's gross domestic product (GDP), creates employment opportunities and facilitates wealth creation. A report published by the International Council for Small Business

(ICSB) says that MSMEs make up over 90 percent of all firms, account for an average of 60 to 70 percent of total employment and 50 percent of the GDP of any economy.

According to the National Bureau of Statistics (NBS), there are over 41 million MSMEs employing an estimated 80% of the workforce and contributing about 50 percent to the GDP of the country. In order to maximize the



potential of the sector, the Federal Government established extra-ministerial agencies and institutions as well as instituted policies and programmes to assist the sector in ensuring that the environment is very conducive for them to thrive.

Despite efforts of the government in this regard, there still exists a huge gap between the potential of this sector and present realities. For example, the issue of access to finance, which is the biggest and trickiest of all the challenges facing the MSMEs in the country: there is still a humongous chasm in the sector which Godwin Emefiele, Governor of the Central Bank of Nigeria (CBN), recently put at N48trillion.

Banks, which are the biggest source of funding for the sector, do not seem to be forthcoming in bridging the funding gap that exists in the sector. The most unfortunate thing here is that it is not even the lack of funds to lend to the MSMEs sector that makes for the funding gap but many difficult hurdles that banks have created for these enterprises to cross before they could get funding. These hurdles come in the form of self-safeguarding guidelines which banks use in processing all loan requests, and requests that do not pass the requirements as stipulated in the guidelines are turned down. These guidelines require adequate collaterals and acceptable accounting documentation to boost the confidence of these banks to advance the loans etc. Unfortunately, more often than not, the MSMEs hardly pass the requirements stated in the guidelines; this accounts for the low success rates they record in their quest to get financing from the banks. Even for those banks that are willing to disburse, the interest rates and the tenor are usually too unfriendly and make repayment almost impossible.

It is in a bid to bridge this access to financing gap that the Federal Government went into partnership with the World Bank, African Development Bank, German Development Bank (KfW), and French Agency for Development and European Investment Bank to establish the Development Bank of Nigeria (DBN) in 2017 with a mandate to address the major financing challenges facing MSMEs in Nigeria.

In realising its mandate, the DBN addresses the issue of access to finance in the MSMEs sector through three approaches: provision of wholesale funding to the PFIs for on-lending to MSMEs, provision of partial credit guarantees for these PFIs to encourage them to lend to MSMEs, and building the capacities of the PFIs to enhance their ability and willingness to lend to the MSME sector.

On the provision of wholesale funding, DBN disbursed over N31billion to over 35, 000 MSMEs in 2018 and, in 2019, disbursed a record sum of N100billion to 95, 000 MSMEs. Of all these disbursements, 72 percent of the loans in 2018 was to women-owned/managed businesses while 70 percent of loans in 2019 was to women-owned/managed businesses. Also, about 51 percent of all the loans that the bank has disbursed to MSMEs, so far, went to youth-owned businesses.

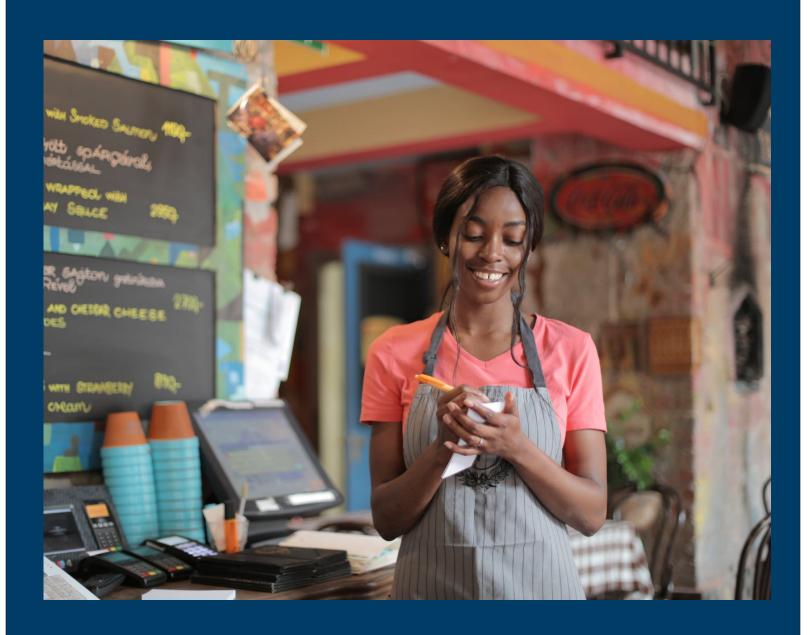
In order to provide comfort and encouragement for the PFIs to lend to the MSMEs, DBN provides partial guarantee, which makes it share in the losses in the event of possible loan repayment default from any of the beneficiaries of the PFIs' disbursements. This

reduces the emphasis that lending banks place on collaterals as a prerequisite for lending.

In addition to provision of funds and guarantees, the DBN also builds the capacities of the PFIs to enhance their ability and willingness to lend to the MSME subsector. This capacity building comes in the form of technical assistance – know-how, intelligence and personnel to ensure the profitability and sustainability of the scheme. Also, the bank assists end-borrowers so they could increase their profitability and thus increase their ability to pay back the loans in due time. The bank has

been conducting capacity building workshops for the MSMEs and the lending banks across the six geopolitical zones of the country on how both stakeholders could achieve mutual growth through improved access to finance.

This year promises to be better for the MSMEs than the previous years, as the bank plans to provide increased intervention in the sector to reach many more operators, especially in the underserved regions of the country. MSMEs in need of financing are advised to avail themselves of this opportunity to boost their productivity.





# COMPANIES ARE BRILLIANTLY SOLVING THE WRONG PROBLEMS

WHY MAKING A BETTER PRODUCT CAN SOMETIMES SINK YOUR COMPANY

"I'm a problem solver," the innovation manager at my first job used to say. "You give me a problem, I'll give you a solution. That's why people keep hiring me."

JASPER KROESE & CULLED FROM MEDIUM.COM

e was right on all counts. People gave him problems, he solved those problems, and people kept hiring him. However, the more I got into the science of innovating, the more I realized this innovation manager wasn't actually innovating at all. Sure, he would do whatever people told him to — but he never knew why he was doing it. He took the problem as a given. And most of the time, that meant he did a great job solving the wrong problems.

My manager was far from the exception. Companies have generally become very good at solving the wrong problems. What I mean by this is that most companies fail to uncover what their actual problems are — or where their real opportunities lie, and they excel at solving the problems they do uncover, simply because it taps into their existing knowledge, experience, and skills.

#### Addressing the wrong problems

BlackBerry continued to improve its physical keyboards because it wanted to focus on business emails. Kodak didn't recognize its own invention of digital photography as disruptive. Blockbuster turned down a deal with Netflix because it didn't think customers wanted movies delivered.

Obviously, there's no single explanation for why companies fail to recognize their biggest problems or greatest opportunities. Most industries have, due to increasing international competition, come to realize that if a product isn't good enough or appealing enough to customers, those customers will most likely buy a different version somewhere else. In response, companies are eager to seek out new ways to learn what their customers want. But unfortunately, these same companies are often

not very good at figuring out what customers actually want.

#### Ford's faster horses

Critics of customer-driven innovation oftentimes aim to cleverly derail discussions on its value by using the classic Henry Ford-attributed quote: "If I had asked people what they wanted, they would have said faster horses." Although there is no evidence of Ford actually saying these words in the first place, I highly doubt he would stand by them today.

In fact, I believe the quote illustrates one of the root causes of why companies have become so good at solving the wrong problems. In Ford's faster horse example, common problem solvers like my old manager would now be testing different types of hay, water, and carrots to feed old Betsy. He'd do it well: It would be hypothesis-driven, with clean A/B testing and solid metrics, and nine times out of 10, he'd find a way to speed up those horses. Because like many other managers, he is indeed remarkably good at problemsolving. But did he really fix the right problem by slightly improving the existing product?

Customers will rarely hand you solutions.

Using customer feedback, input, and ideas is all about getting down to the essence of their comments: What are they trying to tell you? Sure, customers may tell you they want faster horses—but what does that mean? Why do they say they want faster horses?

Is it because they enjoy the wind in their hair? To get off that uncomfortable saddle? Is it to arrive at their destination sooner?

#### Brilliantly solving the wrong problems

So if a lot of companies aren't finding the right problems, why are they so good at solving the wrong ones? Generally speaking, it's because the wrong problems tap into our existing experience, knowledge, and skills. If you ignore or misinterpret customer feedback, your other option is to fill in the gaps yourself. You use your vast knowledge and experience of your own product, and set off on the dangerous task of assuming you know what your customers want.

When you have been surrounded by a framed context for years, both defining and solving the problem is understandably clouded by your biases. But however tempting it may be to use your knowledge and experience, it is also your greatest limitation. The difficulty in most industries is that you're not the only one that's caught in your biased views: so are your company leaders, your colleagues, and your "outside" consultants that have been working with you for years on end. They will applaud your ideas, methods, and results, because they have become accustomed to those exact same standards and understand exactly what you

are telling them. It feels safe, sensible, and secure. And it feels like innovation.

#### We're so good at improving, we forget to innovate

We have become so adept at solving the wrong problems because it's in our nature. We aim to continuously improve, but easily forget we are confined by our own (organization's) paradigms. With our heads in the engines, we are constantly looking for tiny opportunities of growth. Right up until the point when a competitor comes flying by with an actual innovation or pivotal redesign, and our customers move on without giving it a second thought.

What happens when you ask a horse trainer to speed up his horses? Most likely scenario: he'll agree and deliver. It's what he knows and loves. But innovation is a bout zooming out, recognizing radical opportunities, and facilitating necessary pivotal shifts. It's about digging deeper, flying higher, and daring to leap out of your (organization's) comfortzone. Breeding a faster horse to pull

Breeding a faster horse to pull your carts is an improvement. Letting an engine pull the cart is an innovation.

#### How to avoid the problemsolution loop

Every wrong problem that is brilliantly solved feels like a success story. That's why it's so difficult for companies to realize they need to step up their game capabilities or product.

No matter what industry you are tell you, and work from there. in, or what the size your company is, innovation is vital to 3. Learn to reframe your ensure you continue to create problems value. Here are four actions that in my experience can help you Problems aren't always what take those first steps:

## impact you want to make

product, it will allow you to reinvent yourself. Disney's goal to create happiness allowed them to add amusement parks, streaming services, and musicals to its legendary animated movies. Don't aim to sell horses — aim to transport people around the world. Let your ambition (your why) drive you, and find out what that means for your current and future products.

#### 2. Find out what your customers actually want, not what they say they want

Customer input can be a key

to stay relevant. It takes visionary contributor to uncovering your costing them millions. After a leadership to see through the problems or opportunities. illusion of success and recognize Listen to your customers, necessary step-change challenge them, observe them. innovations. Even when it But remember, customers will threatens your current rarely hand you solutions. Use your creativity and intellect to

they seem, and solutions aren't always what customers need. 1. Define a solid mission When 'Disneys amusement parks statement related to the received a lot of criticism for the hour-long queues for every ride, the park managers were Don't let your product confine stumped. The only way to you. Find the why that drives shorten the wait would be to you. Once you detach your create more rides, or allow fewer reason for being from your visitors into their parks: both

group of designers was hired to evaluate the situation, they brilliantly reframed the problem: instead of investing millions, Disney World simply added theme, music, videos, and introduction stories to uncover what they are trying to the waiting areas. Instead of decreasing the waiting time, they increased its value. Reframing problems is essential to transform difficult demands into workable innovations.

#### 4. Benefit from an outsider's perspective

Recognize how difficult it is to step back and break free from your otherwise valuable knowledge and experience. Allow new team members, outside consultants, and even interns to come in and ask you that simple question: "Why?" Allow them to challenge the status quo, to reinterpret customer feedback, and to co-create new ideas with your experts and your customers. Get that fresh pair of eyes to kick-start your innovation engine, because when it comes to finding and fixing the right problems an overkill of (product) experience can be counterproductive.

It's time to shake things up and truly innovate. It's time to start solving the right problems, to start solving them right, and to start solving them quickly.



# (International Women's Day) and Its Time To Get Empowered... Again (sigh)



#### **LOLADE AWOGBADE**

t's encouraging to see that the annual celebration of International Women's Day (IWD) is beginning to gain popularity in Nigeria, especially in corporate circles. Valentine's Day and other global celebrations are not more significant anymore.

Celebrated on March 8, IWD is focused on the achievements of the female gender as well as pushing the needle forward on gender parity and women's rights. It was first celebrated in 1909 in America by women protesting long work hours, poor pay, and suffrage or the lack of it for women. Over the years, global progress has been made with respect to women's suffrage, wages, opportunities and more. Whilst acknowledging that there is still some way to go (what's that exciting statistic from the World Economic Forum? Ah yes, only another 202 years left to close that gender gap!), it has become important to explore what IWD and the celebration of it means to us Nigerian women vis-a-vis our local realities.

A caveat: This piece is in no way scientific. If anything, it's more of an opinion piece. So, reader, please forgive me: you will come across a few sweeping statements here and there. It will happen; you have been forewarned!

Now, as a professional with over 12 years of experience in one of the most male-dominated industries in Nigeria and, I dare say, the world (finance), I have had an insight that has been priceless. Corporate Nigeria loves to celebrate IWD but the scale of the celebration varies from one place to another. Panel-focused events are "de-rigueur" with a roving circuit of immensely sought-after speakers. In fact, if you don't start early and secure your big-name panelist, your event stands the risk of total failure! Groups of women gather for breakfast, lunch and or dinner sessions discussing, networking and generally just having a good time. It's great.

However, it's my opinion that the kind of progress we require as women cannot be down to a oneday event. Similar to partners that declare February 14 meaningless because "every day is Valentine's Day", women must begin to adopt a similar attitude towards March 8. Yes, IWD acts a great connector event, but it can't just be about one day.

**Toxic masculinity:** In quite a few circles in corporate Nigeria, there is a disconnect. This has nothing to do with men or the patriarchal politics of society holding women back. We see that, many times, women have become their own bullies, holding themselves back. According to the Workplace Bullying Institute (yes, this exists... jog on reader), "women who report to women experience a greater frequency of bullying, abuse and job sabotage". There is a name for this: toxic masculinity. Some months ago, there were a few social media memes circulating on this issue. One of them read, "You CANNOT be a bully in the workplace and a saint at women's empowerment events".

Bullying is something that occurs quite regularly; strangely it's not called out that often. A culture problem or just fear of repercussions? I can't tell you. What is clear is that we are all side-stepping the huge elephant in our front rooms at these events, focusing on things like wage gaps and glass ceilings which, in my opinion, are not the most burning issues in corporate Nigeria today.

legislation passed that makes it mandatory for companies to have, as a standard, womenfriendly business practices, i.e., strategies to successfully keep more mums in the workplace?" As pointed out by the social media memes, the onus is on female leadership to fly the empowerment flag each day and not just on special occasions. Increased coaching is a great way to checkmate such toxic behaviour with 360-degree feedback processes put in place and monitored. Also, bucket loads of emotional intelligence and empathy wouldn't hurt.

Access: Another area that needs a bit more deliberate focus is creating access for the younger generation. There is an increasing call for strong and meaningful mentoring relationships that would allow for closer contact learning and advisory opportunities. We need more women to pull each other up and let others into the room. We have always struggled for a seat at the table. Now that there are more women at the table, it's time to make room for a few more of us (if they have the qualifications to occupy such positions, of course).

**Lean-in together:** These days, we have a plethora of women-focused associations and groups. However, most of these groups seem to exclude more women than they attract in. It's important to





understand why this is the case. How can these groups create more value for Nigerian women? Policy and advocacy work springs to mind. To borrow the phrase made popular by Facebook COO Sheryl Sandberg, maybe by leaning-in together, we can achieve a lot more than working in silos. What are some causes that advocacy can bring to women in business as well those in the corporate world? How can we establish more gender empowerment centres that focus on key issues such as female genital mutilation, domestic violence, slavery, prostitution and drug abuse? More importantly, how can we advocate legislation to support such causes? Can we create structures to increase females' access to finance, enabling a network of stronger female leaders able to take ownership of their own destinies?

There are myriad other local challenges that need collective female cooperation. The onus is on us all to speak the truth in the journey towards gender parity and what it translates into for the Nigerian woman both at her workplace and within her home. It's time to get to work, honestly, and with a bit more kindness extended to each other.

I round this piece off by announcing preparations for my 2020 IWD showstopper event. It's my hope that I would be able to bring an honest contribution to the narrative this year, and have at least a handful of women who attend, walk away saying to themselves, "Aha! Now that was an empowering breakfast session."

Happy International Women's Day, ladies. Can't wait to get empowered with you again next year!



You cannot be a bully in the work place and saint at women's empowerment events







have had cognitive abilities for well over three decades, developing my motor skills very early in life. I was a smart kid in school: multilingual, studied pure and applied mathematics at university and generally very perceptive.

In addition to cognition, I also have obsessions, one of which is for black pens. From platinum-cased Parker pens to random ballpoint biros, anything with black ink is mine for keeps.

Here then lies the paradox: despite my cognitive skills, I have come to realise that I am simply unable to hold on to a black pen for two consecutive days. Yes, for most of my life, I have been unable to keep a black pen longer than 48 hours, no matter how cheap or expensive it is. To mask this issue, I normally have at least 10 black pens with me at a time. But this new year, the situation is different. Like most rational adults, at the beginning of the year, I made some grandiose New Year resolutions. In addition, I also imposed on myself a simple challenge – to hold on to one black ballpoint pen for as long as I can.

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...whatever it is you've set as a target that must be achieved before December 31st 2020, find the small and probably insignificant task associated with it and commit to it daily.

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Mundane, right?

Probably not.

- Why choose a simple ball pen not worth more than a few naira?
- Why choose a black pen?
- What are the lessons?

You see, this world is filled with people who, like me, have set grandiose targets/resolutions for this new year and, by extension, this decade. These resolutions include owning a new house and a new car, going to the moon, and being the best at this or that. Others include very good and healthy aspirations like quitting smoking and reducing sugar intake; and of course environmental sustainability inspirations like reducing carbon emissions. But one sad fact, as history has shown, is that come December 31, 2020, a lot of these grandiose aspirations might still be what they were in January 2020 – mere figments of the imagination. So, here's why my black pen is important to me and, I presume, you too. As I mentioned earlier, because I have had a consistent problem of not being able to keep a black pen or any pen for that matter for longer than two days, this year I have made a conscious effort to break the cycle.

Yet, keeping this pen has not been easy.

I have had to get a special writing pad with a penholder. This writing pad is made up of fine paper, which makes writing on it with my black pen a delight; call it an incentive.

So, when I wake up in the morning, after my morning routine, and after I return from work, I ensure that my black pen is tucked away in its holder

in the writing pad, which I put in my back pack and then place in a secure and conspicuous corner close to my TV stand. This creates the necessary rhythm for me to ensure, twice a day, that my black pen is always where it should be.

I have now kept this pen for three weeks – a very short a time, you might say, but for my previous 48-hour track record. That's not such a bad performance!

Holding on to this pen for these last three weeks has helped me develop and hone other habits that have been latent for as long as I have been unable to keep a pen – three long decades. In keeping this pen, I have also kept one writing pad and a pack back in the same position. I have also maintained a daily schedule with my morning and night routine of pen-keeping better than I could before.

So, you see, in trying to keep a SIMPLE, CHEAP AND COMMON black pen, I have developed and improved other more important aspects of my life. Yeah, it's only been three weeks, but, like keeping the black pen itself, this is an improvement.

The lesson here is for us to work on simple things to effectively challenge bigger problems.

So, this year, whatever it is you have set as a target that must be achieved before December 31, 2020, find the small and probably insignificant task associated with it and commit to it daily. We may or may not meet our targets, but we will definitely come out better in character and virtue, all because we worked on the simple things with the bigger picture in mind. For me, this year is about keeping ONE BLACK PEN – a metaphor for working on the small things that make the big difference.

...whatever it is you've set as a target that must be achieved before December 31st 2020, find the small and probably insignificant task associated with it and commit to it daily.



# How MSMEs can overcome challenges of the COVID-19 pandemic

ABUBAKAR SADIQ WADA

he world has changed from what we used to know. Relationships have taken a new turn. Businesses, irrespective of size, are on the brink of collapse, no thanks to the corona virus (COVID-19) pandemic that is ravaging the world. COVID-19 has recorded such inglorious statistical feats: as of this writing, it has affected over 8.1 million people and killed over 439,000 globally.

Like their counterparts around the world, the federal government, in trying to curtail community spread of the disease, has enacted laws restricting movements and shutting down most economic activities. Until recently, markets were closed down, malls were shut, offices and factories closed, airports closed, rail transportation suspended, roads closed and so on. These consequential developments have hit the business sector very badly, the micro, small and medium-scale enterprises (MSMEs) more especially. This has very wide implications on the nation's economy, considering the roles this sector plays.

According to the International Council for Small Business (ICSB), MSMEs make up over 90 percent of all firms and account for an average of 60 to 70 percent of total employment and 50 percent of GDP of any economy. According to the National Bureau of Statistics (NBS), the sector has over 37 million MSMEs and employs over 54 million skilled and unskilled labour, while contributing about 54 percent to the GDP of the country.

Can the MSMEs sector afford to go down as a result of this pandemic? Will the operators in the sector surrender their "baby projects" and risk the consequences? One of the calls of an entrepreneur is to challenge the odds that come between him and his business, and ensure the enterprise survives those odds. So, this is the time for entrepreneurs to prove their mettle. They must brace themselves to challenge both the short- and long-term odds that come with the pandemic, especially the government's lockdown directives.

One of the biggest challenges that COVID-19 and the government's responses pose to the MSMEs

operators is a precarious future for their businesses: how to pay their staff, manage bank loans, pay rent, settle suppliers and other financial obligations etc. This is a huge burden that could cause sleepless nights for entrepreneurs, but the best way out is to have a positive outlook for the future. Portraying a positive attitude at all times in front of their staff would boost their morale and make them feel energized to contribute their quota to the smooth running of the company.

Enoth Mbeine, a business development services specialist, gave some hints on how MSMEs could

critically assess your operations with a view to bringing your costs to the barest minimum. One of the areas to consider in your bid to cut down running costs is in human resources. A personnel audit could show some redundancy that could be shed. Should you be left with no choice but to lay off, you may have to do it in earnest so you do not have to carry the salary burden for an unnecessarily long time.

Most businesses are now operating remotely as much as possible. They have put an arrangement in place that allows their workers to be "work from



overcome COVID-19 challenges. According to him, "if the small business is renting or servicing a loan, this would be the ideal time to renegotiate the terms of the tenancy contract and also terms for the debt. You could, for example, ask your landlord for more time to pay their rent. For the bank loans, you could engage the banks in some discussions to temporarily defer interest payments on the outstanding debt."

For every MSMEs operator, this is the time to

home", MSMEs are advised to borrow a leaf from these businesses and, depending on the type of business, establish a remote work option that encourages the use of email, teleconferencing video calls, and other social media platforms that allow their employees and clients to stay in touch without having to meet physically. This will help in reducing the running costs of the business.

Another way of reducing cost is transiting your sale/marketing strategy to an online one. You may

offer one services and products for sale using online channels. One service that is recording a huge boom during the COVID-19 lockdown is logistics. Many online platforms are able to deliver customers' orders to them through the services of logistics services providers. These MSMEs are delivering multiple orders at a fraction of the cost they would have borne to deliver these orders themselves.

MSMEs operators could also adopt shared channels instead of housing all their departments in their offices, to reduce their running costs. For example, MSMEs could subscribe to bite-size management services offered by any of the management consultancies instead of recruiting officers and bearing the huge salary costs for accounts, HR, and legal departments.

Entrepreneurs who want to beat the challenges of COVID-19 should do a little more to satisfy their

existing customers. It is advisable to call them up and update them on any new products or services. This will ensure that they retain these existing customers and not lose them to the fierce competition that is bound to ensue after the lockdown.

To ameliorate the effects of the COVID-19 lockdown on their economies, several governments announced several provisions to keep the economies going. In Nigeria, the Central Bank of Nigeria (CBN) announced a six-point palliative program and a further N1 trillion stimulus package across critical sectors of the economy, MSMEs inclusive. MSMEs should avail themselves of the opportunities the CBN and other similar agencies have made available to rebuild and reposition their enterprises.





# — Winning — the Emotional **Battle of Procrastination**

**ESE ATAKPU** 



eonardo da Vinci was outraged. It was 1498, three years into the process of painting The Last Supper at the monastery of Santa Maria delle Grazie in Italy, and a prior at the monastery complained to Leonardo about the delay in completing the painting. Leonardo was so furious at the complaint that he wrote to the head of the monastery, explaining that he had been struggling to find the perfect villainous face for Judas, and that if he could not find an appropriate face he would use the features of the prior who had complained.

with a threat to cut off Leonardo's funds until the done."

painting was completed. This drove him to sit down and finalize the work. And now it is one of the Western world's most famous works -- and one of Leonardo da Vinci's most hurriedly completed works. It took him 13 years to finish The Virgin of the Rocks, 16 years to complete The Mona Lisa, and he never completed The Adoration of the Magi.

In his later years Leonardo DaVinci regretted "never having completed a single work". Ross King, a writer and historian, reports that Leonardo often pleaded with God, "Tell me if Finally, his patron, the Duke of Milan, intervened anything ever was done. Tell me if anything was

If you often find yourself putting off completing your work until you're faced with a situation of utmost urgency, or performing other non-urgent tasks when you have a deadline looming, then, like Leonardo da Vinci, you might have a procrastination problem.

Traditionally, it is believed that procrastination is caused by perfectionism and time management issues. Effective planning coupled with the discipline to "just do it", so the logic goes, is all that is needed to stop procrastination and ultimately improve productivity.

But psychologists are beginning to realize that this might be the wrong approach. A study at the Carleton University, Ottawa, revealed that procrastination is an issue of emotional management, not time. According to Prof. Tim Pychyl of Carleton University, people procrastinate "because the task they are postponing makes them feel bad, might be boring, or difficult to perform, and so, to make themselves feel better in the moment, they start doing something else" like watching videos or visiting Buzzfeed. This is called the Emotional Regulation theory.

However, there is another emotional aspect to procrastination: guilt. Although procrastination effectively regulates emotions in the short term, it leads to guilt and frustration in the long term. It is therefore not surprising that research has linked chronic procrastination to anxiety, depression, and other conditions like cardiovascular disease and diabetes, which may arise as a result of high stress and poor health behaviours.

What this means is that overcoming procrastination can change every aspect of your life, and the Emotional Regulation theory is there to help you.

So, how can you use the principles of emotional regulation to combat your procrastination and increase productivity today?

- 1. Take your mind off your discomfort: Next time you find yourself reaching for distractions to save you from that looming deadline, focus on something as simple as the next action that you would take on that task if you were to get started on it. By doing this, you have taken your mind off your discomfort and onto easily achievable action.
- **2. Change your language:** You need to change the language you use to describe your work. Substitute "I must" for "I choose to". By choosing to do the task, you are reframing your unappealing work as something positive. This can help you win the battle between going on Netflix and completing that pending task.
- **3. Give yourself 15 minutes of focus:** Don't get intimidated by scary tasks like "Complete presentation" or "Review book". Instead, take those seemingly insurmountable tasks and break them into smaller steps. Then choose to commit yourself to such steps for only 15 minutes at a time. Research shows that once you get started, you're typically able to keep going. Getting started is everything.
- **4. Start "satisficing":** When you satisfice, you aim for satisfactorily sufficient results instead of perfection. Unrealistic expectations and perfectionism will only feed your procrastination by intimidating and delaying you. Don't wait until your creation is flawless to send it out. Remember, done is better than perfect. If only Leonardo da Vinci knew that!

The next time you find yourself mindlessly checking your Twitter feed for the 20th time in 10 minutes or prioritizing less important projects at the expense of a glaring task ahead, don't think "I have to complete that report" or "I must do this now"; focus on the next step you would take if you were to do the task, choose to spend 15 minutes on that step, and then go do something you enjoy.





#### HE 'NOT SO' NEW KID ON THE BLOCK

t a time technology is disrupting the global financial landscape, Nigeria, although a cash-based economy, has not been left out of the change. Operating in the country are Interswitch, Flutterwave, Kudi, Nairabox, Paystack, Cassava, Paga, Piggybank, and Kuda. The financial services and products have improved significantly in recent years as a result of technological innovation and ever-evolving consumer behaviour and demands.

FinTech, an abbreviation of "financial technology", generally refers to the various technologies and innovations used to provide financial services to consumers outside of traditional banking services.

After decades of conservatism in deposit, payment, loans and

protected monopolies of Nigerian banks and their relationship with customers -which is acutely skewed in the banks' favour -- are now being challenged by the ease of using the new technologies. In turn, this has resulted in a spread of new FinTech companies. A significant portion of banks' income streams is reducing as technology wrests banking services from financial institutions and creatively destroys traditional banking.

The potential of FinTech is huge. It is shaking up a stodgy banking system and improving it to build a more efficient system, especially for consumers and small businesses. Banks no longer have the luxury of time. Conventional banks should

other financial services, the realize that the threats are not mere tech dystopia. The challenges may not crystallize soon, but, for the traditional banks, the time for great strategy is now. The stories of mighty brands like Kodak, Nokia and Blackberry that failed to anticipate the future and were therefore relegated (and they collapsed like packs of cards) should serve as a wakeup call for banks.

> Traditional bankers are fighting back though: they are incorporating digital banking solutions and upgrading services by looking at transactions customers are carrying out with FinTech companies. Digital banking is certainly not a novelty anymore. Electronic payments have caught on very rapidly: not only

do customers have diverse innovators who envisioned, options presented by banks, FinTech service providers also now provide myriad electronic payment solutions. Traders providing their customers with the option of paying by debit card are becoming a common sight in markets, streets and everywhere else. The idea is to efficiently harness the many prospects that high-tech innovation can bring, with benefits covering the financial range from payments to credits to foreign exchange and so on. Perhaps, the time to challenge the conventional banks and ask how they plan to keep up with new players is now.

founded and executed solo moves that have now developed into what we have now.

Kenya's famous M-Pesa, a branchless banking service, was launched through a strategic partnership between the big mobile operators in the country. South Africa has a large and advanced financial and banking sector which helped in the sprouting of the FinTech hub there. Both countries also had a head-start in the adoption and penetration of the mobile phone, the device that has been the driving tool for FinTech growth in Africa. There are lessons to be learnt from both

FinTech service platform is expected to cause in the current financial system, but if the massive success stories of Safaricom's M-Pesa in Kenya and MTN's Mobile Money in Ghana (which is currently the highest growth rate of mobile money in Africa) are anything to go by, the Nigerian payments market is in for a vibration. The effect will be felt not only in payments but also in several other sectors. It is possible to reproduce the feat of Nigeria's FinTech sector across health, agriculture, education and other sectors if we identify the lessons learnt from the growth so far here and elsewhere and adopt them appropriately.



FinTech hubs in Africa. This is no mean feat, considering how FinTech has evolved in the country. Nigeria's FinTech space evolved in a unique way – it was different from the way it evolved in South Africa and Kenya, the other two large FinTech hubs in Africa. Despite the numerous stifling challenges, it has grown into a robust and flourishing landscape, thanks to remarkable Nigerian entrepreneurs and

Nigeria is one of the top three stories -- lessons of strategic partnership and developing structure in our financial sector. I envisage that we will see a more deepened FinTech landscape when the first Nigerian telecommunications company launches its mobile money operations (thanks to the CBN's Guidelines for Licensing and Regulation of Payment Service Bank, 2018). There is no clear idea of the degree of disruption that the launch of a telecom-led

The FinTech space is not fully formed, at least not to its potential. This is largely due to the economy's lack of features for a successful FinTech landscape: robust regulatory framework and intellectual property rights, infrastructure, access to low-cost long-term finance, government incentives and ease of forming strategic partnerships. Initiatives like the financial development organization, Enhancing Financial Innovation and Access (EFinA), the new regulatory sandbox created by the CBN, the Ecobank Pan-African sandbox, and the SEC's recently inaugurated Fintech Roadmap Implementation Committee are more pointers of hope for the future of the FinTech space in Nigeria.

There are a few promising discussions around the FinTech potentiality, especially for us as a development finance institution with a mandate to create access to finance for small businesses. It

is the conversation on how we can leverage the many benefits that FinTech brings to the whole economy: efficiency and low maintenance cost, diversification and reduced barriers to entry through the distributed ledger technology of blockchain and automation of loans, access, convenience and inclusion for the entire populace and especially our target segment -- the MSMEs - to achieve our goals. These exciting opportunities are not without risks, some of which are IT operational risk and cyber risk,

financial risks of money laundering and anonymity, lack of proper corporate governance structure and the impending regulatory risk. Just as in any business sector and especially the financial sector, risks are real and present. However, what is important is to recognize the risks and see how to mitigate them. We cannot afford to be asleep at the wheels of the nation's growth and development.

66

Nigeria's FinTech space evolved quite uniquely compared to that of South Africa and Kenya – the other two large Fintech hubs in Africa.



# Word Puzzle

CQDNXWVKCETBANKMC LNQKBZPGG P M VFΒ Т С SQJAQSXK Н J G J Ε L X X TΕ S В R Е Ε Κ Κ QΖ RHG S R KKMOLQK Ε В T D 0 Ι Ι QCHNMJ Ρ R Ρ Ι С Z K E Α С C J KΙ Z S Z Н S S Ρ Ζ Ι G S D ZK ΧN Х Т Ζ С В HXZR Ζ Ι E В Т QR NRΚ Ι J D Ρ J U Ι Ε Ε Н OQXJ С У S С R 0 С R Ε Ι R D Н T Т Ε Ε R Ι Х Ζ AHXQMDS Ι У Н s w TRANSFERSF TRONI С

ATM Bank

Mortgage Credit cards Deposit

Money

Electronic Transfer Checks Transaction

Savings account

Debt Cash Budget

Overdraft

Credit rating

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#### KADUNA INTERNATIONAL TRADE FAIR









#### **INTERNATIONAL WOMEN'S DAY 2020**



# LIPS FOR COVID-19



Financing Sustainable Growth



**20 SECONDS WITH WATER** HANDS **AT LEAST** YOUR

**AND SOAP** 



OVER **TOOL ENSURE** 

YOUR





**VISITED A** COUNTRY **HIGH RATE**, IF YOU MITH

**ADVISED TO** SOLATE

# **FACTS**



Older adults and people of any age with underlying health conditions, such as diabetes, lung disease, or heart diseas, are at greater risk of severe illness from Someone who has completed quarantine or has been released from isolation does not pose a risk of infection to others.



Mosquitoes don't increase

Coronavirus cannot be washed away from the throat by water.

The virus may gain entry via throat but it penetrates into the host cells. You can't wash it

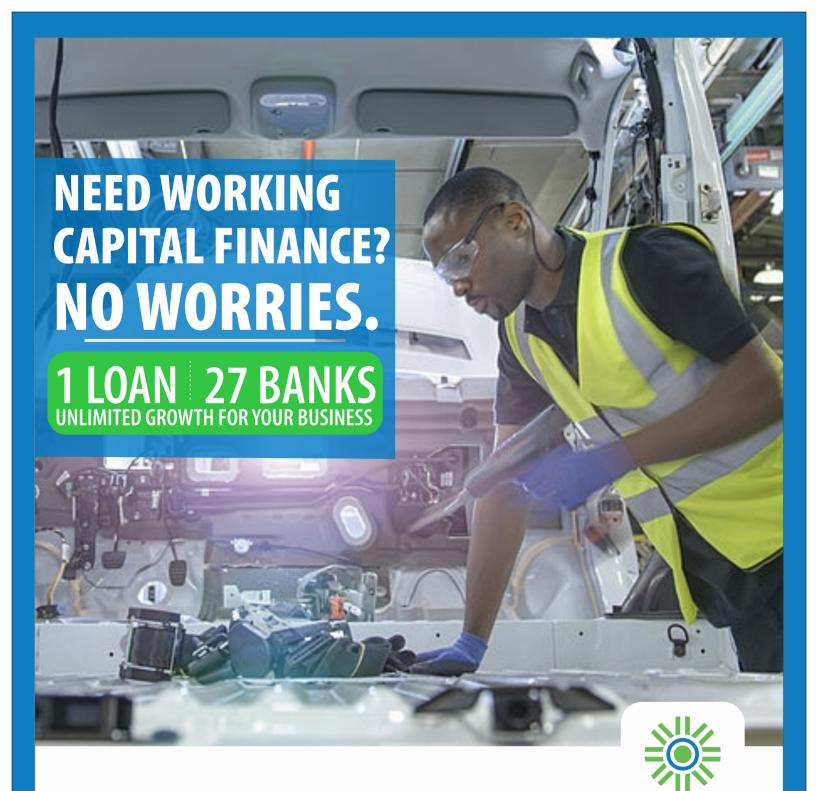


than hand sanitizers because it Soap and water are more effective actually kills and washes away the virus from the skin Use hand sanitizers if you don't have immediate access to soap and water.

> **HOTLINES TO CALL IN CASE OF** A SUSPECTED CORONAVIRUS INFECTION

08000CORONA

0805 975 8886



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