APPRENTICESHIP, VENTURE CAPITAL AND MENTORSHIP AS A MODEL OF FINANCING SMALL AND MEDIUM ENTERPRISES (SMES)

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ABSTRACT

The paper examines apprenticeship, venture capital and mentorship as a model for financing SMEs in Nigeria. Small and Medium Enterprises constitutes greater percentage of businesses, employment and income in any country. To obtain Nigerians SMEs owners view on the use of Apprenticeship, Venture capital and Mentorship to finance their business, the study used Primary data source of data collection to collect data from SME business owners operating in Awka, Anambra state of Nigeria. Questionnaires were distributed to 183 respondents. The data obtained from them were analyzed using simple percentage method. The study found that apprenticeship influences the growth of SME through the settlement funds, business advice and assistance in credit purchase given to apprentice, that Venture capital investment dilutes ownership and control of SME and assists SMEs to access loan at a low interest rate and that Mentorship improves SMEs through coaching, supervision and training that helps them gain skill, mastery and expertise needed to run the SME. The study justifies the impact of apprenticeship and mentorship in the development of SMEs. The study therefore recommends that Government should empower and encourage professionals and Business owners or skilled workers to train the unskilled up-coming ones by giving them the kind of training that will help them become experts, gain mastery and be able to replicate their kind of business or skill, Government should introduce entrepreneurship training in all levels of education in the country and establish skill acquisition centers in every town in the country. Finally, that Government should support SMEs in raising capital by giving them low or interest free loans and business advice that will aid their survival.

Keyword: Apprenticeship, Mentorship, Venture capital, SMEs, Financing, Business,Apprentice.

1. INTRODUCTION

Lack of trust, honesty, integrity and ability to keep to the terms of repayment agreement makes accessing bank loans very difficult for some small and medium enterprises (SMEs). All these increases the financing problems encountered by the SMEs. A good number of studies have single out lack of finance as a major factor that inhibits the growth of SMEs both in developed

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and developing nations. In dev eloping nations, government inability to create enabling environment for SMEs to thrive by formulating policies that will encourage both bank and non-bank financial institutions to give credits to SMEs also make it difficult for SMEs to generate funds for expansion and growth. The interest rate charged by most financial institutions on loans inhibit the growth of SMEs as a good number of them go into distress in a bid to service the loans. SMEs major constraints are lack of credit which inhibits the growth of the sector.

At the early stage, most SMEs are faced with all kinds of financial challenge includes; high portfolio support, low investment source, lack of access to follow-on capital, difficulty selling their shares in the capital market to raise more funds and a lot of foreign exchange and interest rate

SMEs plays major role in economic growth, job creation and development of economies. To this end, governments all over the world are turning their attention to SMEs for their economic development and raising the living standard of the people. This is because the big industries have failed to affect the lives of the people positively. The SMEs not only provide goods and services, they also promote competition, innovation and enhance the enterprise culture which is needed for private sector development and industrialization.

The importance of SMEs cannot be over emphasized; they increase the sustainability and economic development of nations. They are seen as engine for economic growth and development. The increased number of SMEs, increases employment, products and services and increases the living standard of the people.

The disastrous effect of corona virus pandemic has made SMEs sick and most of them are in coma waiting to be revived in the intensive care unit of hospitals (Okoye 2020. Most post covid-19 policies are mostly channeledon the reviving the SMEs. This is because government sees SMEs as an engine that will reconstruct the economy chartered by the business lockdown during the pandemic period.

In Southeastern Nigeria where Apprenticeship is majorly practiced, during the freeing process, the master usually provides the seed money for the apprentice to practice the learned trade or he will provide the tools for him to practice the learned skill according to the terms of the agreement. Igbos of southeastern Nigeria is the pacesetters in commercial and entrepreneurial activities.

In the same vein, Mentors provide couching support as well as financial support to the mentee; he manages, supervises and provides trusted support for the mentees transition into acquiring skills and experience. They support the apprentice career development by using suitable skill foe each apprentice. Apprenticeship helps to inculcate values and advance entrepreneurs as co-creators of wealth and employers of labour.

Likewise, the venture capitalist can also provide financial support to SMEs either by investing his own fund or by brokers and investors that can invest in the SME. Their main interest is the growths of the SME they have interest in so as to enable them recover the invested capital. He provides the fund,expertise and advice to the SMEs thereby helping them to develop and grow into big business.

Previous studies show that there is a total lack of quantitative evidence on the difference that mentoring makes. Studies also show that financial and administrative barriers slow the development of SMEs. However, we observed that very few studies focus on Apprenticeship, Mentoring and Venture Capital as a model for financing SMEs. This study is an effort to fill the gap. The aim of this study is to examine how apprenticeship, mentorship and venture capital can be used as a model to finance SMEs.

Objectives of the Study

The broad objective of this study is to justify the impact and outreach of apprenticeship, Mentorship and venture capital as a model for financing small and medium enterprises.

The specific objectives are as follows:

1. To examine how apprenticeship financing can grow SMEs,
2. To determine the effect of venture capital financing on SMEs.
3. To study how mentorship can improve SMEs operations in Nigeria.

Research Questions

1. Can apprenticeship financing help SMEs to grow?
2. Will venture capital financing increase the growth of SMEs?
3. Do mentorship activities improve the operation of SMEs in Nigeria?

2. REVIEW OF RELATED LITERATURE

Apprenticeship is the process of being under somebody usually called the Master to learn a trade or skill. The Master being the one with knowledge and skill, teaches the apprentice usually the younger person who lacks the knowledge or skill and need to be trained. The master trains and mentors the apprentice until he masters everything about the trade or skill. After the period of training, the Master during the 'Freeing' process provides the seed capital for the apprentice to start the learned trade. In the case of teaching the apprentice a specific skill, the Master provides basic tools and equipment for the apprentice to practice the learned skill.

In the Igbo part of Southeastern Nigerian, apprenticeship has proved to be a major sustenance of SME development and poverty reduction among Igbo ethnic group in Nigeria, (Anigbogu, Onwuteaka and Okoli, 2019). According to Okolo, 2018, Igbo apprenticeship is a major factor that help majority of southeastern families out of poverty within 30 months of Biafra civil war. After the civil war and the policy of the Nigerian government to give 20 pounds to every Biafra (Igbo person) irrespective of the amount to their credit in banks, the Igbo nation adopts apprenticeship as a means to acquire funds for setting up business.

In Igbo land, the apprentice joins an established successful business man. He leaves his family and move into the master's house to live with them as he learns the trade or skill. The apprentice is usually a relation of the master. He helps the master and the spouse in family domestic chores and in return they feed and take care of him as their own children. On completion of the apprenticeship, he is appraised on both his performance in the master's business and his ability to respect the master's spouse and family. During the freeing process, the apprentice is compensated with take-off fund which he uses to rent shop, buy goods or equipment as the case may be and in some cases he is accommodated by the master till he is able to rent his own house. After settlement, the apprentice continues collaborating with the master who most times helps him to buy goods at cheaper rate.

Apprenticeship succeed in Igbo land because the apprentice tries very hard not to waste his master's wealth of money to ensure that he is settled at the end of apprenticeship and also there is this believe in Igbo land of one reaping what he sows. This made the apprentice to use the master's funds judiciously, so that if he became a Master in the future his apprentice will not waste his funds. If an apprentice is found to be wasting, stealing, diverting his master's fund, living flamboyantly with his master's funds during the period of apprenticeship, the apprenticeship agreement or contract is terminated (Okolo, 2018). Again, Master's do not want to be seen as 'a wicked man' this is because most times apprentice belongs to the masters extended family and if he fails to settle the apprentice, the apprentice will return home doing nothing after serving him for year, his relatives will be referring to him as a wicked man and to avoid this, the master does all within his power to ensure that the apprentice is settled and adequately compensated.

The Igbo apprenticeship program which has enriched many sons and daughters of Igboland, made the other regions in Nigeria to hate and envy Igbos. No wonder the Harvard professor Amy Chua consistently argue that the Igbos are a superior people and are phenomenally successful. He encouraged that they be emulated so as to lift our place.

Just as the Asian Tiger (Malasia, Indonesia and Singapore) is a global economic region, so will soon to emerge South Eastern Nigeria economic hub – South Eastern Nigeria tiger. This is because the region and its people are blessed by God. The region is inhabited by globally acclaimed best apprenticeships principles, mentors guidance and leadership. The proximity of the region to Atlantic shores is a sure business and trade facilitator. Raw material, abundance of oil and gas, plenty sunshine, Kaolin, sulphate and sulphides, uranium limestone, coal and so on. Enterprise, unity and competitive spirit culturally an asset among the inhabitants of the region, are the likely facilitator of trade and commerce. A youthful educated migratory elite population of the citizen is bound to facilitate business. This is why their adaption of the principle of "Akuruouno" meaning our wealth must be domiciled in Igboland. This will help us reduce diasporic mission and initiative

Mentoring is the art of managing, supervising and coaching. It is supporting one's career development and providing trusted support, supervising and coaching. The purpose of mentoring is to sharpen the learning activity, (Hirst, Short and Rinne, 2014). Mentors ensure that the learning activity is in line with the learning the mentee is undergoing. It involves using suitable skill for each mentee that is the reason mentees are moved from department to another to ascertain where he fits best (Nahata, 2008). It required the teaching of knowledgeable person with learning to enable a transfer of information, skill and expertise. It allows greater flexibility in the timing and location of learning (Kent, Denis and Tanton, 2003). During "freeing" the mentee, the mentor helps the mentee to develop authority, responsibility and confidence. He helps him develop positive self-image and be able to understand his personality. Good communication between the Mentor and the Mentee leads to successful mentorship and the mentorship agreement should be clearly written, signed and understood by both parties. Mentors possess the qualities of credibility, integrity, wisdom as well as ability to share their knowledge (Brien and Hamburg, 2013). They should play the roles of leader, models, coaches, teachers, advisers and counselors. Also they observed that good mentoring results in successful outcomes, find solutions and achieve on-going success and that mentoring quality has a major impact on outcomes.Kent, Denis and Tanton, (2003) outlined mentoring process to include; challenge, choice, consequence creative solution and conclusion. He encouraged mentors to address them while mentoring.

Venture Capital (VC) is a financing option in which a wealthy investor invests in a newly

established company at the development stage in exchange for equity in the company which will not be up to the majority stake in the company. He performs the over sight function and offer managerial advice to the entrepreneurship on how to build up his portfolio. The venture capitalist is a long and medium term investor. They inject funds into the new business which increases their capital thereby giving them access to loan and credits which new SMEs are desperately in need of. They investment into the new business, dilutes ownership and control but this dilution is covered from the benefits accruing in venture capital financing. They help SMEs increase access to short term loan at lower cost and without collateral Long and Lei, (2020). They also noted that VC backup helps reduce information asymmetry between the banks and SMEs. Venture capital the money provided by the outside investor to finance a new business, growing or troubled business in return for an equity stake in the business.
According to Biney(2018), venture capital is a subset of private equity and refers to investing in early stage companies in their portfolio build up. Some venture capitalist focus on slightly later staged companies and expansion financing or even growth and acquisition financing. It is the riskiest form of private equity investment. It involves assessing the business owner and his business fundamentals instead of focusing on investment track record that does not exist. They invest in innovative high risk companies with high potentials.
How Venture Capitalist fund newly established SMEs

1. Venture capitalist provides finance as well as other administrative support that boosts the growth of new businesses with the objective of leaving the company in a few years.
2. They target financial return from the fund invested. This motivates them to invest.
3. The used phased investment strategy. By this they invest little at first and keep most of the funds to follow-on the investment.
4. They invest through investment instrument such as equity and other convertible debt instruments. In some developing nations, they use some forms of revenue sharing arrangements.
5. Venture Capitalists use portfolio support to finance SMEs. They help them articulate nosiness
6. In developing nations, they use the strategy of replicate and adapt. Here, they focus on SMEs with established business model and replicate them.

Small and Medium Enterprises (SME) is a business with small number of owners. They are more in number in every nation because they are easy to form, operate and are usually owned by an individual or members of same family. They constitute greater percentage (more than 60%) of businesses in any country. They drive innovation and competition in many economic sectors. The major problem of SMEs is the inability to source fund needed for their growth and development. SMEs play major roles in economic growth, job creation and development of many nations. In most developing countries, SMEs play pivotal role in sustaining economic growth and job creation.
SMEs being the catalyst for economic growth in nations both developed and developingstill face a lot of problems that hinder its growth which includes; the challenge of firm characteristics, managerial skill, external environmental factors, technology adaptation, management issues, marketing management strategies, customer satisfaction, government policies, societal factors and access to finance. All these myriad of problems affects its growth both negatively and positively. SMEs serve as the means of self-employment for the owner. Brien and Hamburg,

(2014) revealed that SMEs have distinct advantage over large companies. According to them, SMEs have less bureaucracy and hierarchical restrictions and can implement changes quickly and that they are often slow to change their way of doing business and collaborate.

This study is anchored on the theory of enterprise growth. It is a practical use of mentioned theory in management practice discipline. It also provides theoretical basis and practical reference for encouraging investors to invest in SMEs, thereby solving the financing constraints on SMEs and improving the growth of SMEs

Empirical Literature

Uma, Onwusogbolu and Obidike, (2015) in their study of the effect of Mentorship and Entrepreneurship in promoting economic development of Nigeria, They observed that mentorship is a Master/student relationship where the master having acquired knowledge, experience and skill, spends time to impact, motivate, encourage, direct and leads the student to come up and be mature to forge ahead. In the same vein,

However, Halina, Jan and Gberibi, (2018), studied sources of financing SMEs in Poland although SMEs promotes the economic growth and development, administrative and financial barriers inhibit their development. In the same vein, Abbasi, Wang and Abbasi, (2017), in analyzing the potential sources of financing SMEs and the role of Government in supporting SMEs. They conclude that the growing importance of SMEs and their contribution to growth and development of economies demands that government policies should support their activities.

Venture Capitalist can shrink excessive investment of the enterprise in free cash, large short term debt and equity financing and alleviate cash flow shortage to some extent, (Hahatan, 2008). Chemmanur and Louskina, 2008 established that excellent venture capital can bring first class broker and international investors who plays positive role in promoting developmentof SMEs venture capitalist being in the business to make profit prefer to invest in large scale SMEs with stable operation, low debt ratio, low ownership concentration and stable returns. They also proved that venture capitalist can improve the technological innovation, profitability and the development ability of SMEs. They found that venture capitalist has no significant impact in the solvency of SMEs.

Memba, Gakure and Karanja, (2012) examined venture capital: its impact on growth of SMEs in Kenya. They observed that despite the presence of venture capital since independence in Kenya yet industrialization is low unlike in developed nations. They found that lack of finance was the major contributor to SMEs failure in Kenya and that although venture capital has been in existence in Kenya for a long time, it is rarely used. They also found that venture capital has an impact on growth of SMEs they finance and that SMEs that use venture capital experienced improved growth.

Biney (2018) in the study of the Impact of venture capital financing in SMEs growth and development in Ghana. Using matching method by combining PSM-DiD estimation to compare venture backed SMW with non-venture backed SMEs. They found positive significant association between venture capital financing and SMEs with regard to increased employment and sales growth. Also that venture capital backed SME experience increases sales and employment growth more than non-venture capital backed SME. Junjuan and Zahang-Qun, (2020) discovered that SMEs have potential innovation capabilities and can create market opportunities and that venture capital can financially support entrepreneurial activities for economic growth and nurtures growth of SME. Applying enterprise growth model, they

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developed four models; technology innovation, profitability, development capabilities and solvency to examine the topic using multi-variant regression analysis method. They found that venture capital can significantly improve technology innovation, profitability and growth ability of SMEs. They also found that venture capital does not improve the solvency of level of SMEs.

In Harvie, Narjoko and Oum, (2013) study of medium and enterprises access to finance: Evidence from selected Asian economies, they used unique sample survey. Their empirical result show that external funding makes SME successful and that the risk premium affect the innovation capability and exporting activities of SMEs. According to them, leasing and factoring are not a good source of fund for SMEs in developing nations. They observed that finance is the lifeblood of any enterprise and should be sourced formally from banks; informally from the capital market and internally from retain earning and personal savings. The OECD, 2015 study on the new approaches to SMEs and entrepreneurship financing: Broadening the range of instrument. The study revealed that finance gap exists to SMEs and companies undertaking important transition in their activities like ownership and control changes and SMEs seeking to deleverage and improve their capital structure.

Anigbogu, Onwuteaka and Okoli, (2019) in their study of Igbo man's perspectives of apprenticeship an Entrepreneurship in Southern Nigeria: Implications to economic growth which they analyzed with principal content analysis (PCA) and Regression model of OLS on 482 SMEs owners in Igbo land. The PCA study revealed that the principal component that serves as a motivation for apprenticeship by Igbo Entrepreneurs is the cash infusion given to the apprentice as start-up capital, tolerance to risk the challenge of the apprentice sometimes stealing from the master to add to start-up capital while the Regression result show that the motivation for apprenticeship by Igbo Entrepreneurs is the Igbo man's perspective of factors influencing entrepreneurial development and challenges in Igbo man's apprenticeship systems have significant effect on entrepreneurial development in southeast Nigeria.

Biney, (2018) used propensity score matching and difference in difference to examine the effect of venture capital financing on SMEs growth and development in Ghana. The result shows a positive and significant correlation between venture capital and SME growth. In their use of panel data analysis to examine factors that drive venture capital investment activity, the result GDP growth, labour, market rigidity, capital gain, taxes and institutional quality are key drives of venture capital industry in Ghana. Also applying logit regression model to identify and analyze the factors that SME owner's accessibility to venture capital financing in Ghana. Their study finds that the SME owner/manager socio-demographic factors and macro-economic variables such as gender, education, geographical location, business plan, social networks and interest charges influence SME owner/manager ability to obtain venture capital financing.

Piatkowski, (2020) analyzed the result of tangible investment in enterprises in Maloposka province in Poland by examining two groups of entities; those that implement investments using EU subsidies and those that finance investment from other sources without using EU aids using CSA method and multi-linear regression model. The study shows that undertaking investment activities contributes to obtaining Favourable in enterprise regardless of the source of investing. They also found that companies that receive EU subsidies access their market position higher after investment relative to companies that use other sources of financing. Companies that receive EU subsidies have stronger perception of investment as an important factor determining the company development.

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Diabate, Sibiri, Wang and Yu, (2019), assess SMEs sustainable growth through entrepreneur's ability and entrepreneurial orientation: An insight into SMEs in cote d' Ivoire. The study provides insight into the entrepreneurial ability that affects SMEs in cote d' ivoire and an assessment of the extent to which entrepreneurial orientation influence entrepreneurial ability in SME relationship. Using data from 320 Ivorian SMEs, the result shows that the innovativeness in entrepreneurship positively regulates the relationship between almost all the entrepreneurial ability and SMEs. They recommend that management should formulate policies that promote SMEs sustainable growth.

The studies above indicate that none has examined Apprenticeship, Mentorship and Venture capital together as a model for financing SME.

Methodology

This study adopts survey design. The data for the study was obtained from primary source. The population of the study includes the owners of SMEs established in Awka and who are registered with the ministry of commerce and industries in Anambra state, Nigeria. The study randomly selected 200 SME owners. Structured questionnaire was used to collect data from the respondents. The questions were structured to capture the objectives of the study; 4 point likert scale method was used. Analysis of data was done with simple percentage method. A total number of 200 questionnaires were distributed to SME owners in Awka and 183 were answered and returned.

3. DATA ANALYSIS AND PRESENTATION OF RESULTS OF FINDINGS

Research Question 1: Can apprenticeship financing help SMEs to grow?

Table 1: SMEs owners view on whether apprenticeship financing can help SMEs to grow

S/N		Strongly Agree Fx (%)	Agree Fx (%)	Disagree Fx (%)	Strongly disagree Fx (%)	Total
1	Master settlement lump sum help you to start your own business	121 (66%)	30 (16%)	20 (11%)	12 (7%)	183 (100%)
2	Master gets goods on credit for you	93 (51%)	50 (27%)	20 (11%)	20 (11%)	183 (100%)
3	Master's business advice influences the growth of your business	95 (52%)	55 (30%)	20 (11%)	13 (7%)	183 (100%)
4	Master assist you in getting a shop	48 (26%)	35 (19%)	60 (33%)	40 (22)	183 (100%)

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From the table above, a total number of 121 or 66% SME owners strongly agree that the lump sum given to them by their master helped them to start their own business while 93 or 51% respondents strongly agree that masters get goods on credit for them. Likewise, 95 or 52% of the respondent strongly agree that their master's business advice influence the growth of your business. More so, 48 or 26%of the respondents believe that their master assist them in getting a shop.

Research Question 2: Will venture capital financing increase the growth of SMEs?

Table 2: SMEs views on whether venture capital financing can increase the growth of SMEs in Nigeria

S/N	Items	Strongly Agree Fx (%)	Agree Fx (%)	Disagree Fx (%)	Strongly disagree Fx (%)	Total
1	A wealthy person invested capital in your business	20 (11%)	18 (10%)	55 (30%)	90 (49%)	183 (100%)
2	Have received capital infusion in your business in exchange of equity shares	23 (13%)	20 (11%)	45 (24%)	95 (52%)	183 (100%)
3	Venture capital in your business dilutes your ownership and control	101 (55%)	51 (28%)	13(7%)	18 (10%)	183 (100%)
4	Venture capitalist help you access loan at a low interest rate	95 (52%)	55 (30%)	20 (11%)	13 (7%)	183 (100%)

The table 2 above shows that 20 or11% of the respondents strongly agree that wealthy persons have invested capital in their business. 23 or 13% strongly agree that they have received capital infusion in their business in exchange of equity shares. However, 101 or 55% strongly agree that the Venture capitalist investment in their business dilutes their ownership and control of their business. Again, 95 or 52% of the SME owners strongly agree that Venture capitalist help them access loan at a low interest rate.

Research Question 3: Do mentorship activities improve the operation of SMEs in Nigeria?

Table 3: SME Owners view on whether Mentorship activities have improved their operation in Nigeria.

S/N	Item	Strongly Agree Fx (%)	Agree Fx (%)	Disagree Fx (%)	Strongly disagree Fx (%)	Total
1	Mentors advice help you improve in your business	98 (53%)	40 (22%)	27 (15%)	18 (10%)	183 (100%)
2	Mentor's coaching, supervision and training induces success in your business	94 (51%)	44 (24%)	20 (11%)	25 (14%)	183 (100%)
3	Mentors influence your access to funds and credits	30 (16%)	37 (20%)	71 (39%)	45 (25%)	183 (100%)
4	Mentors help you gain skill and expertise needed to run your business	97 (53%)	41 (22%)	23 (13%)	22(12%)	183 (100%)

On the analysis on table 3, we observe that98 or 53% of the respondents strongly agree that Mentors advice help them improve in their business. Also 94 or 51% of the respondents strongly agree that Mentor's coaching, supervision and training induces success in your business. Likewise, 97 or 53% of respondents strongly agree that Mentors help them gain skill and expertise needed to run their business. Whereas, 30 or 16% of the respondents strongly agree that Mentors influence their access to funds and credits.

4. DISCUSSION OF FINDINGS

The study revealed that apprenticeship influences the growth of SME through the settlement funds, business advice and assistance in credit purchase given to apprentice. This is because over 50% of the respondent asserts to this while 26% of the respondents affirm that their masters help them in getting shop where they practice their trade or skill. This implies that in most cases, The Masters after settling the apprentice does not go further to help him find a place to stay and do the business. This is in line with the studies of Okolo, (2018) and Anigbogu et al, (2019). Who observed that Apprenticeship multiples and increases the number of SME, leads to the development of SMEs and apprenticeship is the major sustenance of SME development especially in the Igbo nation of south east Nigeria. On the other hand, Also, the Study revealed that Venture capital investment dilutes ownership and control of SME and assists SMEs to access loan at a low interest rate. This finding supports the findings by Long and Lei (2020)which show that Venture capital help SMEs to access loan it also shows that most SMEs in Nigeria have not witnessed the infusion of venture capital in their business. This means that this source of funding SME is not yet popular in Nigeria.

Finally, finds that Mentorship improves SMEs by helping the apprentice to gain skill and expertise/mastery needed to run the SME and that coaching, supervision and training influences the success of SME. This finding toes the line of studies Megginson (2000) and Uma et al (2015) which finds that Mentorship motivates, encourage, directs and leads the student/apprentice to mature in the chosen trade or skill so as to forge ahead and that mentorship majorly impacts on outcome. On the other hand, the study revealed that mentorship rarely helps the apprentice to acquire funds.

5. CONCLUSION

Small and Medium Enterprises being the engine that pivots development in nations, needs to be strategically funded by government to ensure that they enhance economic growth in their economy. Bases on the analysis of the findings, the study concludes as follows:

1. That apprenticeship influences the growth of SMEs and should be encouraged by ball and sundry.
2. That the use of venture capital to fund SMEs in Nigeria is very small as owners are afraid that their ownership and control of their business will be diluted.
3. That Mentorship helps SMEs to sharpen their experience and become experts in their trade and skill.
4. Apprenticeship systems have significant effect on entrepreneurial development in southeast Nigeria

6. RECOMMENDATIONS

1. Government should empower and encourage professionals and Business owners or skilled workers to train the unskilled up-coming ones by giving them the kind of training that will help them become experts, gain mastery and be able to replicate their kind of business or skill.
2. SMEs play important role of economic growth and job creation which is vital for the development of any economy. Government should introduce entrepreneurship in all levels of education in the country and establish skill acquisition centers in every town in the country
3. Government should support SMEs in raising capital by giving them low or interest free loans and business advice that will aid their survival.

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