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AN EXPLORATION OF PRACTICAL CHALLENGES OF IMPLEMENTING FEASIBILITY STUDIES IN SMES IN CROSS RIVER STATE, NIGERIA

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ABSTRACT: *This paper situates the implementation of feasibility studies within the context of SMEs using 61 randomly selected small and medium sized firms in Calabar metropolis, Cross River State. Regression result showed effective and efficient implementation of feasibility studies areconstrained by myriad of internal and external factors. These include inexperience,stakeholders' pressure, unpredictability of policy and regulatory frameworks, unreliability of data/ information and paucity of funds. Overcoming these challenges requires among others, bridging the dichotomy between conceptualization and implementation offeasibility studies, consideration of broader stakeholders' interests other than profit and organizational flexibility to enable the firms adapt and cope with environmental dynamics.*

KEYWORDS: Feasibility Studies, Regulatory Framework, Stakeholders, Pressure, Conceptualization, Implementation, Organizational Flexibility, Environmental Dynamics.

INTRODUCTION

The arguments over what constitutes small and/ or medium enterprises seem to not abate. This plurality of opinions perhaps emanates from the peculiarity of the economic and social context within which such conceptualization was made. Interestingly, what might be termed *small firm* in a developed economy could be categorized as *medium* in a developing society. In most economies, Thailand for instance, sectorial criteria are also used as bases for SMEs classifications. Number of employees, capital requirement, assets size etc. are factors pervasively used for categorizing businesses into either small or medium. Despite the divergence of opinions on SMEs, there is a broad consensus that SMEs play multi-faceted roles in socio-economic development of economies the world over. These include job creation, local content development, intermediation roles for large scale firms, contribution to national industrial output/ diversification. Others include: economic effectiveness and efficiency in the mobilization, allocation and utilization of resources especially in emerging economies where access to economic resources is severely constrained. In appreciation of these roles, SMEs have been dubbed appreciably as"*engine of economic transformation*" "*catalysts for national socio-economic transformation*".

In both developed and developing economies, governments and other stakeholders have over time conceptualized, formulated and implemented strings of programmes/ interventions targeted at ensuring that the SMEs sector is better positioned to significantly support some broad macro- economic objectives. In Nigeria, Small and Micro Enterprise Development Agency (SMEDAN), Entrepreneurship Development Centres (EDCs), Industrial Training Fund (ITF) etc. have been established to accelerate the growth of SMEs. Additionally, Bank of Industry (BOI), was created through the consolidation of other similar institutions to provide SMEs with access to low interest loans. The Small and Medium Enterprise Industries Equity Investment Scheme (SMIEIS) policy mandates commercial banks to set aside 10% of their pre-tax profit for direct investments in SMEs. The increase in capitalization requirement especially

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for micro finance banks (MFBs) has also helped bridge SMEs funding gap in the financial system. In addition, MFBs proximity and local knowledge of SMEs in their areas of operation have proved useful. Still in an attempt to address SMEs funding challenges, Central Bank of Nigeria in 2014 also lunched a 220 billion Naira SMEs intervention. Furthermore, Youth Enterprise with Innovation (You-Win) was initiated in 2013 to encourage youths with unique entrepreneurial ideas to gain finance to successfully establish and manage small to medium size firms.

Sub-nationally, State Micro Enterprise Development Agency, micro credit facilities, public private partnership (PPP) funding model, establishment of business incubation centre, as well as capacity building programmes have been initiatives to ease SMEs establishment, management and funding. The setting-up, management and sustainability of SMEs require that certain fundamental issues are holistically and systematically addressed during the business ideation and exploitation phases. Thus, the need to objectively execute a feasibility analysis of the identified opportunity is an imperative that would-be managers/owners of SMEs ignore at their peril.

Feasibility study according tobusinessdictionary.com (2017) is an analysis and evaluation of a planned venture to ascertain its technical practicability, estimated cost requirements, and anticipated profit. Investopedia.com (2017), defines feasibility study as an analysis of how and when a venture can be profitably executed, taking into consideration economic, technological, legal and scheduling factors that may affect it. Principally, it clearly indicates the projected technical/ financial requirements, projected cash-flow, expected period of break-even, profit/ loss etc. Thus, feasibility study is used to determine the likely outcome of a project before a final decision on investment is made. Mukund (2017), asserts that objectivity is a major determinant of feasibility studies credibility especially for potential investors and lending institutions.

The foregoing unequivocally shows the place of feasibility study to the success or otherwise of business investment decisions. This is more instructive especially for SMEs where investment decisions are made under situations of inadequate capital and limited access to long-term finances and could present a one off make or break point. Oke, Adetayo, Kareem and Ayedun (2015) argued that although feasibility study is important, it is however not a barometer for measuring a business success or survival.

Despite the belief that feasibility reports encapsulate a reciprocal cost- benefit relationship, its implementation often presents significant challenge (Holt, 2005) for SMEs due to its unique characteristics. Essentially, successful implementation of feasibility studies in SMEs is hampered by a multiplicity of factors, some of which include inability to interpret projections due to lack of managerial incompetence, inexperience, and unpredictability of government/ regulatory framework. Others are stakeholder pressure, inadequate finance, as well as utilization of unreliable data/ information in preparing feasibility report. Huyghebaert and Gucht (2004) observed that approximately, 50% of new entrepreneurial ventures in USA fail to survive the first five years after their establishment, while for South Africa, failure rate hovers around 70% and 80% (Adeniran & Johnston 2011). The apparent lack of reliable information on business mortality rate and challenging nature of Nigerian business environment characterized by epileptic power supply, inadequate infrastructure, inaccessibility to long-term funding etc. could arguably have contributed to a much higher failure rate of SMEs particularly in Calabar.

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The pertinent questions thus are; was feasibility study carried-out to ascertain the viability of the identified business opportunity? If yes, were the fundamental issues and key performance benchmarks clearly, objectively addressed and unambiguously articulated? Are there factors in the business environment that constrain the implementation of the feasibility report by SMEs? The study therefore seeks to provide answers to these critical questions and as well articulate ways through which SMEs can successfully implement feasibility report to achieve sustainable competitive advantage. The paper proceeds to review literature in section two, methodology in three, while discussion of findings, conclusion and recommendations are addressed in sections four, five and six respectively.

BRIEF OVERVIEW OF LITERATURE

Defining SMEs

Though there are arrays of definitions of SMEs, number of employee seem to however remain a recurring trend (Adams & Hall, 1993).Capital employed, sales turnover, and/ or assets are also used in categorizing firms. The Small Business Administration in the United States (US) defines a small firm as business employing fewer than 1500 people (Scthakaset 2008). Nenehand Van Zyl (2012), define a small firm as one with less than 100 employees; and a medium firm as one with more than 100, but less than 500 employees. According to the European Commission (2003), a small size firm employs less than 50 staff, with turnover less than €10million and balance sheet total less than €10million, while a medium-sized firm employs less than 250 employees, has sales turnover of less than €50million and a balance sheet total of less than €43million.

In Thailand, SMEs are defined based on sectors they operate. Scthakaset (2008) explains that in production and service sectors, firms employing less than 50 employees with fixed assets below $50million are defined as small enterprises. Medium enterprises in same sector are those employing between 50 – 200 persons, with assets between $50 million – $200 million. In trading sector, small wholesale enterprise employs less than 25 persons. While small retail enterprises employ less than 15 employees, total fixed assets are less than $50million and $30million respectively.

In Nigeria, a small scale enterprise is a firm employing a workforce of 11 – 100 persons or capital not exceeding N50 million, including working capital but excluding cost of land. While a medium scale enterprise is one with a workforce of 101 - 300 persons or capital exceeding N50 million but not more than N200 million, including working capital but excluding cost of land. Central Bank of Nigeria (2010) in its definition of what constitutes SMEs accepted the number of staff employed at the above level, but differs on asset value. Thus, firms with asset ranging between N5 million and N500 million, are categorized under SMEs.

SMEs are largely characterized by labour-intensive, centralization of managerial responsibilities in single personnel, mostly owner/manager, sub-standard product quality necessitated by absence of research and development, managerial inefficiency and effectiveness due to inability to attract and retain skilled human resources, limited access to long term funds etc. Additionally, the low adoption of information and communication technology for documentation and retrieval of plans, strategies, financial records and

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performance management are also a key feature of SMEs (Onwumere, 2000).These characteristics arguably pose serious operational challenges for SMEs.

The starting point for entrepreneurial pursuit or new venture creation is the discovery of opportunity either through idea generation and/ or experience, gathering and analysis of relevant information/ data to determine the viability of identified opportunity. Essentially, the mere identification of gaps in the market does not necessarily translate into a business opportunity. Unless an evaluation of how such gaps can be profitably filled, it's likely duration and possible challenges to overcome in attempting to exploit the opportunity is executed, business opportunity cannot be deemed to exist. Establishment and management of SMEs is usually the main vehicle for business opportunity exploitation and value creation especially at the early stages. However, before the concretization of a new SME, or the expansion of existing one, the need to determine the potential for success becomes imperative and has far reaching implications. Feasibility study therefore provides a useful tool for making such decision.

Feasibility studies

A feasibility study entails scrutiny of the viability of an idea. It seeks to objectively and rationally determine strengths and weaknesses, as well as opportunities and threats in the business environment for existing or intended business venture, the resource requirements and likely chances for success (Justis and Kreigsmann, 1979; Georgakellos and Marcis, 2009). It is the process of determining the probability or possibility of a project. It entails a prediction of demand, revenue, cash flow etc. A feasible business is one in which the proposed enterprise can generate adequate cash-flow and profit to survive turbulence, and achieve its goal within a projected period. Feasibility study can be executed for an entirely new business opportunity, merger/ acquisition of existing ones, expansion or diversification of current business.

Thompson (2003), Hoagland and Willimason (2000), see feasibility study as an systematic process for identifying challenges and opportunities, determining objectives and describing situations, defining success outcomes and accessing the range of costs and benefits associated with several alternatives for solving a problem. Business feasibility study is used to support the decision making process based on a cost-benefit analysis of the actual business or project viability. It is an investigative instrument that proffers recommendations and limitations, could assist the managers determining the viability of an opportunity. The recommendations made are reliant on a mixed blend of qualitative and quantitative data to provide the investor/ entrepreneur with a high degree of evidence that the business idea is indeed viable. Feasibility study seeks to ascertain the workability of the proposed business and elicit stakeholders (investors, financiers, technical partners etc.) buy-in. Okpara (2000) opines that feasibility study seek to ascertain that the project is technically sound, commercially profitable and fits into the overall economic objectives of the promoter. He states further that the first stage in analyzing the feasibility of a project is defining the project clearly. By narrowing the scope of the project, feasibility studies scenarios and highlights alternatives or methods of attaining expected outcomes. Mukund (2017) asserts that two criteria to judge feasibility are cost requirement and expected value to be delivered. Thus, objectivity is imperative.

Components of feasibility study Although, there exists no universally accepted configuration for reporting feasibility studies, a good feasibility study seeks information to cover all aspects of the enterprise including: the product/service concept, demand size and where such demand exists, human resource and capital requirements as well as their sources. It also includes legal

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and technical requirements. Specific components are: market analysis, technical analysis, financial analysis, economic analysis, ecological analysis, legal and administrative analysis.

Market analysis: This involves an examination of detailed product/ service characteristics and the requirements for acceptability. Specifically, these include: prices, market size, product mix (if the business will offer more than one product), market segmentation, intensity of competition, approximation of quantity and quality to be supplied, availability, distribution and profit. Achieving this requires an understanding of : consumption trend, past and present supply position, production possibilities and constraints, imports and export, competition, cost structure, elasticity of demand, consumer behaviour (intention, motivations, attitudes, preferences and requirements), distribution channels and marketing policies in use, administrative, technical and legal constraints impinging on the marketing of the product.

Technical analysis: This section centres on whether the product can be designed and manufactured at a reasonable cost and in a particular location. It also determines if the required facilities and technologies are available. It begin with the end product and the quality of raw materials, suppliers, equipment (capacity and production volume), processes, labour required, factory location and layout, land and building, and waste disposal.

Financial analysis: This section is aimed at assessing the business from the economic point of view, whether the proposed business/product/services will be financially viable to meet obligation to investors, financiers. This is made possible by using the information gathered from the marketing and technical studies to estimate the total cost of the project, cash flow and the projected balance sheet. These estimates serve as bases for assessing the business/product/service in order to know if it will be profitable and capable of making a good return on investment. Essentially it shows a projection of the amount of funding or startup capital needed, sources of capital that can and will be used, cash flow, break-even point or quantity, profitability etc.

Ecological analysis: Due to rising consciousness on the need to protect the environment by reducing green-house gas emission and other harmful practices capable of contributing to environmental degradation, Environmental Impact Assessment (EIA) is now included into business feasibility study. Ecological analysis looks at the likely damage or implications associated with the business/product/service to the physical and natural environment, and remediation cost and measures required to mitigate and/ or contain the likely damage tothe environment within legally permissible limits.

Legal and administrative analysis: This revolves around the choice of the form of ownership, quality and standards, operational requirements from regulatory authorities and other government agencies. The form of business organization could be sole proprietorship, partnership, private company or public limited company. A definition of the corporate and legal structure of the business; this may include information about the founders, their professional background and the skills they possess necessary for successful take-off.

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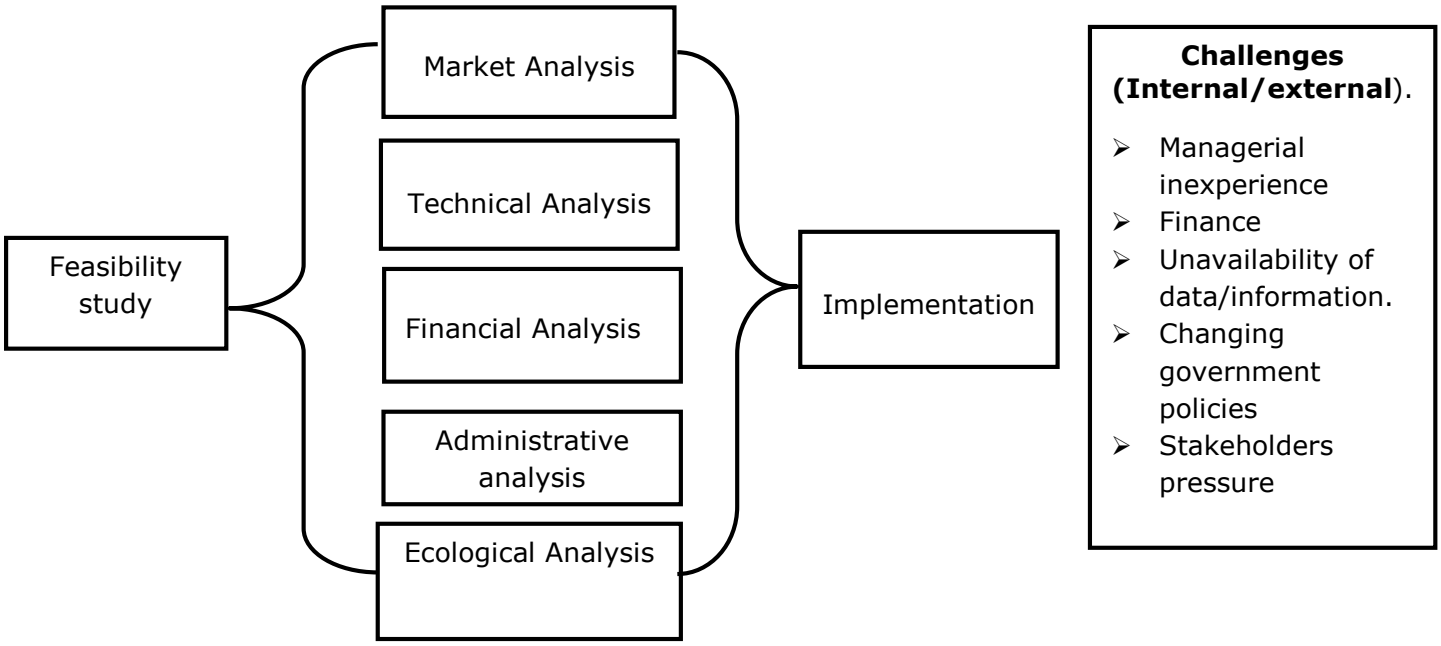
Feasibility study framework



Source: Authors (2017).

Benefits / objectives of feasibility of study

Hofstrand and Holz-Clause (2009) outlined the following as the benefits of conducting feasibility study:

1. It gives direction to the project and outline alternatives.

2. Identifies new opportunities through the investigative process.

3. Identifies reasons not to proceed.

4. Enhances the probability of success by addressing abinitio factors that impinge on success of the project.

5. Provides quality information for decision making.

6. Helps in securing funding from lending institutions and other monetary sources.

Challenges of implementing feasibility study in SMEs

Implementing the feasibility study is a critical stage and often presents challenge even for large organizations with considerable access to human and material resources. In SMEs particularly, a number of factors both internal and external exist that constraint their ability to successfully implement feasibility study to take advantage of identified opportunities. One of such impediments is the inability of most managers/ owners of these firms to understand and interpret financial projections and other key performance indicators. Perceivably, most feasibility studies are conducted by consultants (who are professionals) on behalf of the SMEs,

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while managers/owners (who often lack professional skills) of these firms are most likely responsible for implementation. This broad dichotomy and lack of convergence between key actors have the potential of resulting in poor or selective implementation. This problem is further accentuated by such challenge as lack of competent and qualified human resources within the firm. The problem of competent human resources can be attributed to lack of formalization of human resource practices in most SMEs and their inability to attract and retain skilled personnel in functional areas due to poor rewards and compensation system.

One major challenge for SMEs generally, is their lack of access to funds, especially long-term. Ohachosim (2012) argues that despite government interventions, the development of SMEs in Nigeria is still hampered by financial challenges. Stiglizand Weiss (1981), Ohachosim, Onwuchekwa and Ifeanyi (2012) maintain that the difficulty of SMEs to attract additional funds for increased working capital, expansion or diversification, can be attributed to lopsided investments in both current and fixed assets and lack of comprehensive accounting records for proper project evaluation and budgeting. Implementing feasibility study requires substantial financial investment. The inadequacy of funds and the inability of the entrepreneur to attract funding due to the outlined factors pose a serious challenge for SMEs in the implementation of feasibility study.

Another challenge faced by SMEs in implementing feasibility study is information/ data reliability. Nigeria and indeed other developing economies are faced with the paucity of timely and reliable statistical information/data needed for business planning and decision making. This is true as it is often times difficult to access reliable data/ information from official sources due to bureaucracy as well as concern for privacy and security. Also, determining market size, consumption trend, income levels, inflationary trend etc. especially at regional levels may prove difficult. Inaccessibility to timely and up-to-date data/ information required for making objective projections have enormous negative consequence on the implementation of feasibility study in SMEs.

The unpredictability of government regulatory regime, monetary and fiscal policy framework, inept and corrupt institutions also contribute to render key assumptions of the feasibility study invalid. These often occur without prior knowledge or warning of those involved in its implementation. In this case, managers/ owners who are mostly the key managerial personnel have no option than to hurriedly improvise so as to adapt to the new policy regime. This again affects effective and efficient feasibility study implementation.

Furthermore, pressure from stakeholders such as host community, pressure groups and increasing demands for ethical, socially responsible and sustainable corporate practices affect the implementation of business feasibility study in SMEs. Although, feasibility study is supposed to take into cognizance these broad interests, the significance of these interests other than profit is often down played. For instance, host community agitation could hamper timely implementation of feasibility study, through time spent in negotiating with host communities for certain rights and privileges. Another thorny issue in business- community relations is the legal requirements for local content component and federal character principles in personnel engagement. Firms including SMEs are compelled to employ certain categories of their workforce from their host communities. Even though it might be possible to recruit better qualified/ competent employees elsewhere and at a lower cost especially through globally recognized strategy like outsourcing.

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Additionally, the increasing global consciousness on need to protect the environment through sustainable exploitation of natural resources comes with obligations for firms including SMEs to adhere to strict environmental rules, regulations and standards. Thus, the requirement to curtail green-house gas emission, evacuation of toxic substance/ by-products into the environment, disruption of ecological balance through logging/mining or other industrial/commercial activities are monitored with keen interest by environmental right groups. Even where the implementation of such feasibility study offers opportunity for socio-economic advancement, it is sometimes faulted by these groups for insensitivity to sustainable development. Although, the need to reduce carbon footprint is a lofty ideal, mandating firms SMEs especially to comply with strict standards could inevitably inhibit their survival and growth.

METHODOLOGY

This research is a survey approach to explore the challenges of implementing feasibility study in SMEs. Simple random sampling technique was adopted in distributing the structured4-point Likert scale questionnaire (with 4 = To a very large extent (VLE), 3 = To a large extent (LE), 2 = To some extent (SE) and 1 = Not at all (NA)) to 84 owners/ managers of small/ medium sized businesses in Calabar South and Calabar Municipal LGAs, Cross River State as respondents. 61 were completed and returned. This yielded a response rate of 72.62 percent. Descriptive statistics (frequency and mean rating) and multiple linear regression were used to analyze the data obtained.

Table 1: The intent of SMEs (the viability of identified business opportunity) in Calabar, Cross River State

		Frequency	Percent	Valid Percent	Cumulative Percent	Mean
Valid	Not at all	-	-	-	-	**3.69**
	To some extent	4	6.5	6.5	11.4	
	To a large extent	8	13.2	13.2	19.7	
	To a very large extent	49	80.3	80.3	100.0	
	Total	61	100.0	100.0		

Source: Field survey, 2017

Table 1 reveals the intent of SMEs (the viability of identified business opportunity) in Calabar, Cross River State. No respondents admitted that their firms did not carry out feasibility study at all to ascertain the viability of their businesses. Four respondents (6.5 percent) carried out feasibility study to some extent. Eight respondents (13.2 percent) did this to a large extent; and 49 (80.3 percent) to a very large extent, carried-out feasibility study for their businesses. These responses gave a mean rating of 3.69 out of a 4.0 point scale which indicates that most small/ medium business owners/ managers in Calabar carried-out feasibility study for their businesses.

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Research question 2. Were the fundamental issues and key performance benchmarks clearly addressed and unambiguously articulated?

Table 2: Rate at which feasibility study addressed fundamental issues and key performance benchmarks

		Frequency	Percent	Valid Percent	Cumulative Percent	Mean
Valid	To some extent	5	8.2	8.2	8.2	
	To a large extent	9	14.8	14.8	23.0	**3.69**
	To a very large extent	47	77.0	77.0	100.0	
	Total	61	100.0	100.0		

Source: Field survey, 2017

Table 2 reveals the rate at which fundamental issues and key performance benchmarks were clearly addressed in the feasibility study report carried-out by small/ medium businesses in Calabar, Cross River State. The table exposed that five respondents (8.2 percent) acknowledged that to some extent, their feasibility study clearly addresses the fundamental issues and key performance benchmarks it ought to. Nine respondents (14.8 percent) claimed that to a large extent these issues were clearly addressed; while 47 (77.0 percent) said that this was done to a very large extent. These responses gave a mean rating of 3.69 out of a 4.0 point scale which implied that the feasibility study most small business owners for their businesses.

Research question 3. Are there factors in the business environment that constrain the implementation of the feasibility report by SMEs?

Table 3: Factors constraining implementation of feasibility studies report SMEs

	Statement	**VLE**	**LE**	**SE**	**NA**	**MEAN**
1	The report of feasibility study has been implemented	8 (13.1%)	48 (78.7%)	5 (8.2%)	0 (0%)	3.05
2	Inexperience inhibits the implementation of feasibility study	3 (4.9%)	49 (80.3%)	7 (11.5%)	2 (3.3%)	2.87
3	Inadequate finance inhibits the implementation of feasibility study	54 (88.5%)	6 (9.8%)	1 (1.7%)	0 (0%)	3.87
4.	Unavailability of data/information inhibits the implementation of feasibility study	27 (44.3%)	20 (32.8%)	10 (16.4%)	4 (6.5%)	3.15
5.	Changing government policies inhibits the implementation of feasibility study	8 (13.1%)	4 (6.5%)	45 (73.8%)	4 (6.5%)	2.26
6	Stakeholder pressure inhibits the implementation of feasibility study	4 (6.6%)	8 (13.1%)	46 (75.4%)	3 (4.9%)	2.21

Source: Field survey, 2017

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Table 3 showed the rate at which feasibility report is implemented by small/ medium businesses and the factors that constrain the implementation of the feasibility report. Statement 1 in Table 3 showed that eight respondents (13.1 percent) asserted that to a very large extent, the report from the feasibility study had been implemented; 48 (78.7 percent) said to a large extent the report was implemented, while five (8.2 percent) said to some extent the report was implemented. No respondent refuted the implementation of the feasibility report. The responses yielded a mean of 3.05 which indicates that more than the average number of small/ medium businesses in Calabar implements the report of their feasibility study.

Statements 2 to 6 of the table 3 reveal the factors that constrain the implementation of feasibility study report by small/ medium businesses in Calabar. Statement 2 showed that three respondents (4.9 percent) acknowledged that to a very large extent inexperience inhibits the implementation of feasibility study report. 49 respondents (80.3 percent) said inexperience inhibits it to a large extent. Seven respondents (11.5 percent) said inexperience inhibits it to some extent, while two respondents (3.3 percent) said inexperience does not inhibit feasibility study report implementation. This gave an average rating of 2.87 which implies that a little above the average number of small/ medium businesses maintained that inexperience is a constraining factor.

Statement 3 showed that 54 respondents (88.5 percent) acknowledged that to a very large extent inadequate finance inhibits the implementation of feasibility study report. Six respondents (9.8 percent) said inadequate finance inhibits it to a large extent. One respondent (1.7 percent) said inadequate finance inhibits it to some extent, while no respondent (0 percent) said inadequate finance does not inhibit feasibility study report implementation at all. This gave an average rating of 3.87 which implies that most small businesses feel that inadequate finance is a constraining factor.

Statement 4 showed that 27 respondents (44.3 percent) acknowledged that to a very large extent unavailability of data inhibits the implementation of feasibility study report. 20 respondents (32.8 percent) said it inhibits it to a large extent. 10 respondents (16.4 percent) said unavailability of data inhibits it to some extent, while four respondents (6.5 percent) said unavailability of data does not inhibit feasibility study report implementation at all. This gave an average rating of 3.15 which implies that most small/medium businesses feel that unavailability of data or lack of information is a constraining factor.

Statement 5 showed that eight respondents (13.1 percent) acknowledged that to a very large extent changing government policies inhibits the implementation of feasibility study report. four respondents (6.5 percent) said it inhibits it to a large extent. 45 respondents (73.8 percent) said it inhibits it to some extent, while four respondents (6.5 percent) said changing government policies does not inhibit feasibility study report implementation. This yielded an average rating of 2.26 which implies that changing government policies is not a very strong constraining factor.

Statement 6 showed that four respondents (6.6 percent) acknowledged that to a very large extent stakeholders' pressure inhibits the implementation of feasibility study report. Eight respondents (13.1 percent) said it inhibits it to a large extent. 46 respondents (75.4 percent) said it inhibits it to some extent, while three respondents (4.9 percent) said stakeholder pressure does not in any way inhibit feasibility study report implementation. This gave an average rating of 2.21 implying that a considerable number of small/ medium businesses do not consider

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stakeholders pressure to be a very strong constraining factor in their attempt at implementing feasibility report.

Research question 4:

To what extent do these factors affect the implementation of feasibility study report?

Table 4.1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.773[a]	.598	.561	.307

a. Predictors: (Constant), Stakeholder pressure, Inadequate Finance, Inexperience, Unavailability of data, Changing govt. policies

Table 4.2

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.680	5	1.536	16.333	.000[b]
	Residual	5.172	55	.094		
	Total	12.852	60			

a. Dependent Variable: Implement report
b. Predictors: (Constant), Stakeholder pressure, Inadequate Finance, Inexperience, Unavailability of data, Changing govt policies

Table 4.3

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.682	.572		9.942	.000
	Inexperience	-.387	.089	-.444	-4.352	.000
	Inadequate Finance	-.602	.111	-.503	-5.432	.000
	Unavailability of data	.185	.051	.371	3.599	.001
	Changing govt. policies	-.284	.062	-.473	-4.566	.000
	Stakeholder pressure	.392	.073	.538	5.343	.000

a. Dependent Variable: Implement report

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To give answer to research question four, the constraining factors were regressed against the rate of implementation of feasibility study report by small/ medium firms. The results show a significant positive relationship with a very strong coefficient of determination (R = 77.3 percent; R^2 = 59.8 percent; F = 16.333; p = 0.000). The value of adjusted R^2 indicates that up to 56.1 percent of implementation challenges of feasibility study report is accounted for by the factors when other variables are held constant.

From the coefficients table (Table 4.3), which provides the necessary information as to which constraint or practical challengecontribute statistically significantly to the model, it can be seen that all the five factors (inexperience, inadequate finance, unavailability of data, changing government policies and stakeholder pressure) significantly relates toimplementation of feasibility study report since they all have probability values less than 0.05 ($p < 0.05$). Additionally, the beta column and the t-test results showed that inexperience has a significant negative relationship on the implementation of feasibility study report by up to 44.4 percent (B= -0.444, t= -4.352); inadequate finance also negatively relates to the implementation of feasibility study report by up to 50.3 percent (B= -0.503, t= -5.432); unavailability of data had significant positive relationship with the implementation of feasibility study report by 37.1 percent (B= 0.371, t= 3.599); changing government policies has a significant negative effect on the implementation of feasibility study report by up to 47.3 percent (B= -0.473, t= -4.566); and stakeholder pressure has a significant positive influence on the implementation of feasibility study report by up to 53.8 percent (B= 0.538, t= 5.343).

Discussion of Findings

The result of the regression analysis has shown that the constraining factors had significant relationship on implementation of feasibility study report positively and negatively. In the case of inexperience among small/ medium size business owners/managers, the result implies that the more inexperienced owners/managers are, the lesser the possibility of their firms successfully implementing feasibility study report. Also, lack of finance reduces the prospect of implementing feasibility study report. Further, the more frequent the change in government policies, the lower the chance of implementing the feasibility study report.

On the other hand, unavailability of data and stakeholder pressure positively affect the implementation of feasibility study report. The implication of this is that the more difficult it is to access relevant data, the more inclined small businesses would be towards implementing the feasibility study findings. Again, the greater the pressure exerted by the stakeholders of the businesses, the higher the possibility of the implementation of the feasibility study report.

CONCLUSION

The importance of feasibility study cannot be overemphasized. It includes; toassessment of practicability of the business, profitability, associated risks and place in clear perspective the support required from relevant stakeholders such as investors, financiers, technical partners among others. Although, there is no universally prescribed format, business feasibility study typically incorporates: market analysis, technical analysis, financial analysis, economic analysis, ecological analysis, legal and administrative analysis. The successful exploitation of business opportunity depends on the attainment of the broad business objectives such as profit, product/ service etc. which rest on the successful implementation of feasibility study. Lack of

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in-house competent human resources, a disconnect between formulation and implementation, stakeholders pressure, frequent changes in public policies and lack of access to up-to-date information to aid business planning and decision making have been the banes to successful implementation of feasibility study in SMEs, particularly in Calabar, Cross River State.

Recommendations

Consequent upon the foregoing, the following recommendations were made:

i. Owners/ managers of SMEs should make efforts to attract and retain competent human resources, as the successful identification and exploitation of business opportunity rest on them.

ii. Managers/owners of SMEs should embrace training and development of personnel and empower them by delegating managerial responsibilities in order to share the burden of implementing feasibility study within the organisation

iii. SMEs should be adaptive to changes in regulatory issues and policy requirements that may threaten the implementation of feasibility study. This can be done by continuously scanning and monitoring the environment.

iv. SMEs consultants should avoid **as** much as possible subjective judgments in the preparation of feasibility study and make concerted effort to access up-to-date official data/ information so as to avoid the pitfall of using unreliable information/data for projections.

v. SMEs owners/ managers and consultants should consider broad stakeholders' interest in the conceptualization and implementation stages of feasibility study. This is important because stakeholders have the capacity of disrupting the effective implementation of a well-articulated feasibility report.

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