African Multidisciplinary
Journal of Sciences and Artificial Intelligence

ISSN : 3434-9871

Index: Harvard, Boston, Sydney University, Dimensions, Lens, ResearchGet Scilit, Semantic, Google Scholar, Base etc

https://doi.org/10.58578/AMJSAI.v2i2.5340

Entreprenurship and Small Scale Medium Enterprises in the South East, Nigeria

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Article Info:

Submitted:	Revised:	Accepted:	Published:
Mar 5, 2025	Mar 22, 2025	Apr 2, 2025	Apr 7, 2025

Abstract

The study examined the effect of entrepreneurship and small scale medium enterprise sin the south east in Nigeria. entrepreneurship and small scale enterprises in the south east Nigeria. The study adopted the sectional survey design, thereby making the questionnaire the main instrument of data collection. The study employed the spearman's rank order correlation method with the aid of SPSS 23.0 to analyse the formulated hypotheses. From the data analysis, the study revealed that marketing and distribution of product significantly affect sales performance of SMEs in south east Nigeria, there is significant relationship between entrepreneurship technology strategic and product innovation of SMEs in south east Nigeria; there is significant relationship between production strategic and competitive advantages of SMEs in south east Nigeria and there is significant relationship between learning strategic in entrepreneurship and product innovation of SMEs in south east Nigeria. It is therefore recommended that for SMEs to stay competitive, expand sales capabilities and innovative, SMEs should ally strategically through technology, learning, marketing and distribution enterprises.

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Keywords: Entrepreneurship. Enterprise, Innovation, Distribution, Small scale medium

INTRODUCTION

Entrepreneurship organizations are becoming increasingly popular these days and have become cornerstones for the competitive production of product of many firms, enabling them to achieve objectives that otherwise would be difficult to realize. Companies are searching for innovative ways to enhance profitability, handle uncertainty and build competitive advantage. In recent times, small scale business have become an important part of the competition and growth in most companies (Ajao, Oyebisi, Aderemi Jegede, 2015).

Business alliance is a voluntary, long term, contractual relationship between two or more autonomous enterprises and independent organizations (firms), designed to achieve mutual and individual objectives by sharing and/or creating resources (Tjemkes, 2018). This definition encompasses inter-organizational relationship, such as joint ventures, purchase partnerships, research and development partnerships, co-makerships, co-creation efforts, multi-partner business, public-private partnership and consortia, but it excludes arrangements such as mergers and acquisitions (Tjemkes, Vos & Burgers, 2018).

As Contractor and Lorange (2002) contend, there are many ways to categories different types of business and they are divided into five types; technology transfer and improvement, Licensing, franchising, joint research and development, joint ventures and marketing agreements. Firms can decide to form part of merger and acquisition when they find themselves in a vulnerable entrepreneurship position because they need resources or capabilities that cannot be developed internally at a reasonable cost in a reasonable time (Das & Teng, 2000), or cannot be achieved through an exchange on the markets (Eisenhardt & Schoonhoven, 1996) because there are no organized markets in which they can be acquired, or can be learned or assimilated through cooperation (Ireland, 2002). Companies that need particular assets that they cannot efficiently transfer on market or develop internally will seek alternative means of obtaining them. Merger and acquisition appear especially attractive as they are fast, flexible method and involve a much lower commitment in terms of cost and resources than other possible options.

Yet, despite their attractiveness, cooperative relationships with other organizations can be problematic. For example, entrepreneurship and entrepreneur relationships can have high transaction costs (Eisenhardt & Schoonhoven, 2015). Moreover, merger and acquisition firm managers into failing to develop important firm capabilities and can be conduits by which certain types of technology and other core competencies are easily siphoned from the firm. Merger and acquisition can also reduce revenue streams by forcing firms to share profits because of this mix of advantages and disadvantages, firms are likely to adopt strategic mover at varying rates (Eisenhardt & Schoonhoven, 2015)

The SMEs subsector is a critical one in the Nigerian enterprise development space. They collectively account for a majority of the enterprises in Nigeria and also account for a majority of the enterprises in Nigeria and also account for the highest number of jobs created in the economy (SMEDAN, 2022). In order to achieve this objective, Micro, Small and Medium Enterprises (MSMEs) in Nigeria can only play their catalytic role in economic development if their performance is improved through effective business partnership. According to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), a major ingredient for development of the sector is collaboration among relevant stakeholders, including the government, policy makers and operators in the subsector (SMEDAN, 2022). In view of this assertion, the Nigeria Communications Commission (NCC) has made concerted effort to promote service and product among telecommunications operators with the view of reducing tariffs changeable to customers due to high operational cost, operating in isolation leading to proliferation of telecommunications most and increase redundancy of infrastructure (NCC, 2019).

SMEs in Nigeria are generally characterized by tight resources, which puts them in particular jeopardy from increasing globalization and rapid technological changes. One might expect that SMEs would draw extensively on strategic alliances to overcome their resource & shortages and increase their viability in difficult times (Hoffman, 2005). However, recent studies show that SMEs' propensity to co-operate is significantly less than that of large companies, particularly in developing economics (Diaz, Rietdort & Dornberger, 2018). There is simple evidence that both large-small and small-small linkages are important. Unfortunately, even though a few studies examined the relationship between entreprenurship and entreprenure performance in Nigeria (Aun, 2019; Ajao, 2018; Akewushola, 2019; Akpotu & Jasmrine, 2018), none of these studies has examined the relationship in relation to SMEs in Nigeria. It is against this background that this study

examines the effect of enterprenurship and small scale medium enterprises and the performance of SMEs in south ast Nigeria.

Statement of the Problem

Globalization is an expression of a rapidly growing and changing economy that has driven both large firms and small to medium sized ones to the same competitive arena (Odour, & Murthoka, 2019). Today, the entrepreneurship and small scale medium enterprises of allying with other organizations has become increasingly prevalent with many organizations opting for strategic merger and acquisition in order to strengthen their market positions and improve on their performance. In Nigeria, SMEs have not performed commendably well as they have not adequately played the expected significant role in the economic growth of the nation (Taiwo & Falohun, 2018). Over the years, SMEs have not been able to strategically ally with other firms to increase performance as a result of lack of technical capacity and necessary competence for product development and find new products for sustained competitive advantage.

Despite the increasing popularity trend of inter-firm phenomenon, there is no robust empirical literature dealing with the collaboration among SMEs in Nigeria. A review of several empirical studies show that majority of the research on small scale enterprises and performance were from developed economies such as UK, USA and European countries and Kenya (in terms of developing country and emerging market economy) and have basically captured large companies and banks thereby ignoring the SMEs. Besides, empirical evidence on the relationship between merger alliance and organization performance available in the literature are mixed and inconclusive. Some researchers found a positive correlation between strategic alliance and performance (Supriyadi 2014; Warui, 2014; Kilimo, 2014; Yang, 2014; Ekawati, 2014; Akewushola, 2015; and Akpotu & Jasmine, 2016). Whereas, other researchers documented a negative and no significant relationship between strategic alliance and performance (Odour & Muthoka, 2014; and Onje & Oloko, 2016).

In addition, most of these empirical studies have not explicitly identified the performance measure adopted in the various studies. Thus the lack of performance criteria reduces confidence in generalizing the relationship between entrepreneurship and small scale medium enterprises and performance of organization value the present study contentions for Nigeria.

From the forgoing, the aim of this paper is to evaluate the nexus between entrepreneurship and small scale medium enterprises performance in South East Nigeria. The specific objectives are to;

i. Ascertain the effect of marketing and distribution strategic, production strategic on the sales performance of SMEs in south east Nigeria
ii. Ascertain the effect of technology strategic on the product innovation of SMEs in south east Nigeria.
iii. examine the effect of production strategic on competitive advantages of SMEs in south east Nigeria
iv. Examine the effect of learning strategic on product innovation of SMEs in south east Nigeria.

Research Hypotheses

To achieve the formulated objective, the following hypotheses were developed for testing;

Ho_1: There are no significant relationship between technology strategic and Product innovation of SMEs in south east Nigeria.

Ho_2: There are no significant relationship between technology strategic and Product innovation of SMEs in south east Nigeria.

Ho_3: There is no significant relationship between production strategic and competitive advantages of SMEs in south east Nigeria.

Ho_4: There is no significant relationship between learning strategic and product innovation of SMEs in south east Nigeria.

The study offers a combination of both academic contributions for scholars and researchers and practical contributions for practitioners and operators. In the area of academics, the significance of this research arises from the following way: It contributes to the enrichment of the literature on entrepreneurship strategic on small scale medium enterprises in relation to performance of SMEs; the research findings and recommendations also form a base that will relied upon by other researchers who may wish

to make further inquiries into the subject matter. Equally, the current study contributes to the existing literature as few studies in this area were available.

This study will be of tremendous value to the entrepreneur operating in the SMEs to comprehend access to business sectors, sharing of hazards and costs, synergistic impacts of shared learning and expertise.

This research centres on examining entrepreneurship and SMEs performance in south east Nigeria and is limited to SMEs operational in Imo, Anambra, Enugu ,Abia and Ebonyi state.

The study uses two district concepts viz: small scale medium enterprises and performance in south East Nigeria. However, the study utilized four strategic enterprises variables (ie marketing and distribution strategic, technology strategic, production and learning strategic) for analysis despite the availability of an array of them. Only three performance variables are used in this study (ie performance, competitive advantage and product innovation).

Limitations of the Study

The first limitation of this study is that it is restricted to only South East Nigeria. It would have been desirable to cover more geopolitical region of Nigeria to ensure adequate representation. Secondly, it was also restricted to only SMEs which in essence nears that the study did not represent the generality of strategic in the business world. However, one would be happy to conclude that, despite these constraints, a great deal will be achieved since literature in this area are scanty.

Review of Related Literature

The review of related literature shall be undertaken under the concepts conceptual framework of strategic enterprises and performance, theoretical framework and empirical review.

Concepts of Strategic Entrepreneurship and small scale Performance in Nigeria

According to the Nigeria Institute of Management (2019) strategic entrepreneurship is an integration model in which organizations identify their areas of strengths and weaknesses so as to determine the basis of working together. This entails merge rand acquisition by liaison, consultations and through mutual agreement. A typical entrepreneurship formation process involves; strategy development, partner assessment, contract negotiation, operation

and termination. This form of cooperation lies between mergers and acquisitions and organic growth.

To Deva and Knoke (2019) argued that strategic entrepreneurship involves at least two partner firms that; (1) remain legally independent after the merger is formed; (2) share benefits and managerial control over the performance of assigned tasks; and (3) male continuing contributions in one or more strategic areas, such as technology or products. These three criteria imply that strategic create interdependence between autonomous economic units, bringing new benefits to the partners in the form of intangible assets and obligating them to make continuing contributions of their partnership.

The need to measure performance cannot be over emphasized, as the evaluation brings out the differences between success and failure. That is why Human, Schieman Bellora and Guenther (2015) have advocated that the crux of management research is to prove succinctly that instruments and methods such as strategic planning, zero based budgeting, or the balanced scorecard are able to enhance organizational performance.

Gavrea, Ilies and Slegerean (2019) assert that although the concept of organizational performance is very common in the academic literature, its definition is difficult because of its many meanings. For this reason, there isn't universally accepted definition of this concept. They further explained that the years 80s and 90s were marked by the realization that the identification of organizational objectives is more complex than initially considered. Managers began to understand that an organization is successful if it accomplishes its goals (effectiveness) using a minimum of resources (efficiency).

Coulter (2019) defined organizational performance as the accumulated end results of all organization worthy processes and activities. Entrepreneurship and small scale mediums partnership can therefore be viewed as a tool for competitive advantage which is intended to enhance performance of organization through the synergy that is derived from combined efforts of the partnering organizations.

Conceptual Framework

The conceptual framework in fig 1 below, thus model explains the intersection of the dimensions of the predictor variables and measures of the criterion variable (SMEs performance). The dimensions of predictor variable are marketing distribution, technology, learning and production while the measures of criterion variable (performance) are limited to product innovation, sales performance and competitive advantage.

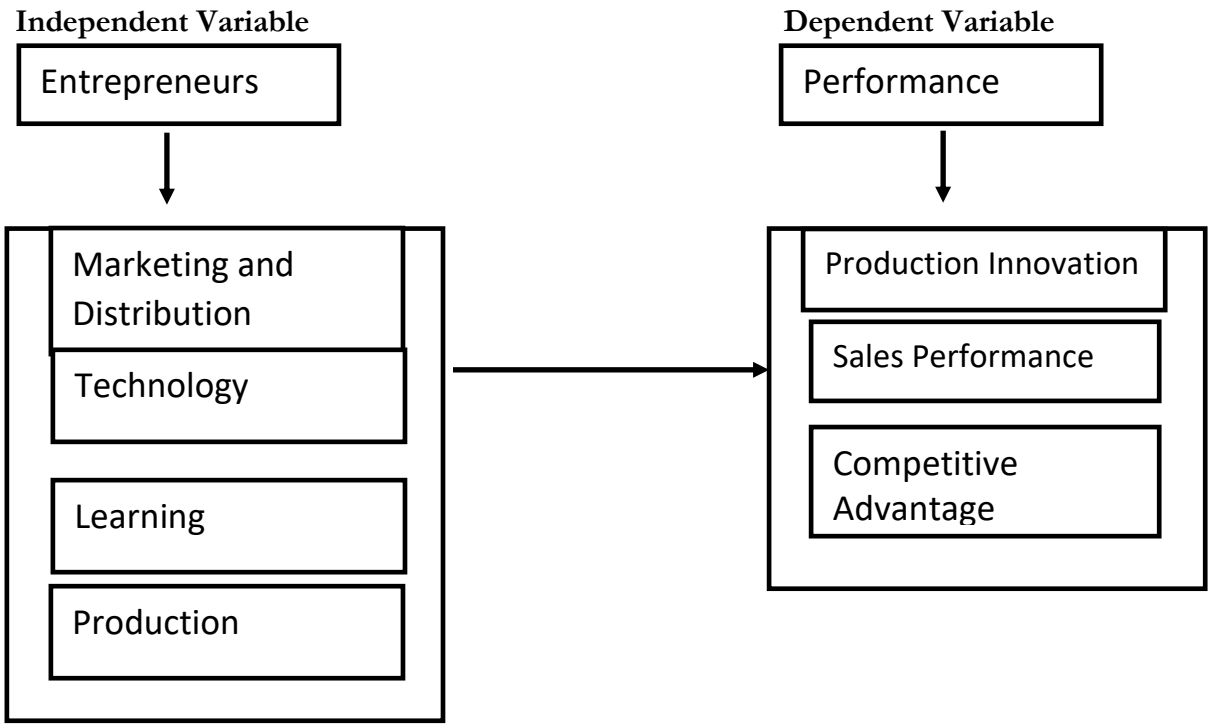


Fig 1: Conceptual Framework of Linkage between Entrepreneurship and small scale medium enterprise's Performance.

Source: Researcher's Conceptualization (2023)

Theoretical Framework

The Theoretical Framework suggests three models;

Resource Dependency Theory (RDT)

This theory was developed by Emerson (1963) and further progressed by Pfeffer and Salanah (1978) who proposed that control over critical resources by one organization can make other firm depend on it. In essence, the theory argues that organization are often not self-sufficient for all the needed resources that can enable them to remain competitive. Therefore, they need to engage in exchanges with other organizations in one way or the other to gain the necessary resources for survival. This usually makes a strategic decision a viable form of inter-organizational structure that can minimize uncertainties, thus enhancing access to much needed resources (Lin & Darnall, 2014)

Hence, RDT has two major implications regarding strategic entrepreneurship and firm's performance. First, the use of strategic alliance is a mechanism to manage environmental uncertainties. Second, in response to different levels of uncertainties, differences in the use of strategic alliance should affect firm's performance.

Etrepreneurship Management Theory (EMT)

It was founded by Barney (1991), the theory assumes that firms attempt to find an optimal resource boundary that ensures the value of their resources is realized best, compared with other resource combinations. Therefore, the **EMT** seems particularly appropriate for examining mergers and acquisitions; firms engage in boundary spanning activities to access and obtain resources that they do not own but need in order to strengthen their competitive position.

Mergers and acquisitions work towards the same overall objective, namely; obtaining resources, but the EMT suggests that two conditions particularly favour entrepreneurship. First, entrepreneurship constitute a more viable alternative when not all the resources owned by the target are valuable to the firm. Second, disposing of redundant or less valuable resources induces a cost, because such resources may be tied to the desired resources.

Resoures Based Utilization (RBU)

The theory was founded by Barney (1991), the theory cites the need for prospective partners to achieve synergies across their business strategies, such that merger and acquiss can contribute to the realization of their strategic objectives. Reasons to establish partnerships are vast: short term efficiency, resource access, market position, geographical expansion, risk reduction, competitive blockades, economies of scale, speed to market, minimized transaction costs, shared investments and so on.

From the foregoing, the study therefore draws on the three theories of RBN, RDT and SMT. However, the SMT provides theoretical and managerial insights in the strategic rationales that underlie alliance formation, and its primary contribution is its pragmatism towards building and sustaining competitive advantage, product innovation and sales performance.

Empricial Review of Related Studies

Amir, et al. (2021) examined the relationship between strategic entrepreneur and the performance of small entrepreneurial firms in telecommunications. The study used structural equation modelling to analyse primary data obtained from a sample of 74 small entrepreneurial firms in the telecommunications industry. The study found that strategic entrepreneurships significantly and positively impact partners' performance in terms of

financial, operational and organizational effectiveness among of financial, operational and organizational effectiveness among small entrepreneurial firms in the telecommunications sector.

Rouhollah, et al. (2021) took an overview of strategic and organizations in Turkey. The purpose of the study was to examine the foundations of strategic and partnership of organization. The study shows that in a modern economic network, companies may assembly operate independently in market and hence without the intervention of criteria, but the strategic position of a potential market partner plays a major role in overall performance. Moreover, merely considering the compatibility of two companies in a partnership would lead to deficiencies in the prospects. As such, criteria for partnership must be complementary to meet the needs of both parties.

Umar (2020) reviewed 5 frequently used strategic entrepreneur theoretical perspectives of the resource-based view, transaction cost theory, knowledge-based view, resource dependency theory and the social capital theory. Furthermore, 10 empirical studies linking strategic entrepreneur to organizational performance were reviewed. Issues of entrepreneur success factors and failures were investigated and it was discovered that successes are linked to trust, the establishment of information and coordination system, provision of required resources, partner experience, team spirit etc while failures arise when partners misrepresents what they bring to the table, fail to commit resources and capabilities to the other partners, failure to use their complementary resources effectively etc.

The study concluded that strategic entrepreneurship will provide unprecedented opportunities for organizations to collaborate among different industries, countries scale, to propel mutually beneficial progress.

Wafula and George (2016) examined the effects strategic supplier. Partnership on firms' performance in the energy sector in Kenya. The study utilized descriptive statistics and regression analysis. From the result of data analysis revealed that strategic partnership has improved communication and networking between firms and suppliers, further they were ventral that strategic partnership has led to computerization of all inventory management systems and improved supply chain innovation in KPC. The study further found that strategic entrepreneur partnership improved the time it takes for petroleum products to get to the market.

Winata and Mia (2016) examined the relationship between a firm's engagement in strategic entrepreneur and its customer performance. Data generated through structured questionnaire was analysed using structural equation modelling with partial least squares. The results from the analysis revealed that a firm's engagement in a strategic partner is positively related with the firm's customer-related performance, but through the managerial use of the ICT.

METHODOLOGY

The study adopted survey research design because it used research questionnaire and personal interview to get data from respondents. This is appropriate because the respondents are well versed with the issue of strategic and performance across the various SMEs under reviewed.

The data for this study was obtained from primary source using structured close ended questionnaires. Secondary data have been sourced from textbooks, journals, magazines and other scholarly publications. The internet serves as a useful source of secondary data was also used for the purpose of the study.

Population of the Study

The target population of this study consists of 15,538 managers/owners of registered SMEs operational in the south East region of Nigeria and this cut across manufacturing, pharmaceutical and communication SMEs in Abia, Enugu,Anambra,Imo,Ebonyi State

Table 1. Population of the study

S/N	State	No of Registered SMEs
1.	Imo State	1,869
2.	Anambra	1,350
3.	Enugu State	1, 562
4.	Abia State	1,792
5.	Ebonyi State	687
	Total	**7,260**

Source: SMEDAN and National Bureau of Statistics (2022)

In determining the sample size, the study adopted the stratified sampling and judgmental sampling techniques in coming up with the sample size of 390 SMEs.

Method of Data Analysis

To analyse the data obtained from the study, descriptive and inferential statistics techniques (spearman's rank order correlation method) were conducted with the aid of the statistics package for Social Sciences (SPSS) version 23.0 for Windows. However, the descriptive statistics was employed to summarize with the view to gaining better understanding of the data set (Hair, Money, Page & Samuel, 2007). The descriptive analysis (mean, bar chart, frequency and percentage) were performed on all categories of data to show their general trends. For making a decision either to agree or disagree on the research question raised, the cut of mean point of 3.50 and above threshold was regarded as an agreed decision. Conversely, an average mean point of below 3.50 of the overall mean point was rejection (disagreed) decision to the research question stated.

The questionnaire distribution, out of 390 copies distributed only 375 copies representing of 96% of the total number of the questionnaires were successfully filled and returned. To this end, for the inferential statistics, the spearman rank order correlation was carried out to find if there is a relationship between strategic entrepreneur and SMEs performance (competitive advantage, sales performance and product innovation) in the testing of hypotheses.

RESULTS

The study examines strategic entrepreneur and the performance of small and medium enterprises in south East Nigeria. To test the hypotheses formulated, the spearman's rank order correlation was employed with the aid of SPSS version 23.0 for windows. The Z-value $=r\sqrt{n-1}$

Test of Hypothesis One

H_1: Marketing and distribution strategic entrepreneurship does not significantly affect sales performance of SMEs in South East Nigeria.

Table 1: Correlation Analysis of the Relationship between Marketing and Distribution Strategic A (MDSA) and Sales Performance (SPERF) of SMEs in South Easts Nigeria.

		MDSA	SPERF
MDSA	Pearson Correlation	1	.868**
	Sig. (2-tailed)		.000
	N	375	.375
SPERF	Pearson Correlation	868**	1
	Sig. (2-tailed)	.000	
	N	375	375

**Correlation is significant at the 0.01 level (2-tailed)

Source: SPSS Output (2022)

Decision: Table 1 present the result of the spearman rank order correlation statistics. The correlation coefficient (0.87) indicated a positive relationship between marketing and distribution strategic alliance and sales performance of SMEs in South East Nigeria. However, the relationship is strong since the P-value (0.00) is less than 0.05(r_s=0.87, p<0.00). The significance of the relationship is measured by the Z value is greater than the critical Z value, the null hypothesis is rejected. Therefore marketing and distribution strategic entrepreneur significantly affect sales performance of SMEs in South East Nigeria.

Test of Hypothesis Two

H_2: There is no significant relationship between technology alliance and product innovation of SMEs in South East Nigeria.

Table 2: Correlation Analysis of the Relationship between Technology, Strategies Entrepreneur (TSE) and Product Innovation (PINV) of SMEs in South East Nigeria.

		TSA	PINV
TSA	Pearson Correlation	1	.899**
	Sig. (2-tailed)		.000
	N	375	.375
PINV	Pearson Correlation	.899**	1
	Sig. (2-tailed)	.000	
	N	375	375

**Correlation is significant at the 0.01 level (2-tailed)

Source: SPSS output (2022)

Decision: Table 2 present the result of the Spearman rank correlation statistics. The correlation coefficient (0.899) indicated a positive relationship between technology strategic entrepreneur and product innovation of SMEs in south East Nigeria. However, the relationship if strong, since the P-value (0.000) is less than 0.01 (r_s=0.899, P<0.00). the significances of the relationship is measured by the Z value of 17.39 and a critical value of ± 1.96. Since the computed Z value is greater than the critical value, the null hypothesis is rejected. Therefore, there is significant relationship between technology strategic alliance and product innovation of SMEs in South East Nigeria.

Test of Hypothesis Three

H_3: There is no significant relationship between production alliance and competitive advantages of SMEs in North Central Nigeria.

Table 3: **Correlation Analysis of the Relationship between Production Strategic Entrepreneur (PSE) and Competitive Advantages (COMADV) OF SMEs in South East Nigeria.**

		PSA	COMADV
PSA	Pearson Correlation	1	.757**
	Sig. (2-tailed)		.000
	N	375	.375
COMADV	Pearson Correlation	.757**	1
	Sig. (2-tailed)	.000	
	N	375	375

**Correlation is significant at the 0.01 level (2-tailed)

Source: SPSS output (2022)

Decision: Table 3 present the result of the spearman rank correlation statistics. The correlation coefficient (0.757) indicated a positive relationship between production strategic alliance and completive advantage. However, the relationship is strong since the P-value (0.00) is less than 0.014 (r_s=0.757, P<0.00). The significant relationship is measured by the Z-value of 14.64 and a critical value of± 1.96. Since the computed Z value is greater than the critical Z value, the null hypothesis is rejected. Therefore, there is significant relationship between production strategic alliance and competitive advantage of SMEs in South East Nigeria.

Test of Hypothesis Four

H_4: There is no significant relationship between learning alliance and product innovation of SMEs in South East Nigeria.

Table 4: Correlation Analysis of the Relationship between Learning Strategic Entrepreneur (LSE) and Product Innovation (PINV) of SMEs in South East Nigeria.

		LSA	PINV
LSA	Pearson Correlation	1	.910**
	Sig. (2-tailed)		.000
	N	375	.375
PINV	Pearson Correlation	.910**	1
	Sig. (2-tailed)	.000	
	N	375	375

**Correlation is significant at the 0.01 level (2-tailed)

Source: SPSS Output (2022)

Decision: Table 4 present the result of Spearman rank correlation statistics. The correlation coefficient (0.91) indicated a positive relationship between learning strategic and product innovation of SMEs in South East Nigeria. However, the relationship is strong since the P-value (0.00) is less than 0.01 (r_s =0.91, p<0.00). The significance of the relationship is measured by the Z value of 17.60 and a critical Z value, the null hypothesis is rejected. Therefore, there is significant relationship between learning strategic alliance and product innovation of SMEs in South East Nigeria.

DISCUSSION

From the result of the data analysis, the following findings as regard the subject is as follows;

That marketing and distribution strategic entrepreneur help combat the inequities posed where an SME would otherwise be competing with larger organizations for suppliers and sales. By linking with each other the SMEs have access to additional financial and human resources and geographical spread which increases their competitive advantage and sales

revenue. This further revealed that marketing and distribution expansion requires a huge investment of resources and the development of new distribution channels.

The study revealed that strategic technology entrepreneur has positive relationship towards improving organizational performance in terms of market shares and product innovations. This implies that technology entrepreneur provide evidence that increasing the diversity of partners in the technology entrepreneur portfolio has a significant positive impact on the ability of a firm to be the first one to launch new or significantly improved products onto the market.

The study also revealed that production alliance positively influences competitive advantage; this means that firms planning to improve their competitive advantages need to consider production entrepreneur with other firms especially those in manufacturing sector. Production strategic are hotly formed to gain market share, try to push out other companies, pool resources for large capital project, establish economics of scale, and gain access to complementary resources.

The study further revealed that learning are valued part of an organizations culture which product innovations are developed both intra-organizationally and inter-organizationally. To this end, these product innovations range from new missions and strategies to new products and different ways of operating an organization. SMEs that have a strategy to seek new products or to imitate what is effective seem likely to form alliances with a learning motivation. When tacit knowledge is shared or circulated within an inter-strategies for employees to bring their know hoe to the merger that will lead to a greater product innovation.

Summary of Findings

The summary of findings from the data analysis are;

i. Marketing and distribution strategic significantly affect sales performance of SMEs in South East Nigeria.
ii. There is significant relationship between technology strategic and product innovation of SMEs in South East Nigeria
iii. There is significant relationship between production strategic and competitive advantages of SMEs in South East Nigeria
iv. There is significant relationship between learning strategic and product innovation of SMEs in South East Nigeria

CONCLUSION

Based on the findings of the study, the study concluded that marketing and distribution strategic entrepreneur help combat the inequities posed where an SME would otherwise be competing with larger organizations for supplies and sales. By linking with each other the SMEs have access to additional financial and human resources, and geographic spread which increases their competitive advantage and sales revenue.

In addition, the study concluded that technology entrepreneur provided evidence that increasing the diversity of partner in technology portfolio has the positive impact on the ability of a firm to be the first one to launch new and improved products onto the market.

The study further concluded that production strategic entrepreneur help firms planning to improve their competitive advantages need to consider production with other firms especially those in manufacturing sector, this will enable the merger gain market share, try to push out other companies, pool resources for large capital projects, establish economics of scale and gain access to complementary resources.

Lastly, the study concluded that a result of participating in a learning entrepreneur SMEs performance is reflected in the degree of knowledge they acquired, opportunity created, objective satisfied. When tacit knowledge is shared or circulated within an inter-organisation relationship, it will prompt the SMEs to produce new strategic for employees to bring their know-how to the alliance that will lead to a greater product innovation.

Strategic alliance are indispensable tool in today's business environment and so the following recommendations are suggested

i. For SMEs to effectively manage its marketing and distribution, they should set up a team that would be responsible for coordinating contacts with partners, identifying potential partners, and even developing the terms of the strategic and monitoring its performance.
ii. SMEs should improve on production strategic in order to implement a least-cost formulation strategy that optimizes the process of creating new formulas and the quality of their products.
iii. SMEs should learn from their strategic partnership as this is a prerequisite in building sustainable capabilities of improving manufacturing processes, product quality and production operations. To succeed, alliance partners must encourage true collaboration beyond the formal governance structure and learn

how to adopt and integrate knowledge acquired from the merger to serve the specific needs of their own innovative effort.

iv. When making technology decisions, managers should not only consider the potential benefits of such collaborative strategic but also should take into account the additional costs of intensifying the technology portfolio

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Acknowlegdement

The Author wish to express his heartfelt gratitude and appreciaciation for the support and funding provided for these research through the territory education trust fund (TETFUND)your investment in education is not only a testament to me but to demonstration of your trust in positive impact on the of researcher.

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