

Bootstrapping Finance and SMEs Performance during COVID-19 Pandemic in Nigeria

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Abstract

The Covid-19 pandemic distorted the formal funding system for small and medium enterprises here referred to as SMEs by the banking sector in Nigeria. This can be seen from the inability of the banks to provide loans to SMEs due to the effect of the pandemic on their operations necessitating SMEs to look backward means of funding their operations. The objective of the study is to assess the relationship between bootstrapping finance and SMEs' performance during Covid-19 pandemic in Nigeria. In achieving the said objective, the study applied the questionnaire method on 4 Likert's rating scales to 342 SMEs as the sample size out of a total population of 2441 registered SMEs (NBS, 2017) in Kano State using a simple random probability sampling technique. The study employed multiple regression analysis as a statistical technique and finding indicates both the minimisation of account receivable, joint utilisation of assets, and delaying payment to suppliers positively, and significantly influence SMEs' performance in the study area. The study recommends that the minimisation of account receivable, joint utilisation of equipment and delay payment to suppliers should be used by SMEs as strategies to enhance their performances whenever external funding is not accessible due to the pandemic.

Keywords: Bootstrapping finance, Covid-19, Joint Utilisation of Assets, Minimisation of Account Receivable, SMEs Performance

Introduction

1.1 Background of the Study

Small and Medium Scale Enterprises here referred to as SMEs contributed largely to the global economy when compared to other sectors. For instance, SMEs represent about 90 percent of global businesses (USA 99%, UK 99.7%, and Nigeria 99.8%) (International Trade Center [ITC], 2020; Price Waterhouse Coopers [PWC], 2020) and more than 50 percent of employment worldwide (US 55%; France 61% and UK 54%, Nigeria 84%). The

contribution of SMEs to global GDP is (USA 44%, UK 51% Nigeria, 49%) (ITC, 2020; PWC, 2020). Despite the above-mentioned contributions, many studies argue that SMEs are more vulnerable to externalities especially when the global economy is witnessing shocks. Recent studies (Bouyeg, 2020; Amuda, 2020) opined that what makes SMEs vulnerable is owing to the peculiar features characterizing the enterprises, which among others include; small capital, the limited scope of operations, inability to keep

proper records and lack of collateral to secure a bank loan.

The devastating global economic downturn due to Covid 19 pandemic originating from Wuhan in late 2019 affected SMEs' performance (WHO, 2019; Adian, Daumobia, & Gregory, 2020). The pandemic is considered a public health issue, however, attempts to contain the spread of the novel virus through mitigating strategies (lockdown, social distancing, quarantine, and restriction of movement) bring global banking activities to their knees with a particular reference to SMEs (Catalan, Pietro & Ponce, 2021; Bloom, Bonn & Mizen, 2020; Women Entrepreneurs Financial Inventive [WEFI], 2020).

Oyewole, et al (2020) in their study estimated the impact of Covid 19 on SMEs, evidence from Nigeria. The study found out that the palliative measures taken by the government to restrict movement or imposed a total lockdown have a significant effect on small and medium enterprises' productivity in Nigeria. The devastating nature of the pandemic according to some reports affected nearly half of the population of the country, especially those that are at the mercy of hunger (85.2 million) at the same time negatively affecting the productivity of 41.5 million SMEs (ITC, 2020). To the statistics

above, SMEs are on the verge of collapsing (Da, Feng & Jin, 2021).

Another consequence resulting from the pandemic is difficulty to access funding by SMEs from the formal institution since the Nigerian banking sector, cannot exercise its intermediation role to provide term loans or equity financing to SMEs, especially during this period of the pandemic (Ozcan, 2020). Banks cannot collect deposits as before, branches are closed, employees are restricted indoors, and increase in loan default and non-performing loans keep on increasing in the daily records of the banks (Kunt, Pedraza & Ortega, 2020). To stimulate the intermediation functions of banks, governments at various levels responded positively (Klynveld Peat Marwick Goerdeler [KPMG], 2020) by ejecting billions of Naira as well as exercising both monetary and fiscal policies, particularly for banks and SMEs. the mitigating effect of Covid 19 pandemic necessitates SMEs to adopt bootstrapping strategies to remain relevant and address the insolvency and liquidity problems using an internally generated source of funding. Studies (Muo et al., 2020) across the globe, for example, in the United States of America, Iran, and Malaysia indicated the influence of bootstrapping on SMEs' performance in terms of output, sales,

employment, and contribution to Gross Domestic Product (GDP) during the pandemic. However, in Africa with a particular reference to Nigeria, such a study does not receive proper attention.

1.2 Statement of the Problem

Despite the contributions of SMEs to Nigeria's Gross Domestic Product (GDP), provision of employment, poverty reduction, and revenue, the enterprises are relegated to the background in terms of financial funding when compared to the other sectors of the economy (Banji, 2020; Aguwanba & Ekienabor, 2017). The devastating nature of Covid 19 pandemic on the global economy opened another window for SMEs in Nigeria to seek redress in terms of funding (Popoola, 2020), looking at how the mitigating effects to contain the spread of the virus through the shutdown, lock up, quarantine and restriction of movement affect the SMEs performance level (WE-FI, 2020). This makes it difficult for SMEs to perform their traditional function as production stops, sales volume moved to zero level and markets are closed. These scenario leads some enterprises to close their businesses temporarily while others closed permanently thereby creating another vacuum in the country's employment level (Price Waterhouse Coopers [PWC], 2020; Bartic, et

al., 2020; Lakuma & Sunday, 2020). The insolvency and liquidity problems faced by SMEs during the period seek redress, especially where banks cannot provide funding to address the mitigating effects of the pandemic. As an alternative to external financing, Zwane and Nyide (2016), Banji, (2020), Mabonga (2020); Block, Fish and Hirashmann (2021), suggested that bootstrapping financing can augment the services of bank funding, especially in a situation of global financial crisis. Reports from countries such as China, America, Belgium, Germany, Kenya, and South Africa indicated that SMEs that strategically positioned themselves in these counties using bootstrapping stand a better chance to survive during Covid 19 pandemic.

However, Zwane and Nyide (2016) opine that most business owners are not aware of the strategies, only owner capital for the start-up business is put into practice, while joint utilization, minimization of accounts receivable, and delaying payment was not practiced by the majority business owners in a developing economy.

In Nigeria, during the pandemic, a Plethora of studies do not emphasize investigating the relationship between bootstrapping financing and SMEs productivity during the pandemic. The study, therefore, seeks to answer the

following question: Can bootstrapping finance provide sufficient funds to enhance SMEs' performance during Covid 19 pandemic?

2.0 Empirical Review and the Development of Research Hypothesis

2.1 SMEs Performance

Small and Medium Scale Enterprises here referred to as SMEs have no distinctive acceptable unique definition (Amuda, 2020). However, in Nigeria context, the Central Bank of Nigeria defined Small and Medium Enterprises (SMEs) as entities with an asset base of N5 million and not more than N300 million excluding land and buildings with employees not more than 300 and turnover not less than 100 million per annum (Banji, 2020). Despite their limitations, researchers (Bloom, et al, 2020) believed that SMEs, play a crucial role in economic development. For instance, Zeidy (2020) acknowledged that SMEs drive growth, create employment, and provide goods and services.

The concept of performance is viewed as achieving or excelling in one's specific area of activity (Mahudov & Kovacs, 2018), which is used as a measurable achievement in a certain domain of activity. In their contribution, Collins, Remigious and Amarachi (2022) argued that business performance could be viewed from the

financial or nonfinancial aspect of an organization. Further, they emphasized how well a firm uses both financial and non-financial measures to gauge and identify where there is an improvement and the areas in which the business is lagging behind.

Aminu and Shariff (2015) defined SMEs' performance as thriving ways management manages the firm resources to provide value to its stakeholders, such as owners, customers, society, and the government. This means stakeholders' satisfaction determines the level of SMEs at a high, average, or low level of performance. The performance of SMEs in terms of productivity, revenues, employment, and sales at the global level deteriorated since the beginning of covid-19 pandemic (Calva, 2020; World Bank, 2020; Catalan, Pretro & Ponce, 2021). Before the pandemic, statistics from World Bank (2020) indicated that SMEs represent 90 percent of global businesses, provide more than 50 percent of global employment, and contribute 40 percent of national incomes in emerging economies (World Bank, 2020). However, the current situation indicated that the pandemic explicitly negates the role of SMEs in performing their traditional role as observed by others (Zeidy, 2020).

For instance, a study conducted by the International Finance Corporation on the

effect of Covid 19 on SMEs productivity indicated that 4,467 business productivity from 132 countries were badly affected, with 70% of SMEs being severely affected when compared to large business corporations (International Trade Center [ITC], 2020). Similarly, the study indicated that the SMEs' performance especially in Africa witnessed a 75 percent reduction in sales and 54 percent difficulty in assessing raw materials.

2.2 Bootstrapping Finance

Bootstrapping is not a new concept in financial literature, it exists before formal funding institutions, what makes it to be new is the rate at which the concept is put into practice (Hovath, 2019). It is a strategy where entrepreneurial ventures undertake to preserve liquidity by reducing expenses, collecting receivables, delaying credit payments, and joint utilization of resources (Stephens & Iskandaria, 2006). Other strategies worthy of noting include subsidy financing, reducing tax advances, and commercial rent (Block, et al, 2021). Mabonga (2020) argued that bootstrapping is a technique that affects the way enterprises manage their resources as well as their relationship with other stakeholders, especially under economic pressure. Block et. al (2021), Mabonga (2020), Zwane and

Nyide (2016) identified the following bootstrapping techniques.

2.3 Bootstrapping Techniques and SMEs Performance

2.3.1 Minimization of Accounts Receivable and SMEs Performance

It is a known fact to most entrepreneurs that businesses on daily bases are conducted on credit sales rather than cash and carry (Mabonga, 2020). However, not all debtors are ready to make prompt payments when due and this reduces the liquidity position of the business. In the same way round, if credit sales are not given, stocks of finished products will attract unnecessary stock expenses, which will lead to loss. To save the business from collapsing, an entrepreneur is expected to address this issue by using interest on overdue payments on debtors that do not meet their obligations as prescribed in the credit agreement.

Mabonga (2020) conducted a study using a descriptive survey research design and a questionnaire was distributed to 234 Small and Medium Enterprises in Kenya. The study showed that owner financing methods had a significant positive effect on financial sustainability among the respondents. Similarly, the minimization of accounts receivable had a significant positive effect on financial sustainability. Likewise, joint

utilization had a significant positive effect on financial sustainability. Delaying payments had a significant positive effect on financial sustainability while minimization of investment in capital stock had also a significant positive effect on financial sustainability.

Nurudden (2022) conducted a study on financial bootstrapping and organizational performance in some selected SMEs in Oyo state. The finding of the study using Pearson Product Moment Correlation indicated a strong relationship between delaying payment to suppliers; minimization of account receivable and SMEs performance. Similarly, the result also indicated that ownership financing, joint utilization, delaying payment, and minimization of accounts receivable have a significant influence on SMEs' performance in the study area. Despite all the above-mentioned findings, the result indicated minimization of account receivable provide SMEs with liquidity through fine and charges. Most SMEs charges debtors that failed to make payment when due, this extra collection is considered as another source of income that is internally generated and influences performance.

H_{a1}: Minimisation of accounts receivable positively influences SMEs performance in Kano State, Nigeria.

2.3.2 Joint Utilization of Equipment and Assets and SMEs Performance

Funding small-scale businesses especially when it involves the use of equipment that is beyond single ownership due to cost or technical expertise can be obtained through joint ownership. Bootstrapping allows entrepreneurs to take advantage of one another to share equipment with others especially when such equipment cannot be owned single-handedly (Stephens & Iskandsria, 2006).

For instance, in Germany, a study conducted by Block, et al (2021) showed a positive and significant relationship between bootstrap financing and private consumption on one hand, and self-employment on the other. The result dictated that the majority of the SMEs that responded to the study (17,046); that enjoy joint utilization of assets do not witness severe conditions during the pandemic, as a positive relationship exists between severity cases and bootstrap financing.

Vanacker, Manigart, Meuleman and Sel (2010) conducted a study on the impact of bootstrap strategies on venture development following a longitudinal approach. The findings of the study indicated that

businesses which engage in joint utilization created more value for SMEs that depend on their building.

The findings of the studies indicated the positive influence of joint utilization of assets on SMEs' performance, one can deduce that in the absence of funds to build, buy assets or install new equipment, joint utilization serves as a source of funding not only during crisis periods. It should be noted that the strategy if not well managed may create a vacuum that will course a rift relationship between the firms on who controls what?

H_{a2}: Joint utilization of equipment and assets positively influences SMEs' performance in Kano State, Nigeria.

2.3.3 Delaying Payments to Suppliers and SMEs' Performance

Another technique in raising funds through bootstrapping method is delaying payment due to suppliers. Credit payment if extended provides additional funds to the business. However, care must be taken so that the entrepreneur's good reputation would not be eroded due to non-payment of obligation as agreed. Payment delays can tarnish the good name and reputation of the business in the eyes of its suppliers (creditors).

Hovarth (2019) citing Ebben (2009) from the reports of the study conducted showed a positive relationship between liquidity ratios

and owner-related capital methods. Similarly, the study found a negative relationship between return on sales (ROS)/return on assets (ROA) ratios and payment delays and customer-related techniques. In a different study, Jones and Jayawarna (2010) as cited in Hovarth (2019) found a positive relationship exists between payment-related and joint-utilization methods and both turnover change and sales growth.

Ye (2020) tried to predict if there is a significant negative relationship between bootstrapping and startup ventures in terms of profitability using longitudinal panel data from the Kauffman Firm Survey throughout 2005-2007. The finding of the study showed that bootstrapping approach (owner capital, joint utilization of assets, and delaying payment to suppliers) is significantly and strongly, but negatively associated with profitability

Contrary to Ye (2020), Muo, Oladimeji, and Okunbadejo (2020) in their study on Financial bootstrapping and small business growth in Lagos metropolis, Nigeria, used a regression analysis and finding indicated that owners-related finance and payment delay to suppliers have no significant influence on SMEs growth in the study area at a 95% confidence level.

Despite mixed reactions from the above findings on the influence of delaying payment to suppliers and SMEs' performance, delaying payment to suppliers increase the cash till of SMEs making funds available for their immediate operations without resorting to external financing and this influences the performance of the firms. However, delaying in payment if not managed well, spoils the SMEs' good reputations thereby negatively affecting the goodwill of the business, which leads to poor performance.

H_{a3} Delay in Payments to Suppliers positively influences SMEs' performance in Kano State, Nigeria.

2.4 Theoretical Perspective

The underpinning theory of this study is a resource-based theory which believes that organizations that have and can rapidly mobilize more strategic resources are likely to develop a sustainable competitive advantage and generate above-normal returns compared to their resource-constrained peers (Abdulrahman, 2016 citing Barney, 1991). The theory postulates that SMEs using owner capital, asset, equipment, and inventory will strategically be better up during economic upheavals and compete favorably when compared to others that do not strategically

position themselves. During the period of Covid 19, SMEs with owner capital, as a bootstrapping strategy does not witnesses capital shortage due to bank closure. Similarly, those having equipment and asset found it easy to manage their operations at the same time inviting other SMEs to jointly use the same equipment for their operation, giving the former a competitive advantage during the said period.

2.5 Conceptual Framework

The study is anchored on the presumption that SMEs that engaged in bootstrapping techniques reap a fruitful result in terms of performance during the Covid-19 pandemic. The framework indicates bootstrapping strategies that are expressed in the form of minimisation of accounts receivable, joint utilisation of assets and equipment, and delay in payments to suppliers (Block, 2021; Horvath, 2018; ITC, 2020) influences SMEs' performance (Oyewole et al., 2020)

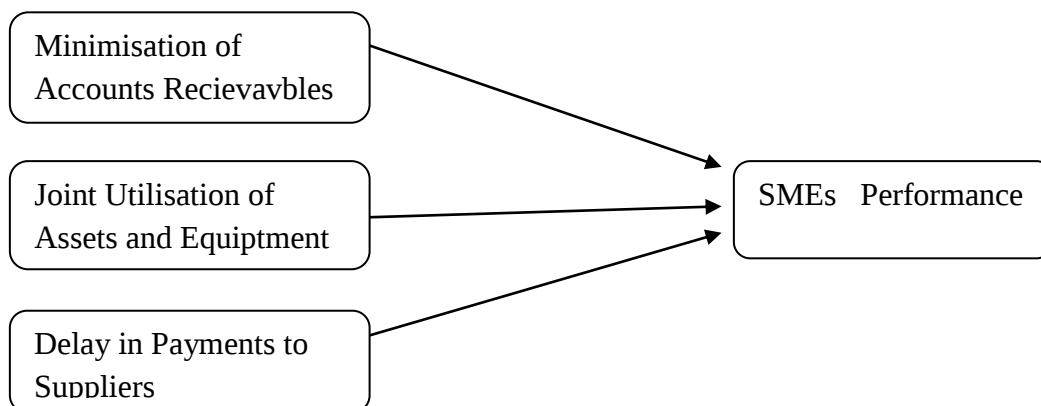


Figure 1: Conceptual framework

3.0 Research Methodology

The philosophy of the study is built on the positivist approach and the research design is descriptive, (looking for the causal relationship if any between bootstrap financing and SMEs performance) using empirical evidence. The population of the study includes all the registered 2441 Small & Medium Enterprises (SMEs) in Kano State according to the National Bureau of Statistics (2021). Using the Slovincs formula calculator the study selected 342 respondents as the sample size with an acceptable margin of 0.05. Similarly, the study used a simple random probability sampling technique to give each unit an equal chance of representation from the population, this is in line with the study conducted by Abdulrahman (2021). Structured questionnaires are used as a research instrument using four Likert's rating scales and distributed to the owners/managers of

SMEs as the study respondents used to answer the research hypotheses.

To ensure the accuracy and validity of the study's instrument, the questionnaire is tested using validity and reliability measures. In measuring the validity, the study employs content validity, and the measure indicated that the instrument covers all aspects of the topic that it is designed to measure. The study also employs the test and retest method to ensure the reliability of the instrument over time, this is in line with Mubaraka (2013).

Diagnostic Test

To check if multicollinearity and linearity exist, the result from the preliminary analysis indicated that the data were normally distributed with Kurtosis and Skewness having values closer to 0 and greater than 0.00001 as suggested by Field (2015). Similarly, the Value of sig. deviation from linearity is less than (0.05) which is an indication linearity does not exist among the

study variables as suggested by Mubaraka (2013)

Statistical Model

$$Y = \beta + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where;

β = The slop of the regression line

X_1 =MAR =Minimisation of Account Receivable

X_2 = JUE= Joint Utilisation of Equipment and Assets

X_3 = DPS = Delaying Payment to Suppliers

ϵ = Error term

Y = SMEs' Performance

Measurement of the Study Variables

In measuring the study variables, for instance, bootstrapping finances as the

independent variable is measured based on the following constructs; joint utilization of assets, minimization of account receivables, and delaying payment to suppliers as found in Block, et. al (2021), Mabonga (2020) and Zwane and Nyide (2016) with five, six and seven items respectively using four Likert rating scale. Similarly, SMEs' performance is measured by productivity (output), sales, profit, and employment based on the studies conducted by Abdulrahaman (2021), Amuda (2020); Zeidy (2020) using four Likert rating scales with six items each.

4.0 Results and Discussions

Descriptive of Study Variables

Table 1: Response Rate

	Number	percentage
Number of Questionnaires Returned	235	68.0
Number of Questionnaires unreturned	77	32.0
Total	342	100.0

Source: Field Survey, 2022

Table 1 showed the distribution of response rate of the questionnaire distributed. A total of 235 questionnaires from 342 sampled respon-dents returned their questionnaires well-filled, contributing to 68.0%. However, 77 (11 questionnaires were not returned and

66 were not duly filled) as they failed to meet the study requirements. It should be noted a response rate of 68.0% is sufficient to provide statistical analysis for reporting and generalization as argued by Kivuti (2013) citing Mugenda and Mugenda (1999).

Descriptive Statistics of the Study Respondents

Table 2 Descriptive Statistics of the Study Respondents

Variables	Number of Response	Percentage
Gender		
Male	220	94.0
Female	15	6.0
Total	235	100.0
Marital Status		
Married	200	85.0
Single	35	15.0
Total	235	100.0
Number of Years in Business		
1 5	2	1.0
6 10	20	9.0
11 15	180	77.0
16 <	33	13.0
Total	235	100.0
Educational Qualification		
Primary	20	8.5
Secondary	30	12.7
NCE/Diploma	35	14.9
HND/Degree	110	47.0
Postgraduate	40	17.0
Total	235	100.0
Capital Base		
Less than 50 million	10	4.0
50 million – 100millio	140	60.0
101million – 150million	60	26.0
151million and Above	25	10.0
Total	235	100.0
Type of the Business		
Production	130	55.0
Service	70	30.0
Mercnadising	35	15.0
Total	235	100.0

The respondents' profiles indicated (Table 2) that the majority of the respondents are male (220, 94%) and married (200, 85%). Similarly, majority of the respondents have business experience between 11 – 15 years (180, 77%). Concerning the educational level of the respondents, 47% equivalent to 110

have a degree with very few attending primary education (8.5%). Furthermore, majority of the respondents have a capital base between 50 million and 100 million (140, 61%), while only 4% have less than N50 million as a capital base. Table 2 further indicated that the majority of the respondents

(130:55%) are in the production business, with 15% in merchandising.

4.1 Results of Pearson Correlation

A Pearson correlation analysis was used to establish the relationships between the

variables. Table 1 below shows the correlation coefficients for all the variables of the study.

Table 3: Pearson Correlations

Constructs	MAR	JUE	DPS	SMEP
MAR	1			
JUE	0.876**	1		
DPS	0.759*	-0.498**	1	
SMEP	0.718**	0.551**	-0.549	1

Source: SPSS Output generated from primary data, 2022

Table 3 indicated a positive correlation between MAR and SMEs performance as results demonstrated a moderate correlate between MAR and SMEs Performance at ($r = 0.718, p < .01$). Similarly, a positive

correlation between JUE and SMEP results demonstrated a moderate correlation ($r = 0.551, p < .01$). The result also reveals a negative correlation between DPS and SMEs Performance at .01 level ($r = -0.549, p < .01$).

4.2 Multiple Regression Analysis

Table 4 Multiple Regression Analysis

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients		Sig. Value
	Beta	Std. Error	Beta	T	
(Constant)	100.894	1.453		69.434	.000*
MAR	.141	.017	.183	8.283	.000*
JUE	.619	.067	.221	9.202	.000*
DPS	2.536	.060	1.061	42.172	.000*
Model		1			
R		.939			
R ²		.883			
Adj R ²		.881			
Std. Error of the Estimate		2.21451			
R ² Change		.008			
F Change		.423			
df1		243			
Sig. F Change		.863			
Std. Error of the Estimate		2.21451			
Sig.		.000			

- At a 95% confidence level

Source: SPSS Output generated from primary data, 2022

a. *Dependent Variable: SMEs Performance*

Based on Table 4 above, the following multiple linear regression equation is formed:

$$Y = 100.894 + MAR. (0.141) + JUE(0.619) + DPS (2.536) + \epsilon$$

In trying to predict the predictive power of the independent variable over the dependent variable, Table 4 indicated that the coefficient of regression r .939 showed the strength of the relationship between bootstrapping strategies and SMEs performance. By the same token, R-squared statistics measure the level of the

predictive power of promotional strategies over retail sales performance. The measurements indicated that 88.3% of SMEs' performance was predicted by bootstrapping strategies, while 11.7% remained unimpacted.

Table 4 further showed the level of variation between the independent and the dependent variables; the adjusted R Square, which is

88.1%, displayed the extent to which the two variables vary. Similarly in Table 4, $F = 456.461$; $p = 0.000 < 0.01$. Thus, the fitness of the model is confirmed. The overall regression model with the three bootstrapping strategies (minimisation of accounts receivable, joint utilization of equipment and assets and delay in payment to suppliers) has worked well in describing the variation in small and medium enterprises' performance at a 95% confidence level.

4.3 Test of Hypotheses

The study makes three prepositions to ascertain the relationship between bootstrapping techniques and SMEs' performance. Using multiple regression analysis, the study found the following results

H_{a1}: Minimisation of Account Receivable Positively Influences SME's Performance

In trying to test, the above proposition, the result from Table 4 indicated that the regression coefficient of MAR is $\beta = 0.141$ $\alpha = 0.05$ and the sig value = 0.000. This shows that alpha is ($\alpha = 0.05$) statistically large and significant enough when compared to the sig value (sig value = 0.000) to accept the alternate hypothesis. With this result, the minimisation of account receivable positively influences SME performance. The result, however, is in line with the study findings of Mabonga (2020) and Nurudden (2022)

stressing the influence of the minimisation of accounts receivable on SMEs' performance. Managers should note that the minimisation of accounts receivable has cost implications, such as insurance, electricity, security, and spoilage which will be accrued over time. Similarly, situations, where the purchasing power of consumers is negatively affected by economic vagaries, it should also be taken into consideration.

H_{a2}: Joint utilization of equipment and assets positively influences SMEs' performance

To test hypothesis two, Table 4 provided multiple regression coefficients of joint utilisation with $\beta=0.619$, $\alpha = 0.05$, and sig value =0.000. The result shows that alpha is ($\alpha = 0.05$) statistically large and significant enough when compared to the sig value (sig value = 0.000) to accept the alternate hypothesis. With this result, joint utilization of equipment and assets positively influences SMEs' performance. This finding supported the earlier study result conducted by Block et al (2021), however, does not concur with what is obtainable in Vanacker et al (2009). Despite the above findings, the strategy is having some bottlenecks including difficulty in reaching agreement, control, and responsibility and making it practically difficult for most SMEs.

H_{a3}: Delay in Payments to suppliers positively influences SMEs' performance

Furthermore, to test if delay in payments positively influences SMEs' performance, Table 4 provided the following coefficients $\beta = 2.536$, $\alpha = 0.05$, and sig value = 0.000. The result shows that alpha is ($\alpha = 0.05$) statistically large and significant enough when compared to the sig value (sig value = 0.000) to accept the alternate hypothesis. With this result, delay payments to suppliers positively influence SMEs' performance. This result supported the earlier finding of the study conducted by Ye (2020) but disagreed Muo, Oladimeji and Okunbadejo (2020) which stressed that delaying payments to suppliers does not influence SMEs' performance. It should be noted that it is damaging to businesses' good reputations to forfeit obligations such as the payment of a loan for whatever reason as it affects the goodwill of the business thus eroding the performance of the business.

4.5 Implication for Practice

The study provides SMEs with useful insight into how to overcome the consequences of lack of funding during Covid 19 pandemic to foster their productivity. From the evidence on the samples SMEs, bootstrapping techniques provide a soft landing in cushioning the illiquidity and insolvency

problems deterring productivity during the said period. The strategies are interest-free and available at the doorstep of SMEs. Similarly, the strategies do not call for much paperwork and are free from all bureaucratic bottlenecks. These and others gave SMEs who adopt the strategies the upper hand when compared to others that failed to exploit this opportunity.

4.6 Implication for Theory

The study proved the worthiness of resource-based theory in fostering SMEs' productivity. The theory emphasized that organizations having strategic resources stand a better chance to enjoy a competitive advantage over those that do not have them. From the findings of the study, most of the SMEs that use delay in payment to suppliers, trade discounts, as well as joint utilization of equipment and assets, perform better in terms of productivity during the pandemic when compared to those SMEs that do not adopt the strategy.

5.0 Summary, Conclusion, and Recommendations

The summary finding of the study indicated that the minimisation of account receivable (MAR) statistically influences SMEs' performance during the Covid-19 pandemic in the study area and this lends support to the study's alternate hypothesis (H_{a1}). Similarly,

Joint utilization of assets significantly influences SMEs performance in the study area during Covid 19 pandemic, the study therefore supported the study hypothesis (Ha2). Furthermore, the study finding indicated that delay in payment to suppliers (DPS) statistically and significantly influences SMEs' performance during Covid 19 pandemic in the study area, with this result the study's alternate hypothesis (Ha3) was accepted.

Recommendations

The study recommends the followings:

1. SMEs should find ways to minimize their account receivable as a strategy to ensure liquidity which could be used to finance their operations especially when facing turbulent economic situations.
2. SMEs should adopt joint utilisation of assets and equipment as it saves cost and time from procurement of new assets especially when pandemic or other economic vagaries cannot allow them to purchase new equipment or assets.
3. The study also recommends delaying payment to suppliers should equally be used by SMEs as a strategy to maintain liquidity especially when the economy is affected by financial crunch.

Limitations and Suggestions for Future Studies

Despite the research being duly conducted and the results conforming with the findings of previous studies, the study has some limitations. The study draws its sample units from SMEs in Kano, which makes it difficult to generalize the influence of bootstrapping on SMEs' performance in Nigeria. The study, therefore, suggests that further studies should go beyond this study area. Similarly, future studies should investigate the moderating effects of government intervention on the relationship between bootstrapping and SMEs performance during the Covid-19 pandemic.

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