Corporate Entrepreneurship as Prerequisite for Corporate Financial Performance of Public Liability Companies: A Study of Selected Manufacturing Firms in Nigeria

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ABSTRACT

This survey examines corporate entrepreneurship as panacea to the advent of fast-growing firms in Nigeria, with the specific aim of analysing the effects of corporate entrepreneurship on the corporate financial performance of selected manufacturing firms in Nigeria. Selected beverage manufacturing firms in Nigeria are purposively picked for the study. Secondary data obtained from their audited Annual Reports and Accounts are analysed with the aids of descriptive statistical tools to determine effects of entrepreneurship activities on their performance indices of Assets, Gross earnings and Profit before Tax. Findings reveal that those firms that imbibe entrepreneurship culture, engage in active entrepreneurial activities tend to record outstanding growth in their performance indices, expand their operational scope and consolidate leadership positions in their industry. Consequently, government policies that encourage infrastructural development, large scale research and development, conducive atmosphere to experiment and network or leverage on social (State) resources, and so on should be given top attention.

Keywords: *Entrepreneurship, corporate entrepreneurship, models of entrepreneurship, entrepreneurial innovations, public liability company, performance*

INTRODUCTION

A nation desirous of economic growth must be able to identify clusters of fast-growing firms that usually account for a relatively high proportion of job creation within its economy. These firms are regarded as the giants of the future and are central to economic growth. Economies depend on them for growth and especially for quick recovery from the inevitable economic recession/depression. In their research summary entitled "The Vital Six Percent", NESTA (2009), highlights the importance of a small number of fast-growing businesses between 2002 to 2008 that generated the lion's share of employment growth in the UK, these 11,000 firms that usually generate more than 20% of annual employment growth were responsible for creating 54% of new jobs over a three-year period (2007 – 2010). In a similar report, NESTA (2010) posits that higher-growing firms were subsequently more resilient, with markedly lower insolvency rates than their counterparts, most especially during economic recessions.

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And that they are more likely to grow in sales in the two years after their growth period than non-growing firms, through improved productivity. High-growing firms are however faced with peculiar challenges than their counterparts – they have greater need for finance, they tend to operate with higher levels of debt which is often very difficult to source. They also do have lower insolvency rates, most especially because their type of credit is more likely to be refused or highly priced by the regular financial institutions. In Nigeria, as obtained in most developing nations, fast-growing firms face more serious challenges than their counterparts in advanced economies.

As observed by the Manufacturing Association of Nigeria (MAN), factors that hinder the growth of this sector include "high production costs caused by the paucity of energy supply, high interest and exchange rates as a result of lopsided financial policies, dumping incidences due to Nigerians impetus for imported products, multiplicity of taxes and levies from different government agencies, poor sales as a result of the general low purchasing power of consumers, delayed consignments at ports due to the presence of multiple inspection agencies and so on (Ku, Mustapha and Goh, 2010). All these provide evidences and reasons to conclude that the Manufacturing sector growth is greatly hampered. In a similar observation by the Nigerian Bureau of Public Enterprises (NBE), the main barriers that affect and continue to affect the growth and development of the Nigerian manufacturing sector include: unpredictable government policies, inefficient regulatory agencies, infrastructural inadequacy, unfair tariff regime and low Foreign Direct Investment (Dipak and Ata, 2003). All these combine to effect serious limitations to the incidence of fast-growing firms in these climes.

However, the advent of corporate entrepreneurship, which is the process by which teams within an established company conceive, foster, launch and manage a new business that is distinct from the parent company but leverages the parent's assets; market position; capabilities and other resources; ensures that Nigerian manufacturing firms can still grow. This agrees with the position of Wolcott and Lippitz (2007) that companies that put greater emphasis on creating new business models – new products/ services, new processes, new markets - grew their operating margins faster than the competition. Their performance are marked out by the number of employment they generate within an economy, their contribution to GDP, production of new products and services that offer more value propositions, their contributions to improved welfare through greater employment income and offer of alternative choices to consumers, their promotion of healthy competition, their Research and Development activities that lead to technological advancement as well as their capacity to ensure quick recovery after economic recessions.

The main objective of this study is therefore to examine the effects of corporate entrepreneurship on the financial performance of corporate entities in Nigeria. Specifically, the study examines effects of entrepreneurial activities of business firms on their financial performance indices. It should be noted that the advent of corporate entrepreneurship is a direct reaction to the mirage of problems bedeviling the growth prowess of would-be fast-growing firms operating across contexts. It is an alternative

approach to government induced entrepreneurial ecosystem that has failed in every ramification to provide necessary support to corporate developments.

Need for Business Firms Growth

While entrepreneurship is usually associated with the start-up of new businesses, this appears a very narrow view. Organisations of all types and sizes can be entrepreneurial, including established firms which adopt innovative strategies. Entrepreneurship, as observed by Adele (2014) is a social and managerial process through which an individual or group identify a yawning gap in the market place and with the use of available resources, plan, design, and produce a product/service to fill the gap at a mutually beneficial exchange. Entrepreneurial activities in established firms are aimed at the introduction of new growth platforms, new products, new technologies or new managerial practices, the creation of new ventures as well as the renewal of their organizational structure. Thus, Sharma and Chrissman (2009) define corporate entrepreneurship as a process whereby an individual, or a group of individuals within an existing organization create new organization or instigate renewal or innovation within that organization. This refers to activities characterized by different degrees of structural autonomy, innovativeness and relatedness to an existing business.

While profitable organic growth of firms is difficult, as noted by Wolcott and Lippitz (2007), most especially when core business begins to flag, creating new businesses or encouraging entrepreneurial initiatives offers one increasingly potent solution. Entrepreneurship is however not an exclusive preserve of new venture creations, as observed by Schultz (1975), it does manifest as part of management function within existing firms, and thus we have the deliberate pursuit of creative solutions to organization problems usually in the form of intrapreneurship, internal entrepreneurship, organizational entrepreneurship, corporate venturing, strategic renewal, and so on.

Corporate entrepreneurship supports entrepreneurial initiatives, needed to revitalize existing organisations and make them more innovative. And as posited by Ireland, Coving and Kuratko (2009), this increases their survival odds over time. It enhances competitiveness and boosts their chances of financial performance leading to highly desired organic growth and international leadership. Though the resulting new business is distinct from parent company, it leverages on parent's assets, market position, capabilities or other resources. It differs from corporate venture capital, which predominantly pursues financial investments in other firms. More often, it usually involves external partners and capabilities which involve strategic acquisitions. It leverages significantly on existing resources of its parent and its management team oversees the new project. Corporate entrepreneurship is also different from spin-outs, which are generally set up as stand-alone enterprises that do not need continuous leveraging of parent company's resources to realise their potentials.

Corporate Entrepreneurship and Innovation

Quite a number of studies have attempted to analyse factors encouraging firm's high growth (Acs and Audretsch, 2005; Audretsch, 1995; Coad, 2009; Nightingale and

Coad, 2010), and they identify among others: firm's age; available human capital; its exporting activities; networks; and competitiveness, however, as observed by Wolcott and Lippittz (2007), these factors pale into insignificance when compared with innovation, and that being innovative is strongly associated with high growth. Innovation, as noted by Drucker (1985), is a specific tool of entrepreneur, a process by which he exploits changes as an opportunity for a different product/service/business. It is the skill to identify business opportunity and create new ways to exploit them.

Similarly, Tidd and Bessant (2011) posit that innovation is driven by ability to see connections, spot opportunities and to take advantage of them by creating completely new possibilities through radical breakthroughs in technology i.e. new drugs based on genetic manipulations, iPhones, iPods that revolutionalised the communication industry. Innovation, by nature, is fundamentally about entrepreneurship. It is a process through which ideas are transformed into actions. It contributes severally to the growth and development of new firms and or new organizations. New product/service helps an organization to capture new markets and maintain existing market shares. It provides firms with competitive advantage to grow, this is not only through reduced prices, but by its ability to redesign, to repackage, to customize and improve quality of its offerings.

The realization that today's customers want more value for their money coupled with the constantly changing socioeconomic environment makes new product development paramount for firms desirous of growth. Unpredictable government policies that open up new opportunities for one firm might have closed down opportunities for others, more so, current product life-cycles continue to shorten in the face of technological advancement. All these require pragmatism of firms to make new product development their competitive cutting-edge in the marketplace.

Innovation is not just about new products, ability to fashion out an old product in a new way, craftily improve value-propositions of existing products/services, creatively produce something difficult to replicate is to demonstrate superior ability. This is known as process innovation. And as observed by Tidd and Bessant (2011), superior ability to complicate production process for competitor/imitator in the act of producing a product is said to account for the survival of small firms like Incat or Oxford Instruments, in their highly competitive global markets. Innovation is also creating cutting-edge for both products and services firms. Deployment of robust and sophisticated IT technologies have ensure growing firms are able to render good quality services at faster and cheaper rates than their competitors worldwide.

The introduction of e-banking, e-commerce, ATMs, internet banking, as well as POS by retailers have been creating niches for firms of different sizes and age. While Zara – the Spain based fashion outfit - is able to carve a niche in the fashion industry leveraging on information technology, Apple, Nokia, Google, Adidas, Reckit Benckiser, Citibank and the Southwest Airlines have been able to demonstrate excellence leveraging on the same IT technologies. These fast-growing firms, as reported by Innovaro Consults, not only occupy topmost positions in world-ranking, they severally increase their share prices from between 25% to 135% between 2006 and 2007

(Wim and Henry, 2010). Creating enabling environment for innovative firms to thrive is gradually becoming the central plank in national economic policies. Ability of fast-growing firms to turn ideas, knowledge and intuition into valuable products and services is the vehicle of modern economy. It is through their creative abilities that they create and stimulate demand, improve living standards, create jobs, improve incomes, contribute to GDP and in many ways support economic growth of nations. And as succinctly stated by an Australian government website, –

> *"Organisations that do not invest in innovations put their future at risk. Their business is unlikely to prosper, and they are unlikely to be able to compete if they do not seek innovative solutions to emerging problems"* (Tidd and Bessant, 2011).

Approaches to Corporate Entrepreneurship

Hitherto, business firms do emulate successful innovators only to record astounding failures; others approach innovation through trial-and-error in selecting and constructing growth models which also often result in costly mistakes. It is on these premises that Wolcott and Lippitz (2007) conducted a study of some 30 global firms to investigate how businesses succeed at corporate entrepreneurship. They identified two dimensions under the control of management through which it can promote corporate entrepreneurship. The first being organizational ownership – whose responsibility is it to create new business? Second is the resource authority – is there a pool of dedicated money to fund new business concepts or is it an ad-hoc arrangement through divisional or corporate budgets? These two dimensions were further devolved into a four-matrix model of: The Opportunist; The Enabler; The Advocate and The Producer (Fig. 1) which we hereby discussed in detail.

The Opportunist Approach: General consensus is that all firms begin as opportunist, which implies diffused ownership that entails firm's alertness to opportunities that may emanate from any of its staff. This becomes fruitful with the presence of organizational champions who provide necessary backing for an innovator. This approach is also characterized by an ad-hoc resource arrangement in which no dedicated fund but rather through "slush funds". Corporate entrepreneurship proceed, based on the efforts of organizational champions that support the exploration of new business opportunities despite common internal resistance. The opportunist model works well in companies with a culture encouraging experimentation, openness and networking, while this can prove quite unsuccessful in highly hierarchical contexts where good ideas can easily be stopped by conservative and myopic managers. However, as companies start pursuing sustained entrepreneurial activities, they tend to evolve beyond the opportunist approach.

The Enabler Approach: Corporate entrepreneurship starts from the basic premise that there is entrepreneurial talents scattered across organizations, and that employees

are willing to develop new ideas if adequately supported through robust communication and encouraging executive engagement. Example of a company with this approach is Google Inc. – where employees are given free periods daily to explore and generate their fancied ideas. Although, this approach does not assign any organizational ownership, it does entail the provision of dedicated funds and the allocation of management attention to prospective projects. A clear, disciplined process for fund allocation, and well-designed evaluation and selection practices are needed to make this approach work. Personnel development programmes that ensure general staff develop ability to recognize business opportunities and executive engagement as potential source of encouragement are also critical.

The Advocate Approach: This entails the assignment of organizational ownership for the creation of new businesses while providing funds on an ad-hoc basis, example includes British Petroleum. A lot of efforts are put on coaching and facilitating business units in pursuing new opportunities through a set of dedicated programmes. Business units are encouraged to search for innovative ideas and solutions to their core business in an attempt to surpass other units, and they must be ready to finance same. The outputs of pursued entrepreneurial initiatives are often new businesses relatively close to a business unit's core activities or significant business-unit process efficiencies. The main risks related to this approach reside in the near-term pressures of most business units' executives, traditionally rewarded on operating achievements rather than developmental initiatives.

The Producer Approach: This entails the assignment of dedicated funds and of specific organizational ownership, to enable companies to effectively pursue corporate entrepreneurial activities, example is IBM. This approach encourages latent entrepreneur to promote and develop potentially disruptive new business ventures that may or may not fit with business units' core activities. It also induces executives to pursue careers outside their business units, absorb near-term losses often experienced by very innovative projects such as those promoted by companies. With this approach, proper career incentives need to be defined, probable ideas are welcomed and scrutinized in order to establish new growth domain. The producer model may require significant investments over a long time span. The risk is that when projects are ready to be implemented critical integration issues may arise with business units.

It could be observed that unless a company is blessed with the right culture, corporate entrepreneurship won't just happen. It must be initiated, encouraged, nurtured and managed, as deliberate strategy. All innovations are defined by uncertainty – if no uncertainty exists then there is no need for innovation. Corporate entrepreneurs are not just creating new products/services; they are changing the way a company develops, build and support its market and its offerings. Thus, new business creation will often compel a company to incorporate capabilities and knowledge from outside. It can enhance a company's ability to absorb external knowledge and opportunities – the essence of "open innovation".

The Nigerian Manufacturing Sector

The Nigerian economy greatly depended on agriculture and manufacturing sectors, among others, before the discovery of crude oil. The major arts and crafts (manufacturing activities) during this period, as noted by Ogunremi (1996), centered on salt extraction, soap production, cloth-weaving, wood and metal works. They were predominantly carried out via what Adele, Oyedokun, Adewoye and Afolabi (2015) classify as informal entrepreneurship, since their major *modus operandi* were out of official regulations. Others include leather works in Kano; textiles in Ijebu land; fishing in Ilaje and metal works across Southwestern Nigeria, to mention but a few. Great enthusiasms demonstrated by foreign investors in this sector manifested shortly after Nigeria's independence in 1960. Major manufacturing activities like steel, wood, electronics, chemicals, pharmaceuticals, vehicles and even food sub-sectors were dominated by them. They operated with greater access to foreign capital and expatriates but were serving the profit interests of their owners.

Indigenous ownerships were felt mostly in textiles, plastics, cloth-weaving and wood production but they were unable to compete with their foreign counterparts hence they remain small and vulnerable. This was the case till 1972 when the Nigerian Enterprises Promotion Decree of 1972 was enacted (later reviewed in 1977), to redress ownership structure of major manufacturing activities. The Decree switched majority firm-ownership from foreigners to Nigerians, this with a view to promote industrial and economic development of the domestic economy. While the Decree restricted foreign capital inflows, as a result of change of ownerships, the fact that many Nigerians were unable to afford imported commodities, coupled with the absence of foreign capital and technology, domestic production of basic goods such as salt, soap, wood works were encouraged among others. In the same vein, the import substitution policy introduced then encouraged the importation of intermediary inputs which led to the expansion of assembly-based industries. Thus Nigerian manufacturing sector in the early 1980s was able to record a brief spike in its contribution to total economic output to the tune of 7.83% (NBS, 2012). The manufacturing sector, as observed by Adenikinju and Chete (2002), consequently recorded satisfactory growth between 1970 and 1980 by contributing average of 10% to the Nigerian economic output as well as 12% employment in the formal sector over the period.

The discovery of crude oil however ensured the economy's dependence changed into that of oil to the extent it accounted for some 80% of its foreign exchange earnings in the last five decades. The Energy Information Administration (EIA, 2007) Report positioned Nigeria as the 11th largest producer of crude oil in the world with daily output averaging 2.5 million barrels per day. The oil boom period of early 1970s got the leadership of the country carried away, as they were earning huge incomes from oil, thus focusing every attention on oil sector at the neglect of important sectors like agriculture, mining and manufacturing. However, the collapse of oil prices, especially by 1983, led to drastic reduction in oil revenue and consequently the nation's foreign earnings. Attempts to address the resulting negative consequences of reduced oil

revenues led government to control its trade, restrict imports through the introduction of import licenses, tariff imposition as well as quantitative restrictions. These seriously affected the manufacturing sector of the economy that greatly depended on importation for its major raw materials, completely knocked down spare parts and even expatriates for its production activities. Consequently, the sector begins to experience high costs of production, job cuts, factory shutdowns and ultimately reduced capacity utilization.

The generally poor performance of Nigerian Manufacturing sector continues unabated through the years, and these have been severally attributed to various factors that have since remained constant with the Nigerian economy. Alli (2008), in a review carried out on the MAN-conducted survey of 2007, observes that some less than 10% of the manufacturing firms were operating at sustainable levels, and this was mainly as a result of the general high production costs (Ku, Mustapha and Goh, 2010). The high costs of production, he further attributed to a retinue of factors (Figure 1) such as: high costs of energy due to poor electricity generation and distribution from the national grid; high and frequently changing interests and foreign exchange rates as a result of unstable fiscal and monetary policies of government; high incidence of dumping that renders local products non competitive; multiple taxes and levies from different revenue generating agencies of governments; unnecessary delays in clearing consignments at the various entry ports due to multiplicity of clearing agencies at border posts, all these coupled with the general poor sales resulting from general low purchasing power of consumers, gave Philips products to high costs of production and consequently low capacity utilisation.

In another development, Alos (2000), Dipak and Ata (2003); Malik, Teal and Baptist (2004) identify high rate of technological development in the developed countries as a major hindrance to the growth and development of Nigerian firms. They observe a general lack of appreciable investments on research and development by Nigerian firms and their inability to employ highly skilled personnel which also contributes to their low capacity utilisation of below 30% (Alos, 2000). Also contributing is the incidence of frequent strikes and lockouts by workers and employees that usually disrupts operations, leading to wastages and unmet production targets.

However, going by the National Bureau of Statistics (2014) analysis, all hopes are not lost on the NMS. The sector grew by 8.41% in the first quarter of 2013, which is an improvement over the fourth quarter 7.70% growth figure of the 2012. In his contribution to policy dialogue on revamping the Nigerian Manufacturing Sector, Orya (2015) opines that the sector could once again be on the growth path due to a number of reasons. Firstly, the implementation of power sector reforms if handled very well would translate to a more stable power supply that ensures the sector's price competitiveness. Secondly, the current attempt at addressing infrastructural deficiencies is capable of jump-starting development in the sector. While railway transformation may ensure swift connection between agricultural produce to agro-processing industries that would not only generate employment but also re-awaken moribund factories across the nation.

On the promotion of fiscal incentives, Orya (2015) observes that the establishment of Free Trade Zones (FTZ) have begun to attract Foreign Direct Investments as reflected by the General Electric's $1bn in service and manufacturing facility in Calabar FTZ as well as the Dangote's $9bn in Petrol Refining, Petrochemical and Fertilizer plant at Olokola FTZ. In the same vein, the CBN launched a N220bn Micro, Small and Medium Enterprises development fund in 2013. As noted by Sanusi (2013), the major constraint to the expected development of these enterprises was the inability of Microfinance institutions to access lower interest long term financing. And that the CBN intervention is designed to enhance access to finance by this group of enterprises.

Furthermore, Orya (2015) opines the future of NMS becomes brighter when one considers the fact that Nigeria has been the manufacturing hub for West Africa before the foray of China's dumping of inferior goods around 1990s. However, the country's new diplomatic policy towards becoming an influential power broker has resulted in its leveraging on advanced technology that tends towards production and distribution of standard products – thus dumping from China could soon give way to allow for exchange of standardized products that encourages domestic production of NMS. The share size of Nigeria market is another impetus to the growth potentials of the NMS. With a growing consumer base of over 170 million people and an ever increasing middle class, Nigeria economic statistics is supportive of productive investments and a boost of consumption. The country becomes a reasonable destination for investments (local and foreign) when consideration is given to its large and growing markets with a penchant for foreign tastes. Also, while the renewed war against terror guarantees security of investments, the anti-corruption stance of the present administration is bound to allow for stable business plans.

METHOD

A survey of Beverage manufacturing companies operating in Nigeria was the focus of this study. Purposive sampling technique was employed to select five (5) companies that were observed to have imbibed elements of corporate entrepreneurship strategies in their operations. The study's choice of firms is predicated on the NBS Report on the Nigerian Manufacturing Sector Summary 2010 – 2012, which posited that formal sector contributions to the Nigerian economy has been dominated by the Food, Beverages and Tobacco manufacturing firms. And that, in spite of the downturn being experienced overtime, their share of total output continues to boost contributions from the formal manufacturing sector. Secondary data were collected from audited Annual Reports and Accounts of sampled companies, spanning five years period between 2010 and 2014. Descriptive statistical tools were employed to determine the growth rate of identified performance indicators of Assets base, Gross earnings and Pre-tax profits of selected companies over the period under review.

RESULTS AND DISCUSSION

This study examines the effects of entrepreneurial activities embarked upon by established companies that promote continuous innovative process through which they create new growth platforms including new products/services, new processes, new markets even new business models on their corporate financial performance. And with the aids of simple descriptive statistical tools, the growth in their financial indicators of assets, gross earnings and profit before tax were examined to determine the contributions of corporate entrepreneurship on their corporate performance.

Table 1 shows total assets of sampled firms grew from¦ 269.3b in 2010 to N377.7b in 2014 showing a growth rate of 40% over the period under review. Average asset volume per firm which stood at ¦ 53.9b in 2010 also grew to ¦ 75.5b at the end of 2014. Nestle Plc is shown to have the most outstanding growth in volume of assets mobilized, pulling a whopping ¦ 21.8b increment over the period. This is relative to its penchant for introducing customer-friendly delights from both its food and beverages segments. The multiplicity of its Maggi variants showcases a continuous search for customer satisfaction from different perspectives. Their research efforts result in varieties like; Maggi-Chicken, Crayfish, Mix"py, to mention but a few. In its beverages segment, the company has been churning out related products that complement its established sets, leading to the introduction of Chocomilo from Milo, Nescafe Classic from Nido and lately, Nestle Pure Life Table Water. These enable the firm maintain its leadership position in the industry with a recorded 20% growth in Assets between 2010 and 2014 (Nestle Annual reports 2014). In a related development, Guinness Plc is shown to have the highest growth rate of 66% over 2010 assets volume, a feat attributable to series of well-packaged, high quality, cost effective and efficient manufacturing services targeted at the beverage sector, foreign trade transactions and to local and multinational corporations for whom different but appropriate beverage products were offered to attract patronage (Guinness Annual Reports 2014). From its brand stables, it has been improving value-propositions targeted at various consumer interests. Extra Smooth was introduced from regular Stout, Malta Guinness low sugar from Malta Guinness and Snapp from Smirnoff Ice. In the same vein, Origin alcoholic drink – its latest brand, is targeted at the new demand dimensions of Nigerian teeming youths.

Mention need be made of outstanding performance of 7up Plc that recorded some N17.8b increment in volume of assets between 2010 and 2014. The feat attributed to its penchant for constant branding of its regular products (Pepsi, 7up, Mirinda and Mountain Dew), coupled with its strategic location of its bottling plants that are serviced by a well-coordinated distribution networks. The company is not only improving its products value propositions, it has since ventured into the production of Table water (Aquafina) that is already making waves in the industry (Seven-up Annual Report, 2014). It could therefore be deduced from the above that manufacturing firms that adopts research and product development as survival strategy have their Assets base increased considerably overtime while at the same time placing themselves at a

competitive advantage positions. Thus, firms that adopt corporate entrepreneurship exhibit good corporate financial performance that strengthens their industry leadership position. Table 2 shows gross-earnings of sampled firms grew from N102.1b in 2010 to peak at N210.7b in 2014 representing 106% increase over the period under review. Average earnings per firm which stood at N20.4b in 2010 also rose to N42.1b at the end of 2014 financial year. Nestle Plc is shown to be the highest revenue earning firm among the sampled firms with a modest increase from M33b in 2010, it dominates the scene through 2014 when it peaked at N91.6b representing a 177% growth rate. Moreover, it is also the most outstanding revenue earner. Unilever Plc follows with some 145% growth in revenue over the period under review. This is predicated on its ability to build leading brands while developing capacity to meet consumer needs for nutrition, hygiene and personal care through continuous and innovative research. The firm claims over 400 brands in products serving more than 2 billion people all over the world on daily basis. Its brands cover food and drinks, homecare and personal care.

Mention need be made of Guinness Plc, with a substantive growth in Gross earnings, from a modest N29.5b in 2010 to some N60.6b in 2014 culminating into some 106% growth. This feat is also attributable to its penchant for innovative research as an adopted management strategy. It should also be noted that only two of the sampled firms performed below industry average with respect to their earnings, this goes to demonstrate that manufacturing firm that adopts corporate entrepreneurship, marketing of new products/services to attract existing and potential customers tends to earn consolidated revenue over their activities and thereby perform outstandingly well. There is no gain saying the fact that revenue generation is the bedrock of profitability for all business ventures, a firm's ability to generate revenue over and above its inevitable and always increasing costs of operations is a sign of good health, measure of strength and confidence, which consequently makes it a heaven for numerous clients (both existing and potentials).

The pre-tax profits of sampled firms as showed on table 3 indicate an upward swing as appreciable improvement was recorded from a total of ¦19.2b in 2010 to some ¦39b in 2014, translating into 103% increase over the 5 years under review. This aggregate performance, in spite of inclement financial climate that has since enveloped the country, is by no means significant and a clear indication of aggressive pursuit of corporate entrepreneurship objectives by those firms that utilized product development as tools for the achievement of their overall goals. The table shows Guinness Plc as the most profitable firm in 2014 having a modest rise from N11.9b in 2010 to peak at ¦21.9b in 2014. This represents some 85% increase over the 5 year period. The most significant increase was however recorded by 7up Plc whose profit before tax rose from N1.9b in 2010 to an outstanding N5b in 2014, representing some 166% increase in growth over the period under review. Mention need be made of the outstanding performance of Nestle Plc, whose profit before tax have also increased considerably due to their penchant for developing new growth platforms tailor made to the benefit of their customers.

However, the performances of Cadbury Plc as well as Unilever Plc with respect to their Pre – Tax profits were not as impressive within the sampled firms. This could be attributed to the nature of their structural cost of operations. It therefore points to the fact that market-oriented firms may not always perform outstandingly if resources are not properly harnessed especially in the administration of risky ventures. Nevertheless, the fact that all sampled firms showed considerable positive growth in their profit over the year and some 60% of them recorded profit figures above industry average is a pointer to the fact that corporate entrepreneurship is necessary for positive growth in performance indicators of manufacturing firms.

CONCLUSION AND RECOMMENDATIONS

In today's chaotic business environment characterized by fierce competition and relentless changes, redefining the very terms of competition is the only sustainable tool for guaranteed long term corporate success. Ideas and tools to build on productivity and to achieve competitive success come from talent, training, experience and human energy most of all. Every firm must be intently focused on constantly developing innovative ways to deepen service relationship with its customers who are forever becoming so sophisticated, for it to remain profit – making. This they do by deliberately fostering conducive environment within their establishment through which every stratum of employees are encouraged to generate innovative ideas, and with management commitment transform veritable ideas into concrete actions.

The concept of corporate entrepreneurship has been examined to a great extent in this study; assessment is made of their effects on the performance indicators of assets, gross earnings and profitability of market oriented firms. Corporate firms that adopt corporate entrepreneurship as development strategy are expected to benefit greatly with respect to their financial performance, this was amply demonstrated in this study. Sampled firms were found to adopt corporate entrepreneurship as management strategies and their corporate financial performance grow positively over the period under review. It should however be noted that the benefits of corporate entrepreneurship does not come easy as there is need for government to promote appropriate and conducive entrepreneurial ecosystem through which entrepreneurship innovation thrives.

Government policies that encourage infrastructural development, large scale research and development, conducive atmosphere to experiment and network or leverage on social (State) resources, and so on should be given top attention. Aside from government promotion of conducive financial environments that encourage business entrepreneurship, creativity and innovativeness are bound to encourage enterprising culture. It makes possible the transformation of business ideas into new products/ services, new processes, new markets, and even new growth platforms with its attendant economic growth and development. Corporate firms that must benefit from corporate entrepreneurship should endeavour to promote and encourage experimentation, openness and networking through provision of robust communication and positive executive engagement that spur creativity in its employees.

Table 1: Analysis of Total Assets of Selected Manufacturing Companies in Nigeria (Nm)

	2010	2011	2012	2013	2014	Growth rate %
7up	39,422	43,631	48,486	51,371	57,255	45
Guinness	90,366	95,455	106,010	121,061	150,162	66
Unilever	6,551	6,977	7,250	7,275	8,045	23
UAC	8,527	7,568	7,038	7,715	11,526	35
Cadbury	21,356	33,656	40,157	43,173	28,820	35
Nestle	111,641	114,091	125,877	120,442	133,450	19.5
Total	269,336	293,810	327,780	343,322	377,732	40
Average Total	53,867.2	58,762	65,556	68664.4	75,546.4	40

Source: Annual Reports of firms sampled, 2015

Table 2: Analysis of Gross Earnings of Selected Manufacturing Companies in Nigeria (Nm)

	2010	2011	2012	2013	2014	Growth rate %
7up	13,565	19,755	21,326	22,889	25,236	86
Guinness	29,461	41,278	55,183	56,078	60,614	106
Unilever	1,104	2,507	2,523	2,440	2,702	145
Cadbury	24,979	34,111	33,551	35,761	30,519	22
Nestle	33,015	83,642	89,721	92,158	91,612	177
Total	102,124	181,356	202,304	209,326	210,783	106
Average Total	20,424.8	36,271.2	40,460.8	41,865.2	42,136.6	106

Source: Annual Reports of firms sampled, 2015

Table 3: Analysis of Profit before Tax of Selected Manufacturing Companies in Nigeria (Nm)

	2010	2011	2012	2013	2014	Growth rate %
7up	1,886	2,123	2,558	3,253	5,012	166
Guinness	11,863	19,214	20,383	17,009	21,896	85
Unilever	203	365	259	294	346	70
Cadbury	978	5,053	5,361	7,424	1,467	50
Nestle	4,233	9,487	10,228	12,437	10,268	143
Total	19,163	36,242	38,789	40,417	38,989	103
Average Total	3,832.6	7,248.4	7,757.8	8,083.4	7,797.8	103

Source: Annual reports of firms sampled, 2015

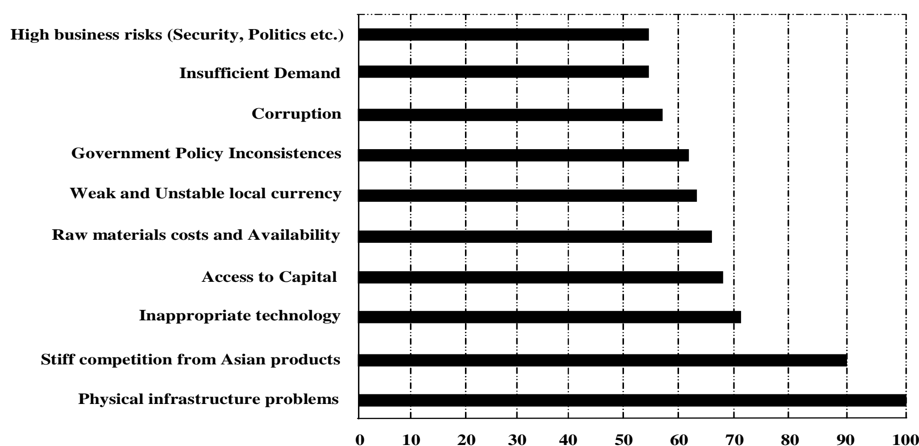

Figure 1: Perceived Main Problems Facing the Nigeria Manufacturing Sector as at 2006
Source: Bigsten and Soderbom (2006) cited in Ku, Mustapha and Goh (2010).

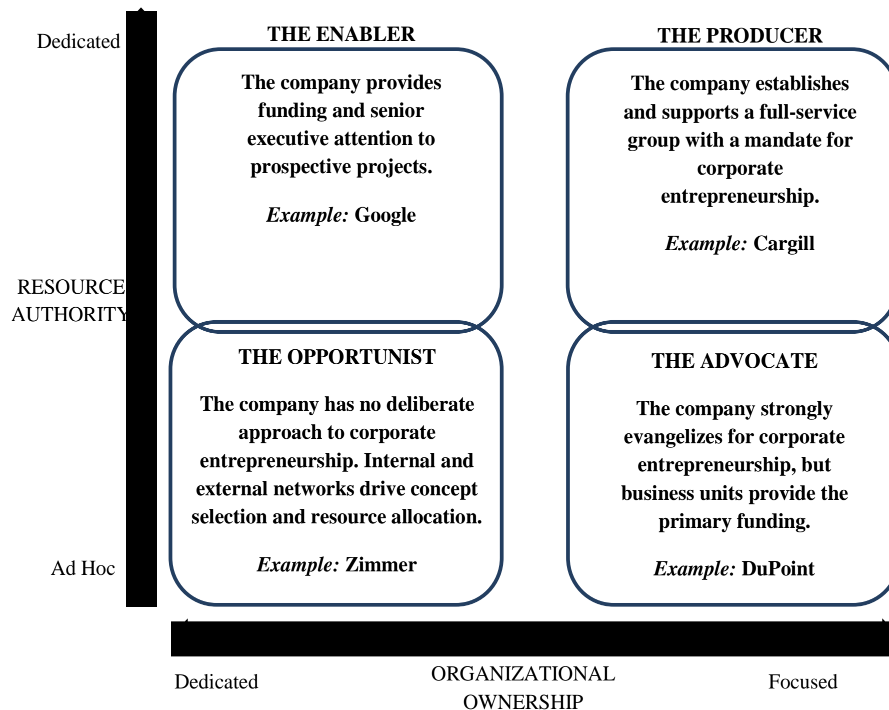

Fig 2: Corporate Entrepreneurship Model ***Source:*** Wolcott, R. and Lippitz, M. L. (2007)

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