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Digital Skills for Entrepreneurs

Topic 11 Financial Management

Table of Contents

Topic 11: Financial Management	3
1. Understanding Basic Financial Principles	3
2. Creating and Managing Budgets	5
3. Financial Planning and Goal Setting	6
4. Saving and Investing for Business Growth	8
5. Demo tools for financial management	15

11 Financial Management



Financing the traditional MSMEs is so different from financing the innovative (and usually start-up) digital enterprises. The former relies on banks and government supports while the latter learns how to attract investors and convert efforts, time and money into equity. Participants learn how to attract venture capital, talents, and establish strategic funding alliances including grants and crowdsourcing. Traditional banks in Nigeria shy away from innovative digital enterprises. The topic will also review the basic financial management principles and practices including financial reporting and data analytics.

Topic 11: Financial Management

By the end of this course, participants should be able to:

- Understand essential financial principles relevant to Nigerian businesses.
- Learn how to create and manage budgets and gain insights into financial planning and goal setting.
- Understand the importance of saving and investing for business growth using digital means and tools.
- Explore avenues for securing grants, equity, and venture capital financing.

1. Understanding Basic Financial Principles

1.1 Financial Management

Financial management is the process of planning, organizing, directing, and controlling the financial activities of an organization. It involves applying general management principles to the financial resources of the enterprise, ensuring efficient and effective utilization of funds to achieve the organization's objectives.

Understanding financial management involves grasping various core elements that help ensure the efficient and effective use of financial resources within an organization. The key elements include:

a. Financial Planning and Forecasting

Budgeting: Developing detailed plans for how a business will spend its resources over a specific period. This includes both operational and capital budgets.

Forecasting: Predicting future financial conditions and performance based on historical data, market trends, and other relevant information.

b. Financial Control

Cost Control: Monitoring and managing expenses to ensure they do not exceed budgeted amounts.

Internal Controls: Implementing procedures and policies to safeguard assets, enhance the accuracy of financial records, and ensure compliance with laws and regulations.

c. Financial Decision-Making

Investment Decisions: Evaluating and selecting investment opportunities that align with the business's strategic goals and offer the best returns relative to risk.

Financing Decisions: Determining the best sources of funding (e.g., equity, debt) for the business and structuring the capital mix optimally.

d. Financial Analysis and Reporting

Financial Statements: Preparing and analyzing key financial documents such as income statements, balance sheets, and cash flow statements.

Ratio Analysis: Using financial ratios to assess the business's performance, liquidity, profitability, and solvency.

e. Risk Management

Identification of Risks: Recognizing financial risks that could impact the business, such as market risk, credit risk, and liquidity risk.

Mitigation Strategies: Implementing strategies to minimize or manage identified risks, such as diversification, insurance, and hedging.

1.2 Financial Literacy

Financial literacy is the foundation of effective financial management for any business, particularly for digital entrepreneurs and small and medium-sized enterprises (MSMEs). It involves understanding and applying various financial skills, including budgeting, investing, borrowing, and managing risk. For Nigerian businesses, financial literacy is crucial in navigating the unique challenges and opportunities of the digital economy. Financial literacy involves understanding and effectively using various financial skills, for the betterment of the business.

Some key concepts in understanding financial management include discussions around income and expenses, assets and liabilities, cashflow and credit and debt management. For digital entrepreneurs and SMEs, mastering these principles is essential. Effective cash flow management can be the difference between thriving and struggling, particularly in a dynamic market. By keeping a close eye on assets and liabilities, entrepreneurs should make informed decisions that support business's growth.

- a) **Income vs. Expenses:** Recognize the difference between your business's earnings (income) and its expenditures (expenses). For digital businesses, this includes revenue from online sales, subscriptions, and advertising, while expenses could include hosting fees, marketing costs, and software subscriptions.
- b) **Assets vs. Liabilities:** Assets are valuable resources owned by your business, while liabilities are debts or obligations. Aim to build assets and minimize liabilities to strengthen your financial position. Digital assets might include your website, software tools, and intellectual property.
- c) **Cash Flow Management:** Managing cash inflows and outflows effectively ensures your business can meet its financial obligations and invest in growth opportunities. Positive cash flow allows for reinvestment in marketing or product development.
- d) **Credit and Debt Management:** Understanding how credit works and managing debt responsibly can help avoid financial pitfalls and ensure long-term stability. This is crucial for maintaining a good credit profile, which can be beneficial when seeking funding.

1.3 Importance of Financial Management

Financial stability is crucial for taking advantage of growth opportunities. Planning for the future ensures that the business remains competitive and can adapt to market changes. Making informed financial decisions helps avoid the common pitfalls that many startups and longer-term businesses face. Effective financial management helps a business to:

- a) **Achieve Financial Stability:** Ensures that the business has the funds to meet day-to-day expenses and emergencies, providing peace of mind. Financial stability is essential for maintaining operations and investing in opportunities as they arise.
- b) **Plan for the Future:** Helps business owners set and achieve long-term goals such as expansion, product development, or entering new markets. Strategic planning ensures that the business is well-prepared for growth and can navigate future challenges.
- c) **Make Informed Financial Decisions:** Empowers business owners to make decisions based on sound financial principles, reducing the risk of costly mistakes. This includes understanding financial statements, forecasting, and market analysis.
- d) **Avoid Debt and Financial Stress:** Proper management can help business owners avoid unnecessary debt and the stress associated with financial uncertainty. A well-managed financial system ensures you can handle unexpected expenses without jeopardizing the business.

2. Creating and Managing Budgets

2.1 Importance of Budgeting

A budget is a financial plan that helps you track your business income and expenses. It ensures that you are operating within your means and allows you to allocate resources towards your business goals. A well-planned budget can mean the difference between success and failure. It helps manage the often-unpredictable revenue streams and ensures that funds are allocated efficiently, maximizing growth potential. Some benefits of Budgeting include:

- a) Provides a clear picture of your business's financial health, enabling you to make data-driven decisions. This insight is crucial for identifying areas where you can cut costs or invest more heavily.
- b) Helps in setting and achieving financial goals by outlining a clear path to reach them. Clear goals can drive motivation and provide benchmarks for success.
- c) Prevents overspending and encourages savings, ensuring that funds are available for crucial investments. This is especially important for businesses in the digital space where unexpected expenses can arise from technology upgrades or cybersecurity needs.
- d) Reduces financial stress by ensuring you are prepared for unexpected expenses, fostering a stable business environment. This stability allows you to focus more on innovation and growth.

2.2 Steps to Create a Business Budget

Identify Your Income:	List Your Expenses:	Set Financial Goals:
Regular Income: Includes revenue from sales, subscriptions, and services. For example, monthly subscription fees from your digital platform.	Fixed Expenses: Rent, utilities, and insurance premiums. These are predictable and must be covered to keep your business operational.	Short-term Goals: Building an emergency fund, saving for new equipment, or hiring additional staff. Short-term goals keep your business agile and responsive to immediate needs.

<p>Irregular Income: Includes grants, one-time projects, and bonuses. This might include funding from a successful crowdfunding campaign or seasonal sales spikes.</p>	<p>Variable Expenses: Marketing, inventory, and transportation. These can fluctuate based on your business activities and need careful tracking.</p> <p>Discretionary Expenses: Professional development, software upgrades, and office improvements. These are not essential but can significantly benefit your business's growth and efficiency.</p>	<p>Long-term Goals: Expanding your business, developing new products, or entering new markets. Long-term goals drive your business's strategic direction and sustainable growth.</p>
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Monitoring and Adjustment of the budget:

Track your spending regularly to ensure you are sticking to your budget. Use financial software to automate this process. Some software will be provided in the topics ahead. Adjust the budget as needed to accommodate changes in income or expenses, ensuring flexibility and responsiveness. Regular reviews help in keeping your budget aligned with current realities¹.

2.3 Tools for Budgeting

- a) **Spreadsheets:** Excel and Google Sheets offer customizable templates for business budgets, providing flexibility and control. These tools are highly adaptable and can be tailored to meet your specific needs. Google Sheets also contains the free AI designed templates to assist the user.
- b) **Bujeti:** A platform for comprehensive financial management: expense control, accounting, budgeting, corporate cards, reimbursements and much more. Can be found at www.bujeti.com
- c) **Monefy:** A simple and effective app for tracking daily business expenses. It's user-friendly and ideal for entrepreneurs who need a straightforward solution. Can be found at <https://monefy.me/>

3. Financial Planning and Goal Setting

Financial planning and goal setting are foundational practices for entrepreneurs and MSMEs aiming to achieve sustained growth and stability in a competitive market. These practices involve defining clear financial objectives, devising strategies to reach them, and continuously monitoring progress to make necessary adjustments. For Nigerian entrepreneurs, effective financial planning and goal setting are particularly crucial given the dynamic economic landscape and the unique challenges of the digital business environment.

Financial Planning: This is the process of evaluating the financial position of your business, setting financial objectives, and developing a roadmap to achieve these objectives. It encompasses budgeting, forecasting, managing cash flow, and preparing for both short-term needs and long-term aspirations. Effective financial planning helps

¹ [How to Create a Business Budget for Your Small Business](#)

ensure that the business can navigate periods of uncertainty, capitalize on growth opportunities, and maintain financial health.

Goal Setting: Setting specific, measurable, achievable, relevant, and time-bound (SMART) goals provides a clear direction for the business. These goals serve as benchmarks for success and guide decision-making processes. Whether your objectives include increasing revenue, expanding market reach, reducing costs, or improving profitability, having well-defined goals allows for better focus on what matters most.

The Importance of Financial Planning and Goal Setting

- a) **Clarity and Direction:** Establishing financial goals gives the business a clear sense of direction. It helps focus on priorities and allocate resources effectively to achieve desired outcomes.
- b) **Risk Management:** With a solid financial plan, businesses can identify potential risks and devise strategies to mitigate them. This proactive approach helps safeguard against financial uncertainties and market fluctuations.
- c) **Resource Allocation:** Financial planning ensures that resources are allocated efficiently. By aligning spending with strategic goals, businesses can avoid unnecessary expenses and invest in areas that drive growth.
- d) **Performance Measurement:** Setting financial goals allows for proper measurement of progress and performance. Regularly reviewing financial plans and comparing actual results against set goals helps businesses stay on track and make informed adjustments.
- e) **Investor Confidence:** For MSMEs seeking external financing, a well-structured financial plan demonstrates to investors and lenders that the business is well-managed and has a clear pathway to success. This can enhance credibility and increase the chances of securing funding.

3.2 Steps in Financial Planning

- a) **Assessment of Current Financial Situation:**

Business owners must evaluate the business' current financial position by analyzing income, expenses, assets, and liabilities. Then, determine cash flow by tracking the money coming in and going out of the business. Also, review financial statements such as balance sheets, income statements, and cash flow statements to understand the business's financial health.

- b) **Setting Financial Goals:**

Define clear and specific financial goals for the business. These goals should be SMART: Specific, Measurable, Achievable, Relevant, and Time-bound. Examples of financial goals include increasing revenue, reducing expenses, improving profitability, expanding market share, breaking out into providing services digitally or achieving a certain level of savings.

- c) **Developing a Financial Plan:**

Based on the set financial goals and current situation, business owners must create a detailed financial plan that outlines the steps needed to achieve those goals. Consider factors such as budgeting, cash flow management, investment strategies, debt management, and risk management. Break down the financial plan into actionable tasks with timelines and responsibilities assigned to individuals or departments within the business.

d) Saving/Investment/Debt reduction Strategies:

Determine how much you need to save and the best methods to achieve your goals. Establishing automatic savings can help maintain consistency. Investment Options: Explore various investment opportunities available in Nigeria, such as stocks, bonds, and mutual funds. Diversifying investments can help spread risk and increase potential returns. Debt Reduction Plans: Create strategies to pay off existing debts efficiently. Reducing debt frees up resources that can be reinvested in your business, enhancing financial flexibility.

Financial Plan Adjustment and Adaptation:

Be flexible and willing to adapt the financial plan in response to changing circumstances, market conditions, or business priorities. Continuously reassess financial goals and strategies to ensure they remain relevant and aligned with business objectives. Seek input from key stakeholders, such as management team members, financial advisors, mentors or industry experts, when making significant adjustments to the financial plan.

4. Saving and Investing for Business Growth

4.1 Saving Strategies for Businesses

Effective saving strategies are essential for businesses to ensure financial stability, prepare for unexpected expenses, and create opportunities for growth. For digital entrepreneurs and MSMEs in Nigeria, saving is particularly important due to the dynamic and often unpredictable nature of the market. Saving is not just about putting money aside; it's a strategic practice that enhances your business's financial resilience and provides a foundation for growth. For digital entrepreneurs and MSMEs, consistent saving can enable investment in technology, expansion, and marketing, driving long-term success. By implementing these saving strategies, businesses can improve their financial health, prepare for uncertainties, and capitalize on new opportunities as they arise. Several detailed saving strategies that businesses can implement are:

a) Automate Savings

Automatic Transfers: Set up automatic transfers from your business account to a dedicated savings account. This ensures consistent saving habits without relying on manual processes.

Scheduled Savings: Determine a fixed percentage of your monthly revenue to transfer automatically to your savings account. For example, saving 10% of monthly earnings can gradually build a substantial reserve.

b) Build an Emergency Fund

Purpose of Emergency Fund: An emergency fund provides a financial cushion to cover unexpected costs, such as equipment repairs, sudden drops in sales, or other unforeseen expenses. It helps ensure business continuity during tough times.

Target Amount: Aim to save enough to cover 3-6 months of operating expenses. This provides a buffer to manage cash flow disruptions without impacting day-to-day operations.

c) Optimize Cash Flow

Efficient Invoicing: Implement prompt invoicing practices to encourage timely payments from clients. Use invoicing software to automate the process and send reminders for overdue payments.

Negotiating Payment Terms: Negotiate favourable payment terms with suppliers to delay outflows and improve liquidity. For example, securing a 60-day payment term instead of 30 days can help align payables with receivables.

Cash Flow Forecasting: Regularly forecast cash flow to anticipate shortfalls and surpluses. This proactive approach allows you to plan for lean periods and avoid liquidity issues.

d) Reduce Unnecessary Expenses

Expense Audit: Conduct regular audits of business expenses to identify and eliminate unnecessary costs. This could include cancelling unused software subscriptions or finding more cost-effective suppliers.

Cost-Benefit Analysis: Perform a cost-benefit analysis before making significant expenditures to ensure that the benefits justify the costs. This helps prioritize spending on activities that provide the highest return on investment.

e) Leverage Technology

Financial Management Software: Utilize financial management tools such to track income and expenses accurately. These tools provide insights into spending patterns and help identify areas for savings.

Automation Tools: Invest in automation tools to streamline repetitive tasks, reduce labour costs, and improve efficiency. For example, automating payroll processing can save time and reduce errors.

f) Take Advantage of Discounts and Offers

Bulk Purchasing: Where possible, purchase inventory and supplies in bulk to take advantage of volume discounts. This can reduce per-unit costs and improve profit margins.

Early Payment Discounts: Negotiate discounts with suppliers for early payments. Even a small percentage discount can lead to significant savings over time.

g) Set Clear Savings Goals

Specific Savings Targets: Set clear and specific savings targets for different purposes, such as equipment upgrades, marketing campaigns, or expansion projects. Having designated savings goals helps maintain focus and discipline.

Track Progress: Regularly track progress toward your savings goals and adjust contributions as needed. Celebrate milestones to motivate continued saving.

h) Invest Excess Cash Wisely

Interest-Bearing Accounts: Keep excess cash in high-interest savings accounts or money market accounts to earn interest while maintaining liquidity.

Short-Term Investments: Consider short-term investments such as fixed deposits or treasury bills to earn higher returns without compromising access to funds.

i) Educate the Team

Financial Literacy Training: Provide financial literacy training to employees to encourage cost-conscious behaviours and identify saving opportunities within their respective roles.

Incentive Programs: Implement incentive programs to reward employees for identifying and implementing cost-saving measures. This can foster a culture of frugality and innovation.

4.2 Basics of Investing for Businesses

Investment strategies are crucial for businesses to ensure long-term growth, sustainability, and competitive advantage. For digital entrepreneurs and MSMEs in Nigeria, wise investment decisions can significantly enhance business performance, foster innovation, and open new revenue streams. Here are some detailed strategies and considerations for business investment:

4.2.1. Reinvestment in Business Operations

- Technology Upgrades

Digital Infrastructure: Invest in upgrading digital infrastructure such as high-speed internet, cloud computing services, and secure data storage solutions. These upgrades can improve efficiency, scalability, and data security.

Software Tools: Implement advanced software tools for customer relationship management (CRM), project management, and financial management. These tools enhance productivity and provide better insights for decision-making.

- Talent Acquisition and Development

Hiring Skilled Staff: Allocate funds to attract and retain top talent. Skilled employees bring innovative ideas and expertise that can drive business growth.

Training and Development: Invest in training programs to enhance the skills of your current workforce. This can improve employee performance and reduce turnover.

- Marketing and Branding

Digital Marketing Campaigns: Invest in comprehensive digital marketing strategies, including search engine optimization (SEO), pay-per-click (PPC) advertising, social media marketing, and content marketing. Effective marketing increases brand visibility and attracts new customers.

Brand Development: Allocate resources for brand development activities such as logo design, website development, and promotional materials. A strong brand presence can differentiate your business in a competitive market.

- Outsourcing

Outsource non-core functions to financial advisors and organisations to handle financial filings for VAT and other regulated services

- Product Development and Innovation

Research and Development (R&D): Fund R&D initiatives to create innovative products or improve existing ones. Staying ahead of market trends can give your business a competitive edge.

Market Research: Invest in market research to understand customer needs, preferences, and market gaps. This information is crucial for developing products that meet market demands.

- Inventory and Supply Chain Management

Inventory Optimization: Invest in inventory management systems to streamline operations, reduce costs, and avoid stockouts or overstock situations.

Supply Chain Efficiency: Allocate funds to improve supply chain processes, including supplier relationships, logistics, and distribution channels.

4.2.2. Diversification of Investment Portfolio

- Financial Instruments

Stocks and Bonds: Invest in stocks and bonds to diversify your investment portfolio. Stocks offer the potential for high returns, while bonds provide steady income with lower risk.

Mutual Funds: Consider mutual funds, or money market funds with commercial financial institutions which pool money from multiple investors to invest in a diversified portfolio of stocks, bonds, or other securities. This spreads risk and offers professional management.

- Real Estate

Commercial Property: Invest in commercial properties for business use or rental income. Owning property can provide long-term appreciation and a stable revenue stream.

Office Space: Purchasing office space can reduce rental costs and provide a tangible asset for your business.

- Government and Corporate Bonds

Treasury Bills and Bonds: Invest in Nigerian treasury bills and government bonds, which are low-risk and provide stable returns. They are an excellent way to preserve capital while earning interest.

Corporate Bonds: Consider corporate bonds issued by reputable companies. They offer higher returns than government bonds but come with slightly higher risk.

4.2.3. Equity and Venture Financing

- Venture Capital and Angel Investors

Venture Capital (VC): Seek investment from venture capital firms that provide not only funding but also mentorship, strategic advice, and networking opportunities. VC investors typically look for high-growth potential businesses.

Angel Investors: Angel investors are affluent individuals who provide capital for startups and small businesses in exchange for ownership equity or convertible debt. They often bring valuable industry expertise and connections.

- Crowdfunding

Equity Crowdfunding: Raise funds through equity crowdfunding platforms, where multiple investors contribute small amounts in exchange for equity. This can be an effective way to gain capital while building a community of supporters.

Reward-based Crowdfunding: Platforms like Kickstarter or GoFundMe allow you to raise funds by offering rewards or pre-selling products. This can generate interest and capital for new projects.

- Grants and Competitions

Government Grants: Apply for government grants aimed at supporting MSMEs. For example, the Tony Elumelu Foundation Entrepreneurship Programme and the Lagos State Employment Trust Fund (LSETF) offer financial support to businesses.

Business Competitions: Participate in business plan competitions and pitch events. Winning such competitions can provide funding, mentorship, and increased visibility.

4.2.4. Risk Management and Mitigation

- Diversification

Spreading Investments: Diversify your investment portfolio across different asset classes and industries to mitigate risk. This reduces the impact of poor performance in any single investment.

Regular Reviews: Continuously review and adjust your investment strategy based on market conditions and business performance.

- Professional Advice

Financial Advisors: Consult with financial advisors, investment professionals, coaches and mentors to develop a tailored investment strategy. They can provide insights into market trends, risk management, and portfolio optimization.

Legal and Tax Considerations: Ensure compliance with legal and tax regulations when making investments. This helps avoid potential legal issues and optimize tax benefits.

- Insurance

Business Insurance: Obtain comprehensive business insurance to protect against risks such as property damage, liability, and business interruption.

Investment Insurance: Consider investment insurance products to safeguard your portfolio against significant losses.

4.3 Risk Management for Business Investments

Effective risk management is essential for businesses to protect their investments, maintain financial stability, and ensure sustainable growth. This is particularly important for digital entrepreneurs and MSMEs, who face unique challenges and opportunities in the rapidly evolving digital economy. Managing investment risks is crucial for protecting the business's financial health. Diversifying investments and conducting thorough due diligence are essential practices. Effective risk management involves not just spreading investments but also staying informed and proactive. Regular reviews and professional advice can help navigate the complexities of investing, ensuring that your investment strategy remains aligned with your business objectives.

Risk Management Strategies:

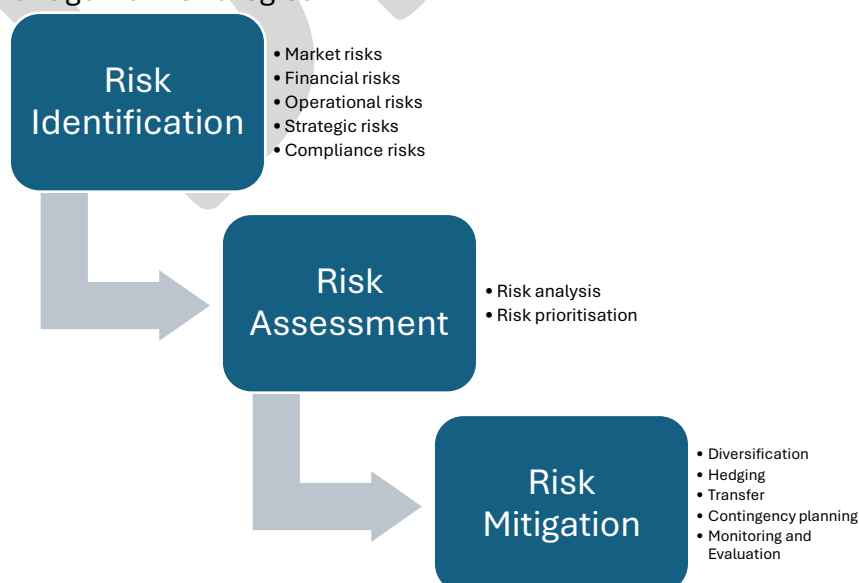


Figure 1: Risk management for businesses

4.4 Digital Tools for Business Financial Management

[QuickBooks](#): Comprehensive accounting software that tracks income, expenses, and provides financial reports, offering insights into financial performance. It's especially useful for managing multiple income streams and tracking expenses.

A financial software for small businesses that handles accounting, invoicing, and receipts, simplifying financial management. Wave offers features tailored to SMEs, making financial tracking and reporting straightforward².

[Paystack](#) is a payment gateway that enables businesses to accept online payments via credit card, debit card, and mobile money. Easy integration with websites and apps, supports multiple payment methods, and provides robust security.

[Flutterwave](#) provides a suite of payment solutions for businesses to accept and process payments from anywhere in the world. It features Payment links, API integration, and mobile money acceptance. The benefits of flutterwave are broad reach, supports various currencies, and offers seamless integration with e-commerce platforms.

[Remita](#) is a comprehensive payment solution for businesses and individuals, facilitating the management of payments and collections. It simplifies financial transactions, integrates with various Nigerian banks, and offers detailed financial reporting.

4.5 Accessing Equity and Venture Financing

For digital MSMEs, accessing equity and venture financing is critical for scaling operations and innovation. Unlike traditional bank loans, equity and venture financing provide funding without the burden of regular repayments. Accessing equity and venture financing can provide the capital needed to scale operations, invest in new technologies, and expand market reach. These sources of funding also often come with valuable support and mentorship, helping businesses navigate challenges and achieve growth.

a) Understanding Equity and Venture Financing

Equity financing involves raising capital by selling shares of your business to investors. This can include private equity, venture capital, angel investors, and crowdfunding. The benefits of using this is access to substantial capital without the burden of debt repayment, along with potential strategic support from investors. Drawbacks include dilution of ownership and potential loss of control, as investors gain a stake in your business.

Venture Capital is a form of equity financing where investors provide capital to startups and early-stage businesses with high growth potential in exchange for equity. Venture capital provides significant funding, mentorship, strategic guidance, and networking opportunities. Drawbacks include high expectations for growth and profitability, as well as potential pressure from investors.

Angel Investors are affluent individuals who provide capital to startups in exchange for equity or convertible debt. The benefits of having angel investors are that they provide more flexible terms, personalized mentorship, and smaller investments compared to VCs. However, its drawback includes, limited funding amounts and potential for significant influence from investors.

² [Manage your money like a boss](#)

Crowdfunding involves raising small amounts of capital from a large number of individuals, typically through online platforms. Access to a wide audience, validation of your business idea, and minimal dilution of control are some benefits.

b) Preparing for Equity and Venture Financing



c) Sources of Equity and Venture Financing in Nigeria

Local Venture Capital Firms

Ventures Platform: A leading VC firm in Nigeria that invests in early-stage tech startups. They offer capital, mentorship, and access to a network of entrepreneurs and industry experts.

EchoVC Partners: Focuses on seed and early-stage investments in technology and technology-enabled businesses in Sub-Saharan Africa.

TLcom Capital: An Africa-focused venture capital firm investing in tech-enabled businesses across various sectors.

International Venture Capital Firms

Y Combinator: An American seed accelerator that provides early-stage funding and mentorship to startups globally, including Nigerian businesses.

500 Startups: A global venture capital firm that invests in early-stage companies and provides growth support through their accelerator programs.

Angel Investor Networks

Lagos Angel Network (LAN): A network of angel investors providing early-stage capital to startups in Lagos and across Nigeria.

African Business Angel Network (ABAN): A pan-African network that supports angel investors and promotes investment opportunities across the continent.

Crowdfunding Platforms

Kickstarter: A global crowdfunding platform that allows entrepreneurs to raise funds by offering products, services, or equity in exchange for contributions.

GoFundMe: A popular crowdfunding site that supports various fundraising campaigns, including business ventures.

NaijaFund: A local crowdfunding platform tailored for Nigerian entrepreneurs seeking to raise capital for their businesses.

Government and Non-Governmental Programs

[Tony Elumelu Foundation Entrepreneurship Programme](#): Provides seed funding, training, and mentorship to African entrepreneurs, including Nigerians.

[Bank of Industry](#) (BOI): Offers equity financing through various funds and partnerships aimed at supporting MSMEs in Nigeria.

[Lagos State Employment Trust Fund](#) (LSETF): Provides financial support to entrepreneurs and MSMEs in Lagos State through grants, loans, and equity investments.

Grants and Competitions

[African Innovation Foundation](#): Offers the Innovation Prize for Africa, providing funding and support to innovative African entrepreneurs.

[Seedstars World](#): A global competition that identifies and supports high-potential startups from emerging markets, including Nigeria.

d) Navigating the Investment Process

Due Diligence (Investor Research): Conduct thorough research on potential investors to ensure alignment with your business values and goals.

Negotiation (Valuation): Determine a fair valuation for your business based on market standards and financial projections. Negotiate favourable terms that balance the needs of your business and the interests of investors.

Closing the Deal (Legal Agreements): Draft and review legal agreements with the help of a qualified attorney to ensure all terms are clearly defined and legally binding. Ensure the smooth transfer of funds and adhere to any conditions set by the investors.

Post-Investment Relationship (Communication): Maintain open and regular communication with your investors, providing updates on business performance and milestones. Leverage the mentorship, strategic advice, and network provided by your investors to drive business growth.

5. Demo tools for financial management

Digital Tools	Description	Price and subscription
Tools for Budgeting:		
Monefy	Monefy is a personal finance application that makes money management easy. The app is designed to streamline expense tracking and help you save money	NA
Google Sheets	Google Sheets is a spreadsheet application included as part of the free, web-based Google Docs Editors suite offered by Google. Google Sheets is available as a web application; a mobile app for: Android, iOS, and as a desktop application on Google's ChromeOS. The app is compatible with Microsoft Excel file formats.	free

Financial Management Softwares:		
QuickBooks:	Comprehensive accounting software that tracks income, expenses, and provides financial reports, offering insights into financial performance. It's especially useful for managing multiple income streams and tracking expenses.	Simple Start: \$1.80 per month Essentials :\$2.70 per month Plus :\$2.80 Advanced: \$76 per month
Wave	Wave is a Canadian company that provides financial services and software for small businesses. Wave is headquartered in the East Bayfront neighborhood in Toronto, Canada.	Starter Plan is free Pro Plan \$16 per month
Bujeti	Bujeti is to provide businesses with a comprehensive expense management platform that simplifies the process of tracking, analyzing, and optimizing expenses. We aim to empower businesses with real-time insights into their spending, allowing them to make data-driven decisions that enhance their bottom line. Through cutting-edge technology and exceptional customer service, we strive to be the go-to expense management platform for businesses of all sizes in Nigeria and beyond.	Free Starter Plan for up to 1 month, Up to 25,000 NGN monthly Growth Plan
FreshBooks	FreshBooks is accounting software operated by 2ndSite Inc. primarily for small and medium-sized businesses. It is a web-based software as a service model, that can be accessed through a desktop or mobile device. The company was founded in 2003 and is based in Toronto, Canada.	Lite \$7.60 per month Plus \$13.20 per month Premium \$24.00 per month
Payment Gateways and Solutions:		
Paystack	is a payment gateway that enables businesses to accept online payments via credit card, debit card, and mobile money. Easy integration with websites and apps,	Cost: No setup fees. Commission for transactions: 1.5% + ₦100 for local transactions,

	supports multiple payment methods, and provides robust security.	Transaction success rate: near 100% success rate Payment options: card, bank account, USSD, PoS, Visa QR, mobile money, bank transfer, Apple Pay, Visa QR
Flutterwave	provides a suite of payment solutions for businesses to accept and process payments from anywhere in the world. It features Payment links, API integration, and mobile money acceptance. The benefits of flutterwave are broad reach, supports various currencies, and offers seamless integration with e-commerce platforms.	Cost: No setup fees Transaction commission: 1.4% for local transactions Transaction success rate: 100% Settlement time: 24 hours Payment options: Bank transfer, bank account, mobile money, PoS, Visa QR, card, etc
Remita	is a comprehensive payment solution for businesses and individuals, facilitating the management of payments and collections. It simplifies financial transactions, integrates with various Nigerian banks, and offers detailed financial reporting.	Cost: No setup cost Transaction Commission: 2% fee capped at ₦2,500 Payment options: USSD transactions, debit/credit cards, PoS terminals, bank transfers