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Digital Skills for Entrepreneurs

Topic 2 Entrepreneurs Mindset in Nigeria's Digital Economy

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2 Entrepreneurs Mindset in Nigeria's Digital Economy



The topic describes Nigeria’s expanding and booming digital economy and how the MSMEs can engage and participate in this space. Participants can discuss how the digital entrepreneurs do business compared with the traditional and aging methods. They will discover the difference between digital and traditional entrepreneurs, The digital entrepreneurial competencies will be detailed and developed.

This topic will also cover how entrepreneurs embrace change and uncertainty, build resilience and adaptability and assess their entrepreneurial competencies.

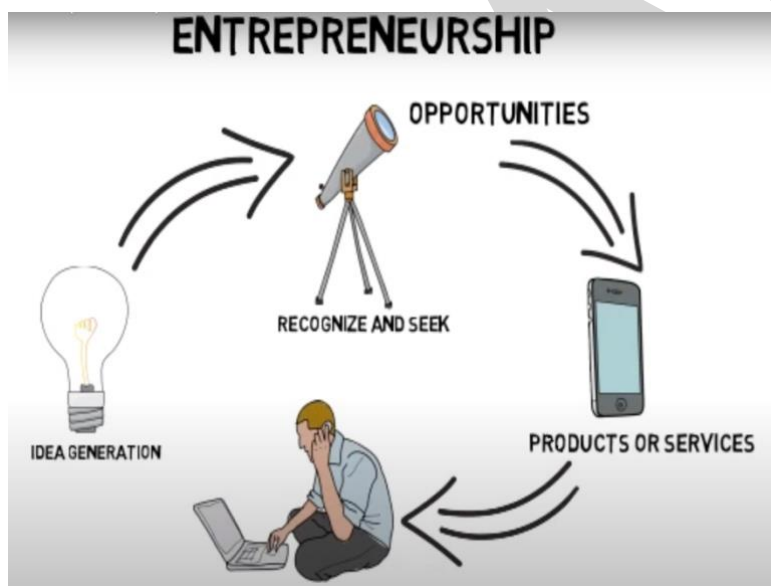
2. Entrepreneurs Mindset in Nigeria's Digital Economy

Learning Objectives

On session completion, the learners will be able to:

1. Gain deeper understanding of the importance of cultivating an entrepreneurial mindset in Nigeria's digital economy.
2. Learn strategies for leveraging digital tools and platforms to enhance entrepreneurial endeavors.
3. Develop skills in innovation, adaptability, and resilience for success in the digital marketplace.
4. Explore opportunities and challenges of entrepreneurship in Nigeria's digital landscape.

1. Definition and Scope of Traditional and Digital Entrepreneurship



Video 1: What is digital entrepreneurship? (Click image to watch).

Traditional entrepreneurship involves creating MSMEs using conventional methods to convert labor, materials, capital and other inputs into value or services. These MSMEs are primarily in agriculture, manufacturing, and industrial services. In Nigeria, traditional entrepreneurs prefer in-person communication, are logical learners, gather information from printed news sources, focus on one task at a time, and prefer small group interactions.

They may own up to three smartphones and might adopt digital technologies if given the right opportunity.

Digital entrepreneurship leverages technology to transform talents and creativity into products and services that meet modern market demands. Typically, digital entrepreneurs in Nigeria were born during or after the digital age, are always online, attached to devices, intuitive learners, multitaskers, rapid task-switchers, and heavily oriented towards social media. Digital products and services include e-books, newsletters, e-learning, videos, digital arts, social media curation, e-commerce, games, music, movies, e-Travel, e-Government, product designs, e-mentoring, e-

coaching, smartphone apps, software, graphic objects, websites, marketing campaigns, corporate images, e-payment systems, tutoring, and more.

Interestingly, traditional entrepreneurs are often unaware of how digital assets can expand their markets and grow their MSMEs.

Understanding these approaches is crucial for Nigerian entrepreneurs to adapt to the digital age.

2. Entrepreneurs in Nigeria’s Emerging Digital Economy

Nigeria’s digital economy is a dynamic and rapidly evolving landscape that holds immense potential for economic growth, innovation, and job creation. With a burgeoning youth population and increasing internet penetration, Nigeria is well-positioned to harness the power of digital technologies to drive progress across various sectors. According to the World Bank, Nigeria, as the largest economy in Africa, has a significant opportunity to leverage its digital economy for sustainable development.

3. The Entrepreneurial Mindset and Competencies

The entrepreneurial mindset in Nigeria encompasses the attitudes, behaviors, and skills required to navigate the challenges and opportunities in the country's business environment.

Recent thinking about the entrepreneurial mindset¹ outlines 22 equally important entrepreneurship competencies. These competencies enable individuals, teams, and organizations to identify and pursue opportunities and ideas. Competencies are defined by learning outcomes, detailing what learners know, understand, and can do. They are grouped into three areas: (a) Ideas and Opportunities, (b) Personal Resources & Specific Knowledge, as well as (c) Into Action. Developing this mindset is essential for Nigerian entrepreneurs to thrive in the digital economy.

Table 1: Entrepreneurial Competencies of the Digital Entrepreneurs

Ideas and Opportunities	Personal Resources	Into Action
1. Spotting opportunities	6. Self-efficacy	15. Development of new products and Services
2. Creativity	7. Motivation and perseverance	16. Defining priorities and actions plans
3. Vision	8. Mobility resources	17. Making decisions dealing with uncertainty, ambiguity, and risks
4. Valuing ideas	9. Leadership skills	18. Networking skills
5. Ethical and sustainable thinking	10. Communication skills	19. Team working
	11. Multidisciplinary skills	
	Specific Knowledge	
	12. Digital know how	

¹ Source: Ma Inmaculada López-Núñez, Susana Rubio-Valdehita , Cristina Armuña, and Elena Pérez-Urria, [EntreComp Questionnaire: A Self-Assessment Tool for Entrepreneurship Competencies](#), Sustainability 2022, 14, 2983. Published: 3 March 2022.

	13. Legal know how 14. Financial and economic know how	20. Problem solving skills 21. Learn by doing 22. Learn from mistakes
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4. Gig Workers and Solopreneurs

One of the salient features of the digital economy is the emergence of the gig-workers and solo-entrepreneurs. Gig workers are individual workers who engage in short-term, flexible jobs, typically as a freelancer, consultant, or independent contractor. Unlike traditional employees bound to a single employer, gig workers operate in the digital economy, taking on various projects from different clients, often facilitated through online platforms.

5. The Digital Economy of Nigeria and Coverage



Video 2: The Pioneers of Nigeria's Digital Economy: Their Pains, Challenges and Passion (Click the video to watch).

The digital economy in Nigeria is characterized by a surge in digital businesses, micro, small, and medium enterprises (MSMEs) leveraging technology to enhance efficiency and productivity. Research indicates that the digital economy has revolutionized the way businesses operate in Nigeria, leading to increased business efficiency and productivity.² This transformation has been fueled by advancements in digital technologies, such as e-commerce platforms, mobile applications, and online marketplaces, which have reshaped consumer behavior and

business models.

One key aspect of the digital economy in Nigeria is the emphasis on digital skills development and digital literacy. The country is witnessing a shift towards a knowledge-based economy, where digital skills are becoming increasingly essential for workforce participation and economic growth. Initiatives aimed at promoting digital skills, such as coding bootcamps, online training programs, and digital literacy campaigns, are helping to bridge the digital divide and empower individuals to thrive in the digital era.³

² World Bank, [Nigeria: Digital Economy Diagnostic Report](#), 2019.

³ See Chukwuemeka Ifegwu Eke, University of Abuja, [Digital Economy Emerging Businesses in Nigeria's MSME Space](#), July 2023,



Video 3: Nigeria's Digital Economy, the Digital Entrepreneurs and Trends (Click the image to watch)

According to DataPortal,⁴ There were 103.0 million internet users in Nigeria at the start of 2024, when internet penetration stood at 45.5 percent. Nigeria was home to 36.75 million social media users in January 2024, equating to 16.2 percent of the total population. A total of 205.4 million cellular mobile connections were active in Nigeria in early 2024, with this figure equivalent to 90.7 percent of the total population.

What does this mean for you as entrepreneurs?

6. Digital Transformation Trends in Nigeria

Find in SEARCH browser: "Digital Transformation Trends in Nigeria, 2024." What do you get?

Discover⁵ reported that the following trends exist in Nigeria's digital space: (a) Mobile-First Commerce, (b) Social Commerce and Search, (c) Personalization and AI-Powered Automation, (d) Partnering with Nano-influencers, (e) Video Marketing, and (f) Best Social Media Platforms for Ads (TikTok got 23.1% of the local internet user base, Youtube got 27.7%, and Snapchat, 14.7%).

7. Embracing Change, Uncertainty, and Building Resilience and Adaptability in Entrepreneurship

Embracing change and uncertainty is one special feature of the Nigerian entrepreneurs specially those in the digital landscape. They believe that change is constant. A formidable force to reckon with. Changes in climate, markets, best practices, software and apps, and tech devices. Many entrepreneurs are overwhelmed by these rapid tech and societal shifts. But those who learned to adapt and seize the opportunities, thrive. They learn to dance to the tune of the market changes (go global, sell to communities, digital competitors, electricity is a matter of luck, slow internet) and actors (thug boys, yahoo boys, cyberattacks, impersonators) and even documents (fake investment contracts, scammers).

Building resilience and adaptability entails developing the capacity to overcome setbacks and pivot in response to changing circumstances. These skills are vital for Nigerian entrepreneurs to navigate the uncertainties of the digital economy. Nigerian entrepreneurs must cultivate resilience and flexibility to thrive in the dynamic digital economy. Easier said than done?

⁴ Source: [Digital 2024: Nigeria](#)

⁵ Source: [6 Digital Trends to Watch in Nigeria's Booming Market](#)

How should Nigerian MSMEs build resilience? Search online and share.

PROS & CONS OF DIGITAL TECHNOLOGY	
PROS	CONS
1. Connectivity.	1. Data Security.
2. Communication Speed and versatile working.	2. Social Isolation.
3. Digital Devices are Portable.	3. Work Overload.
4. Quality of Stored Information is Preserved.	4. Diminishing Job Opportunity.
5. Learning Re-Defined.	5. Digital Technology Creates Addiction Towards it.
6. Entertainment	6. Manipulation of Digital Media.
7. Transportation.	7. Plagiarism and Copyright.

Figure 1: Pros & Cons of Digital Technology

8. Participating in the Digital Economy: Pros and Cons

Participating in Nigeria's digital economy offers opportunities for growth, innovation, and market expansion, but also presents challenges such as digital security risks and market saturation. Understanding the pros and cons is essential for Nigerian entrepreneurs to make informed decisions.

Overall, Nigeria's digital economy holds vast potential for driving economic growth, fostering innovation, and improving the lives of its citizens. By embracing digital technologies, investing in digital skills development, and implementing supportive policies, Nigeria can leverage its digital economy to achieve sustainable development and position itself as a leading player in the global digital landscape.

9. Assessing Entrepreneurial Competencies of the Nigerian Digital Entrepreneurs

Imagine a Nigerian digital entrepreneur in your mind. Focus on this image as you go through this exercise.

Objective: To evaluate your entrepreneurial competencies by analyzing the characteristics, skills, and behaviors typical of a successful Nigerian digital entrepreneur.

Exercise Overview: you will work individually or in groups to create a detailed persona of a typical Nigerian digital entrepreneur. Identify and assess the key entrepreneurial competencies that this persona possesses, including skills, behaviors, and attributes that contribute to their success. The exercise will involve brainstorming, discussion, and presentation.

Instructions:

1. Persona Creation (5 minutes):

- Create a detailed persona of a typical Nigerian digital entrepreneur.
- Give this persona a name, background, business idea, and market segment.

1. Description:

Name of Digital Entrepreneur	Background (Education, Age, Gender, Status, experiences, State, etc.)	What product or services offered (Idea) to what sectors	Target market	Assumptions

2. Profiling:

Scoring: Scores could either be: **strong**: 0 to +3 (very strong) or **weak**: 0 to -3 (very week).

Digital Entrepreneurial Competencies	(-)	Don't Know	(+)	Totals
Ideas and Opportunities				
1. Spotting opportunities				
2. Creativity				
3. Vision				
4. Valuing ideas				
5. Ethical and sustainable thinking				
Personal Resources				
6. Self-efficacy				
7. Motivation, perseverance				
8. Mobility resources				
9. Leadership skills				
10. Communication skills				
11. Multidisciplinary skills				
Specific Knowledge				
12. Digital know how				
13. Legal know how				
14. Financial and economic know how				
Into Action				
15. Development of new products and Services				
16. Defining priorities and actions plans				
17. Making decisions dealing with uncertainty, ambiguity, and risks				
18. Networking skills				
19. Team working				
20. Problem solving skills				
21. Learn by doing				
22. Learn from mistakes				

Which of the identified competencies contribute to the success of your persona in the Nigerian digital economy.

- Which competencies are most critical for the persona's success?
- How does the persona acquire and develop these competencies?
- What challenges do you think persona face, and how do their competencies help overcome these challenges?

If time allow, have a presentation.

after completing the table and identifying the competencies that helped your persona, reflect on your own competencies and identify areas for improvement.

When completing the profiling template above, you have to honest and be very objective with yourself. The maximum score for each competence within a given area is 6 points. High score is an indication that the individual is at advance proficiency level while a lower score is an indication that you are at the foundation level of proficiency. Learners are expected to transition from foundation level proficiency to advance proficiency level by working to improve competencies they scored lower points. Your goal as an entrepreneur is to be proficient in all the competences under each of the competence areas in the table above by progressing from relying on support from others which is foundation competence to an expert driving transformation, innovation and growth.

10. Optional Videos



FG inaugurates initiative to provide digital skills to 3m MSMEs Vice-President Kashim Shettima inaugurates Skillnovation Programme to provide essential digital skills required to succeed in the global economy to over three million Nigerians