Helping young entrepreneurs to formalize their businesses in Nigeria

Insights from a business formalization coach

A lawyer by training, Ayodeji Adeyemo from Nigeria gained valuable insights early on in her career helping entrepreneurs to register their companies. This experience led her to sign up for an ILO training programme to become a coach in business formalization, as part of a wider initiative to mentor young entrepreneurs in the Nigerian agricultural sector. She understands the various factors that deter micro and small entrepreneurs, particularly in rural areas, from embarking on the first steps of formalization. Many say that they prefer to carry on as they have done in the past, for example, paying their workers’ wages off the record because they do not yet have a bookkeeping system in place to keep track of income and expenditure. However, drawing on her experience, Ayodeji has been able to convince her coachees of the advantages of not just registering their business but also adopting a formal bookkeeping system. In particular, she emphasizes how proper financial management and tax compliance can improve entrepreneurs’ access to finance, including state-backed loans from banks. Moreover, there are tax exemptions for small businesses whose turnover is below a certain threshold. Although administrative processes are often lengthy, the Nigerian Government has introduced many reforms and incentives targeting such enterprises in recent years. Ayodeji encourages entrepreneurs whom she coaches to take advantage of these measures in order to achieve greater productivity and competitiveness.

Passionate about community and youth development from an early age, Ayodeji has been able to put the values she believes in into practice as a coach supporting business formalization throughout Nigeria.

To learn more about Ayodeji’s story, take a look here.