

EXAMINING HOW ENTREPRENEURS ADAPT TO ECONOMIC CRISES AND SUSTAIN SMALL AND MEDIUM-SIZED ENTERPRISES IN NIGERIA

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Abstract

Economic crises have become an increasingly persistent feature of the Nigerian business environment, exposing small and medium-sized enterprises (SMEs) to inflation, exchange-rate volatility, high operating costs, financing constraints, supply-chain disruptions, declining consumer purchasing power and regulatory uncertainty. Because SMEs constitute a substantial component of entrepreneurial activity and employment, their ability to adapt to economic shocks is important for economic sustainability and inclusive development. This study examines how entrepreneurs adapt to economic crises and sustain SMEs in Nigeria. Specifically, the study examines the effects of financial adaptation, digitalisation, business-model innovation, market diversification and supply-chain adaptation on SME sustainability. The study adopts a quantitative survey design. A structured questionnaire based on a five-point Likert scale was administered on SME owners and managers in Nigeria. A sample size of 384 respondents was adopted. Data are analysed using descriptive statistics and multiple regression analysis through SPSS. The model indicates positive relationships between financial adaptation, digitalisation, business-model innovation, market diversification, supply-chain adaptation and SME sustainability, with an adjusted R^2 of 0.385. The study argues that SME survival during economic crises depends not merely on entrepreneurs' ability to reduce costs but on their capacity to sense environmental changes, mobilise resources, innovate, diversify markets and reconfigure operations. The study recommends improved access to affordable finance, digital infrastructure, entrepreneurship training, supply-chain support, market development and a more predictable regulatory environment.

Keywords: economic crisis, entrepreneurship, SMEs, adaptation, resilience, digitalisation, business-model innovation, sustainability