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THE RELATIONSHIP BETWEEN FINANCING STRATEGY AND ENTREPRENEURSHIP PERFORMANCE: AN EXAMINATION OF SMALL AND MEDIUM SCALE ENTERPRISES IN IKEJA LOCAL GOVERNMENT AREA OF LAGOS STATE.

By

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Abstract
This study examined relationship between financing strategies and entrepreneurial performance of small and medium sized businesses in Nigeria. Financing strategy is measured by bootstrapping, crowd funding and angel investors, while competitiveness is used as a proxy for entrepreneurial performance. Descriptive survey research design was adopted. Primary data were collected using a structured questionnaire administered to a sample of 154 SME businesses in Ikeja Local Government Area of Lagos State. The sample size was determined using the Cochran (1977) Z-score formula, while purposive sampling technique was used for administration of the questionnaire to the identified entrepreneurship. Eventually, 142 retrieved copies of the questionnaire were found to be valid, thus utilized for the study. To analyze the data, descriptive statistical techniques and inferential statistics, specifically Pearson correlation coefficient was adopted. Upon analyses of data, the study found a significant positive relationship between 'Bootstrapping' on 'entrepreneurial competitiveness', (r = .115, p.001<0.05); a positive associate between 'Crowd funding' and 'Entrepreneurial competitiveness', ($r = .239^{**}$, p.002< 0.05); and a strong positive correlation between 'Angel investors effect and Entrepreneurial performance' in Nigeria, ($r = .216^{**}$, p.000 < 0.05).The study recommended that informal business owners should be educated on avenues for business financing, conditions for obtaining facilities from specialized institutions such as the bank of industry should be simplified; funds from contributions should be converted to equity in the name of the funders, among others.
Keywords: *Financing strategy, entrepreneurial performance, economic transformation, engine room, financial constraint*

1.0 Introduction

Entrepreneurship is the engine room of the development and growth of any economy. The subsector contributes to job creation, poverty alleviation and increase productivity (Manzoor, Wei & Siraj, 2021). However successful entrepreneurship does not happen by accident. It is always the result of strong mental efforts which include clear thinking, confidence, courage, resilience as well as reactiveness. Entrepreneur is known as an innovator developing new products, new production processes and new markets. The entrepreneur is an innovative individual who has developed an ongoing business activity where none had existed before. Such individual possesses the characteristics of being opportunistic, innovative, creative, imaginative, think tank and a reservoir of ideas. The risk appetite of an entrepreneur is high having belief and focusing the capability of making sufficiently adequate profit to actualize the set goals and objectives. There are strong determinations to ensure survival of the dreams, the growth and to become good profit making ventures (Mangori, 2022).

The subsector has been neglected and battling with unstable environment that resulted in the failure and total collapse of many. The cause of failure and death is however traceable to lack of funding

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proving that entrepreneurship will not thrive without regular access to this very important resource "money". Bogićević, , Karapavlović, & Jovković, (2024). . This further supports the need for a well-crafted and effective financing strategy that will carefully combine the various instruments as become necessary and relevant. Capital otherwise known as fund is the blood of entrepreneurship and must be available, accessible and suitable at all times. These however depend on the financing strategy that is being adopted according to (Berger and Udell 1988).

The degree of entrepreneurial capacity to contribute meaningfully to Nigeria's economic development will be supported by in-depth understanding of various strategies that are available to the entrepreneurs and managers in financing decisions and choices (Strader, 2017). Popa and Miricescu (2015), submitted that appreciation of the strategic actions is central to the existence of any business. Financing is fundamental to the existence and operations, because without adequate funding the best dream will fiddle away and innovation will have still birth. Finance is the grease that nurtures innovation to fruition An efficient and competent Financing strategist will be able to know when to go to the market, the instruments to use in sourcing for funds. It may be necessary to combine two or more instruments that maximize the returns while minimizing the costs and the inherent risks. The various legal and other contractual agreement of each class and group of instruments when combined needs professional and skillful analysis before the final decision. It may be prudent to combine equity, retained profit with debt to finance a project. Whereas another project may need the group of bank loans, preferred equity and leasing. It may be profit to combine factoring with suppliers and crowd funding. Other project may need the use of venture capital, angelic investor and entrepreneur personal savings. The costs and availability of these instruments are determined mostly by the monetary and fiscal policies of the government for local entrepreneurs while international factors will determine cross border financing.

1.1 Statement of the Problem

Entrepreneurship is cardinal to economic growth and development of nations be it developed and developing. Ownership of small businesses are the economic engines of nations and contribute significantly to the evolution. The sector employs over 80% of the work force and contribute about 50% Gross Domestic Product (GDP) in Nigeria (Olowookere, Hassan, Adewole & Aderemi 2021). The disturbing problem is the failure rate of startups small business at over 50% before the first five year of existence. This is a great challenge for the existing and potential entrepreneurs. The major identified cause of this high mortality rate is lack of adequate financing. The formal sources of financing entrepreneurship most especially bank loans are very costly and most time inaccessible due to collaterals and other constraints. The informal sources though more friendly are neither sufficient nor reliable for successful operation and high performances. Therefore, solving the financing palaver that will promote excellent performances and meaningful contribution of SMEs to the economic development of the country is a task seeking attention.

Some past studies on this subject matter reported that there is negative relationship between financing strategy and entrepreneurship performance (Rajan Zingalesand Zeitun and Tian 1995). On the contrary the studies of Roden and Levellen (1995) and Berger et al, (2006) reported that positive relationship exist between financing strategy and firms performances. Similarly, Nana Shaibu Akaeze & Christian Akaeze (2017) asserted that financing constraint is the single factor responsible for about 80% failure of small and medium entrepreneurship. And in accordance with Aderibigbe (2023), technology is available to facilitate adoption of sustainable financing by entrepreneurships that will enable them to access needed funding, manage risk and track sustainability performance more effectively. Alajebi (2019) opined that management deficiency is the major problem of entrepreneurship. There is no clear definition of the businesses among SMEs and reasons much entrepreneurship operate informally without any known records of existence and performances.

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1.2 Objectives of the Study

Generally, the study attempts to examine the relationship between financing strategy and entrepreneurial performance: specifically the study is to examine the effect of bootstrapping on entrepreneurial competitiveness, evaluate the influence of crowd funding on entrepreneurial competitiveness, and investigate the effect of angel investors on entrepreneurial competitiveness.

1.3 Statement of Hypotheses

Based on the aim and objectives of the study three hypotheses are formulated to drive and strengthen investigation, thus;

i. Bootstrapping has a significant effect on entrepreneurial performance.
ii. Crowd funding has significant effect on entrepreneurial competitiveness.
iii. Angel investors has a significant effect on entrepreneurial performance.

The study's findings will be of immense benefit and relevance to different stakeholders in diverse ways. These include potential entrepreneurs with financing dilemma will become proactive and act more rationally. The study will help the new investors to discover the new avenues for financing their businesses and offer financial experts and consultants deeper understanding of the new financing sources which will be relevant and valuable to their clients. Also financial market operators will be able to review and reconsider the various policies and activities and decisions affecting the new, small and even large entrepreneurships most especially financing.

2.0 REVIEW OF LITERATURE

Financing strategy are the methods and ways by which a business sources and secures the funds for it various operations and activities. Financing decision is very sensitive and highly critical as the firm's going-concern is hinged on it (Bogićević, Karapavlović & Jovković, 2024). Therefore, previous works in this area by subject expects, as regards the concepts that relate to financial strategies for formal and informal sector entrepreneurships, relevant theories and empirical studies are explored and reviewed.

2.1 Conceptual Review

i. Financing strategy

The method of financing depends and aligns perfectly with the nature and structure of the business operations and activities (Don 2013). Financing strategy is at the core of the business existence, operations and performances, consequently every business owners and the managers are to be well equipped with the dynamics of the financial sector and system. These are specific roles and responsibilities that are identified as part of a financing strategic action plan. Financial strategy is a long-term framework for rising and allocating financial resources in a manner that aligns with the firm's corporate objective. BMKFA (2024) defines it as an outline of how a firm sets out to fund the implementation of its long-term objectives. Muslim, Muh and Yaha (2023) add that is a long-term plan that defines acquisition and utilization of funds in a manner that aligns with risk tolerance and corporate goals. In the opinion of Urmila (2021), it is a pattern for securing consistent and sufficient supply of funds to meet a firm's present and future business needs. These suggest that financial strategy is a long term plan, pattern or process; aimed at acquiring financial assets in a manner that aligns with other corporate strategies and attainment of corporate objectives.

ii. Corporate objectives

Corporate objectives are quite diverse, numerous and may include profitability, growth, shareholders wealth maximization, corporate wealth maximization, liquidity, stability, and survival (Muslim, et al,, 2023); hence objectives can be split into financial, market and shareholder-based categories (Ansarada, 2021). These suggest that an enterprise's objective is defined by its performance, which signifies attainment of the objectives.

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iii. Operational performances

Performance has however evolved in its definition and conceptualization over the years (Tudose, Rusu & Avasilcai, 2022). Performance is shaped with the multidimensional character which integrates aspects of management, finance, accounting, macroeconomics, and more heralded this definitional inconsistency from an era of being confined to effectiveness, efficiency and value creation (Lupton, 1977) to the present dispensation of being perceived as measures of achieving firm's goals (Golubeva, 2021). Therefore, corporate performance entails the effectiveness in achieving organizational objectives. It represents outcomes achieved by the entity in the pursuit of its nominated objective and broadly placed on a spectrum that stretches from the realm of financials no non-financials (Johnson, 2023).

iv. Financial performance indicators

Financial performance indicators are essentially profitability measures, thus quantitative in nature. They essentially reflect the firm's capacity to leverage its assets to generate profits from sales (Tudose et al., 2022). These indicators have also evolved from static parameters of absolute numbers to dynamic measures that combine margins and absolute measures. Some of the popular measure include gross/net profit margin, return on assets (ROA), return on equity (ROE), return on investment (ROI), return on capital employed (ROCE), earnings per share (EPS), Price/earnings ratio (P/E ratio), etc. Unlike financial measures, non-financial performance measures are not based on information from the firm's financial statement, but on qualitative indicators shaped by subjectivity (Mashovic, 2018). These are quite vast and include product quality, brand power, innovation, employees' morale, investors' confidence, committed management, superior technology, customer satisfaction, corporate social responsibility, corporate reputation, competitiveness and market positioning, and so on.

v. **Business competitiveness**

For formal and informal sector based entrepreneurships, beyond formation, remaining competitive in business is arguably the top priority as the achievement of other financial and non-financial objectives is anchored on it (Johnson, 2023). The firm's business accomplishments, product offerings, and resilience in the market as well as overall competitiveness will however be fuelled by its ability to raise funds.

iv. Modern financing options

Financing strategy has however drifted from the conventional channels of debenture, equity, and from sources such as banks, capital market, leases, hire purchase, acceptances, credit financing, etc to including bootstrapping, crowdfunding and angel investors. While bootstrapping relates more to the informal sector entrepreneurs and angel investors invested in formal businesses enterprises, crowdfunding is associated with both formal and informal businesses. Bootstrapping involves owner's funds in addition with contributions from kit and kin (Steinhoff.1974; Broom & Longnecker, 1971; Olamiyulo 2010). This implies that the informal sector takes advantage of filial relationships in its financing strategy. Angel investors, who are high net worth individuals or firms that are interested in funding potent startups. They are also resorted to mostly by businesses in the formal sector to seek seed funding especially for startups (Olivier, Jean-Luc & Lohest, 2011). Crowd funding is another strategy for financing formal and informal sector driven businesses, where corporate and private entities provide financial resources for a business entity.

2.2 Theoretical Frame Work

This article is anchored on the Pecking Order Theory (POT) which was developed by Myers and Majluf in 1984 as a critique of traditional capital structure models. The theory posits that firms follow a hierarchical preference when sourcing funds: they prefer internal financing (retained earnings), followed by debt, and only resort to equity as a last option. This hierarchy stems from the problem of

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asymmetric information between firm managers and external investors. Managers, who have better knowledge of the firm's value, avoid issuing equity because it might be undervalued by the market. As a result, firms lean on internal funds first, and only seek external funding especially equity when necessary (Myers & Majluf, 1984). This theory has particular relevance to small and medium-sized enterprises (SMEs) and informal entrepreneurs in developing economies like Nigeria. Due to their limited size, lack of audited records, and weak credit profiles, SMEs are often perceived as high-risk borrowers by formal financial institutions. Consequently, they face challenges accessing bank loans or venture capital. According to Adeyemo and Olateju (2022), Nigerian SMEs primarily rely on personal savings, family contributions, and cooperative societies reflecting the preference for internal and informal financing. This behavior aligns with the pecking order theory, especially where credit markets are imperfect and external financing is costly or unavailable.

The implications of the Pecking Order Theory in the Nigerian context are significant. In an economy with a weak financial infrastructure and high borrowing costs, entrepreneurs often avoid external financing altogether. Commercial bank loans frequently carry interest rates above 20%, along with strict collateral requirements, thereby becomes unattractive or inaccessible to SMEs (Ogege & Bolоupremo, 2023). As a result, the financing behavior of many Nigerian entrepreneurs follows a pecking order not out of preference but necessity.

2.3 Empirical Studies

Muslim et al (2023) investigated dynamics of financial strategy, performance and investment decisions in business organisations. The scholars employed a combination of analytical techniques to analyse data collected from respondents through the administration of questionnaire. The results from analyses show that financial strategy indicators such as debenture, equity and preference shareholding have varied relationships on performance. The results clearly show that debenture relates positively with performance, equity relates negatively with performance as does preference shares.

Adegbie and Akenronye (2022) also examined financial strategy and corporate performance growth of quoted cement manufacturing companies in Nigeria. Consistent with the ex post facto research design, the scholars adopted quantitative research approach; utilised secondary data obtained from the annual reports the selected firms for the period 1988 to 2017. The data were analyzed by a combination of econometric techniques including regression models, cointegration and granger causality test to show that financial strategy measures have significant relationship with corporate performance.

Osamor, Abata and Adebanjo (2021) also studied financial strategy and corporate performance in Nigeria's consumer-goods manufacturing companies. Three strategies which are working capital strategy, financing strategy and investment strategy were identified, while return on assets was utilised as the performance measure. Secondary panel data for the period 2006 to 2019 were extracted for the selected 14 firms' annual reports. In line with ex post facto research design, descriptive statistics as well as econometric techniques such as panel cointegration and panel regression models were used to analyse the data. The results show that working capital strategy and financing strategy have no significant effect on return on assets; while investment strategy has significant effect on return on assets.

Song, Kubo and Kutsuna (2023) provided further evidence on financial strategies and performance of family businesses in Japan. They used data from 3,559 listed Japanese firms from 1991 to 2021. Using ROA and Tobin's Q as measures of performance as well as debt, dividend policy and cash holding as measures of financial strategy. Panel regression was used to analyse the data to show that businesses issue more debts, pay lower dividends and hold more cash than non-family counterparts. The results also show that holding more cash enhances performance while paying higher dividends does not significantly impact profitability.

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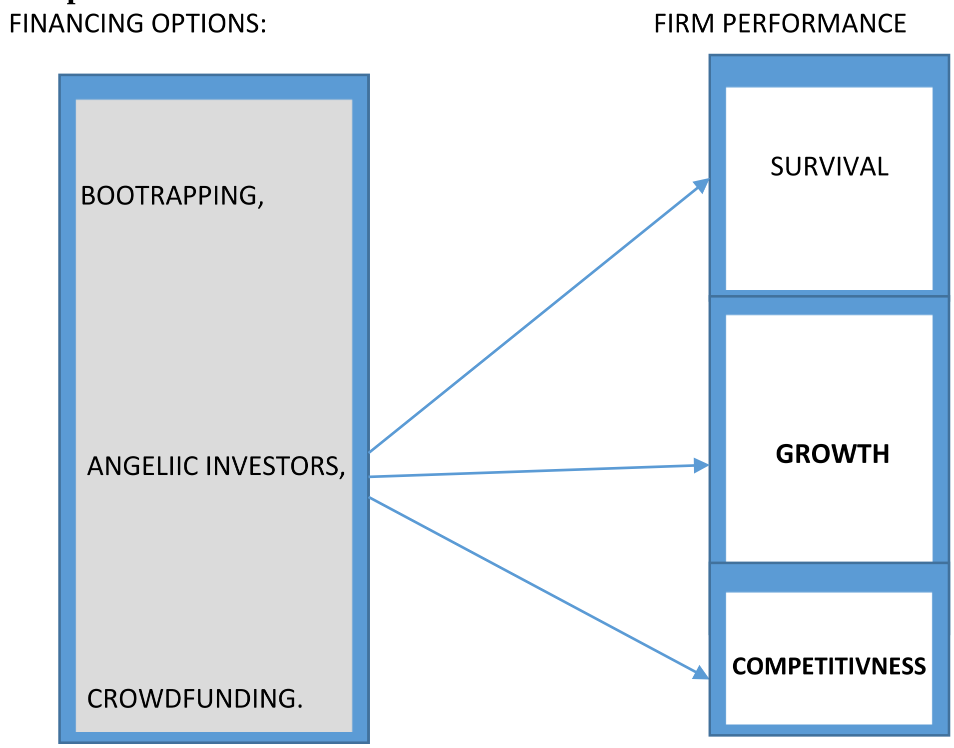
2.4 Conceptual framework



Source: Field Work 2025

Gap in Literature

Different factors have been attributed to the decline in the financial performance of small and medium enterprises. Numerous studies on the subject of small- and medium-sized business financial performance have been conducted in various contexts with varying degrees of success (Ferrati, & Muffatto, 2021; Nguyen, Pham, Ho, Nguyen, & Vuong, 2021; Wu, Si, & Wu, 2025). However, it is observed that there are gaps in existing literature on financing of SMEs in Nigeria among other factors which tend to hinder their financial performance. Bogićević, Karapavlović and Jovković (2024) asserted that key gaps in the existing literature regarding the link between financing strategy and entrepreneurship performance in Nigeria include the limited focus on the impact of informal financing strategies**,** the effectiveness of specific government interventions**,** and the role of gender discrimination in financial access. Much of the literature in Nigeria focuses heavily on the *barriers* to accessing formal finance (e.g., lack of collateral, high interest rates, inadequate financial records), rather than a detailed analysis of the *effectiveness* of specific financial management strategies entrepreneurs adopt after obtaining funds (Dada & Owualah, 2023). While personal savings and informal sources (friends, family) are widely used, there is a gap in robust empirical evidence on how these specific alternative financing strategies consistently influence long-term business performance and survival rates compared to formal methods.

3.0 METHODOLOGY

This section of the research report is therefore composed of the research design, population, sample size and sampling technique, research instrument, validity and reliability of the study.

3.1 Research Design

Research design is the framework of research methods and techniques chosen by a researcher to conduct a study (Saunders, Lewis & Thornhill, 2009**)**. The study employs a descriptive survey design.

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3.2 Study Population

The population of this study is made up of all identifiable, recognizable and operational entrepreneurships in Ikeja Local Government area of Lagos state. This is undefined as there is no database to obtain this number. The sample size for the study is 154 (one hundred and fifty four). This was arrived at using z-score formula for unknown population size. A non-probabilistic sampling technique was used, specifically purposive sampling to select startups, growing and small entrepreneurships in Nigeria from Ikeja Local Government of Lagos state.

3.3 Research Instrument

Primary source of data was utilized in this study, particularly the use of questionnaire as the research instrument was adopted and administered to subjects in the study area. This was structured in line with 5-point Likert scale, (i.e strongly disagree (1), disagree(2), fairly agree(3), agree(4) & strongly agree(5)) and distributed to the sample selected. Content or face validity is applied to ensure that the research instruments justifies its utilization for the study. Besides, the instrument was also given to subject experts for their inputs. As regards reliability, Cronbach's alpha is used. Given that Cronbach alpha has a threshold of 0.7, the obtained 0.901 is considered adequate, therefore the instrument is suitable and consistent.

3.4 Method of Data Analyses

Descriptive analytical tool such as frequency counts and percentages was adopted, and Chi-square (χ^2) was used for analysis of data with the aid of SPSS (V 23).The instruments used for data collection is questionnaire. Questionnaire was used because it enhances the use of standardized questions. Standardized questions were sourced through internet and structured to design questionnaire for this study using five point-likert scale measurements:

4.0 THE RESULTS

A total of 154 questionnaires were administered on the participants from the selected LGAs for the study. However, 142 copies of the questionnaire were retrieved, as the researcher compelled the respondents to fill the questionnaire on the spot, although the administration of the questionnaire took several visits to the selected LGAs in Lagos to achieve 94% response rate from the respondents. Table 4.1 below records the descriptive analysis of the demographic factors considered in the survey. More male respondents of 75% while the female are 25%. Majority of the respondents are above 40 years. Majority of the consultants are Associate chartered accountants.

Table 4.1: Respondents Classified by Demographic Information (Questions 1 – 5)

Sex		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	74	52.1	52.1	52.1
	Female	68	47.9	47.9	100.0
	Total	142	100.0	100.0	
Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25 - 30 yrs	43	30.3	30.3	30.3
	31 - 40 yrs	39	27.5	27.5	57.7
	41 - 50 yrs	48	33.8	33.8	91.5
	Above 50 yrs	12	8.5	8.5	100.0
	Total	142	100.0	100.0	
Marital Status		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	57	40.1	40.1	40.1
	Married	62	43.7	43.7	83.8
	Others	23	16.2	16.2	100.0
	Total	142	100.0	100.0	

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		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below S.S.C.E	1	.7	.7	.7
	S.S.CE/GCE	14	9.9	9.9	10.6
	NCE/OND	44	31.0	31.0	41.5
	HND/B.Sc./BA	62	43.7	43.7	85.2
	MBA/M.Sc./MA	12	8.5	8.5	93.7
	Professional	9	6.3	6.3	100.0
	Total	142	100.0	100.0	

Source: Field Survey 2025

Table 4.1 above shows the result of the demographic data analysis. Analysis of sex distribution of the respondents indicates that 52.1% were male while 47.9% of the respondents were female. This implies that that there are more male respondents than female respondents in the sample. Table reveals that 30.3% of the respondents were between 25 - 30 years of age, 27.5% of them were in the age range of 31-40 years, 33.8% respondents were in the age range of 41-50 years, while 8.5% of the respondents were above 50 years of age. The table also shows that 40.1% of the respondents were single, 43.7% of them were married, while other 16.2% of the respondents were either widow/widower, separated or divorced. This result indicates that there are more married people in the sample. In terms of academic qualifications, 0.7% of the respondents were holders of below SSCE, 9.9% of the respondents were holders of SSCE/GCE, 31.0% of the respondents were NCE/OND holders, while 43.7% of the respondents hold HND/B.Sc/BA and 8.5% hold M.Sc/MA/MBA. Also 6.3% of the respondents hold professional qualifications.

4.2 Descriptive Analysis

The results of the descriptive analysis revealed that high dependence on bootstrapping given the average mean score of 3.85. As regards crowd funding, the average is 3.93 indicating reliance on it by both formal and informal sector businesses for financing. Furthermore, the mean for angel investors is 3.58 indicating reliance on seed funds by businesses.

4.3 Test of Hypotheses

The data must undergo a statistical test or mathematical analysis in order to produce the precise and trustworthy conclusions from the previously examined data. Pearson Correlation Coefficient statistical technique for testing hypotheses was the correlation, while all variable of the study were subjected to multiple regression analysis. The Statistical Package for Social Sciences (SPSS) version 23.0 was used to analyze the relationships between the variables in the four hypotheses.

Hypothesis I:

H_{01} Bootstrapping has a significant effect on entrepreneurial performance in Nigeria.

Hypothesis I in this study was tested using Pearson correlation coefficient analysis with the aid use of Statistical Package for Social Sciences (SPSS). This will help to determine if or not a statistically significant relationship exists between the variables.

Table 4.6: Correlation Coefficient Analysis of bootstrapping effect on entrepreneurial performance.

Correlations

		Bootstrapping	Entrepreneurial performance
Bootstrapping	Pearson Correlation	1	.115**
	Sig. (2-tailed)		.001
	N	142	142
Entrepreneurial performance	Pearson Correlation	.115**	1
	Sig. (2-tailed)	.001	
	N	142	142

**. Correlation is significant at the 0.01 level (2-tailed).

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Table 4.6 a Pearson correlation was run to determine the effect of 'Bootstrapping' on 'Entrepreneurial competitiveness'. The result showed that the Pearson correlation coefficient, *r*, is .015, and that this is statistically significant (p.001< 0.05). There is a positive correlation between 'Bootstrapping' on 'entrepreneurial competitiveness', which is statistically significant (r = .115, n = 142, p < 0.05). Therefore, there is a significant relationship between 'Bootstrapping' and 'entrepreneurial performance' in Nigeria. Based on this result, we reject the Null Hypothesis (H_o) and accept the Alternate Hypothesis (H_1). This result confirms that bootstrapping has a significant effect on entrepreneurial performance in Nigeria.

4.3.2 Hypothesis II:

H_{02}: Crowd funding has significant effect on entrepreneurial competitiveness in Nigeria.

Hypothesis II in this study was tested using Pearson correlation coefficient analysis with the aid use of Statistical Package for Social Sciences (SPSS). This will help to determine if or not a statistically significant relationship exists between the variables.

Table 4.7: Correlation Coefficient Analysis of Crowd funding effect on entrepreneurial competitiveness in Nigeria.

Correlations

		Crowd funding	Entrepreneurial competitiveness
Crowd funding	Pearson Correlation	1	.239**
	Sig. (2-tailed)		.002
	N	142	142
Entrepreneurial competitiveness	Pearson Correlation	.239**	1
	Sig. (2-tailed)	.002	
	N	142	142

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.7 a Pearson correlation was carried out to determine the effect of 'Crowd funding' on 'Entrepreneurial performance' in Nigeria. The result show that the Pearson correlation coefficient, *r*, is .239**, and that this is statistically significant (p.002< 0.05). There is a positive correlation between 'Crowd funding' and 'Entrepreneurial performance', which is statistically significant (r = .239*#, n = 142, p< 0.05). Therefore, there is significant relationship between 'Crowd funding' on 'Entrepreneurial performance'. Therefore, the Null hypothesis (Ho) is rejected and Alternate hypothesis (H1) accepted. This result confirms that, Crowd funding has significant effect on entrepreneurial competitiveness in Nigeria.

4.3.3 Hypothesis III:

H_{03}: Angel investors has a significant effect on entrepreneurial performance in Nigeria.

Hypothesis III was tested using Pearson correlation coefficient analysis with the aid use of Statistical Package for Social Sciences (SPSS v. 23.0). This determine if or not a statistically significant relationship exists between Angel investors and Entrepreneurial performance.

Table 4.8: Correlation Coefficient Analysis of Angel investors' effect on entrepreneurial performance.

Correlations		Angel investors	Entrepreneurial performance
Angel investors	Pearson Correlation	1	.216**
	Sig. (2-tailed)		.000
	N	142	142
Entrepreneurial performance	Pearson Correlation	.216**	1
	Sig. (2-tailed)	.000	
	N	142	142

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.8 a Pearson correlation was employed to determine the 'Angel investors' effect on 'entrepreneurial performance' in Nigeria. The result show that the Pearson correlation coefficient, *r*, is

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.216**, and this is statistically significant (*p*.000< 0.05). There is a strong positive correlation between 'Angel investors effect and Entrepreneurial performance' in Nigeria, which is statistically significant (r = .216**, n = 142, p< 0.05). Therefore, there is significant positive relationship between Angel investors' effect and entrepreneurial performance'. Hence, the Null hypothesis (Ho) is rejected and Alternate hypothesis (H1) accepted. This result confirms that Angel investors has a significant effect on entrepreneurial performance in Nigeria.

4.3 Discussion of Findings.

This study made an effort to look at how financial strategies affected the performance of Nigerian businesses operating in both the formal and informal sectors. Empirical analysis has produced some shocking results. These include the substantial impact that crowd fundraising, angel investors, and bootstrapping have on the competitiveness and overall profitability of businesses. These results are consistent with those of Song et al. (2023) and Osamor et al. (2021), who both found that financial strategy had a significant impact on business performance. This suggests that companies who use unconventional and creative financial techniques are probably going to succeed better because other businesses don't often pursue these paths. Adoption of these funding solutions also has a significant impact on the industry's and sector's ability to compete favorably as well as its survival, stability, and growth potential.

5.0 Conclusion and Recommendations

The study's conclusions suggest that financial strategy has a big impact on how well entrepreneurships perform. It also exemplifies how important non-traditional financing methods are to the success of entrepreneurs. Since funding is the foundation, engine room, and lifeblood of every entrepreneurship, a finance strategy needs to be appropriate, adaptable, and extremely dynamic. The study also suggests that formal and informal businesses use different methods to finance their operations and projects. In light of the study's findings and conclusion, the following suggestions are put forth: It is important to educate informal business owners on the various funding options available to them. Funding requirements from specialized organizations, for as the Bank of Industry, ought to be made simpler. To promote investments, public-spirited contributors' funds ought to be transformed into equity to their credit. Angel investors ought to contribute strategic capital on a sporadic basis for strategic initiatives. This is the first time that factors like crowdfunding, bootstrapping, and angel investors have been used in a study pertaining to financial strategy. Thus, this study has provided a fresh perspective on how financial strategy is conceptualized.

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