

PREFACE

This guide is meant for the practitioner. It will appeal to those elected to the Council of a business membership organization (BMO), its sub-committees, or those in special roles such as President, Director-General or Secretary. The guide will also be useful for anyone who wants a better understanding of how BMOs are established, directed, and controlled for the benefit of key stakeholders, especially the members.

The guide examines a number of important issues in the set up, running and organizing for effectiveness of a BMO. It is not meant to be an encyclopedia of issues relating to a BMO, neither is it a compendium providing detail and completeness of facts on BMOs, rather it is a simple guide based on selected material aimed at stimulating interest and encouraging further enquiry and guided experimentation around the subject.

It is meant to signpost good practice for practitioners and in the final analysis, encourages a review of the way BMOs are being organized and run in Nigeria today. It should raise critical consciousness of the need to achieve full alignment between the activities and priorities of a BMO and the needs of members and other key stakeholders in society.

The length of the document and style of presentation has been selected to encourage busy executives study the document. Although in the treatment of certain legal issues there is a need to provide references and cite some laws, in other parts of the document, issues are described and presented in simple, practical terms.

This guide is built upon the words and works of very many authors. Effort has been made to reference the materials used in the guide. Should there be any errors or lapses where the works of others have not been adequately acknowledged, this is sincerely regretted.

INTRODUCTION

Nigeria is regarded as a very difficult business environment to operate in. Reasons cited include (but are not limited to) policy inconsistencies, poor access to affordable finance, poor access to markets, incomplete value chains, weak detection and punishment of deviant behaviour, weak enforcement of standards, weak institutions, declining standards of living, weak accountability systems, poor infrastructure, declining quality of education, weak supply and high costs of energy, and poor government service delivery in general. The endemic corruption in Nigeria is seen as pervasive and infesting all systems of private and public life in the country keeping away would-be foreign investors who are being subjected to ever increasing levels of public scrutiny in the countries from which they operate.

Factors such as these describe the serious constraints faced in Nigeria to business growth and compliance with minimum acceptable standards of business integrity. Although Nigeria is seen to be making serious efforts to recover from the weaknesses in its social, legal, economic, political, technological and other environments, the tendency has been for business to find ways to adapt to the difficult environment rather than raise its voice to call for a stemming of the decline or for action to be taken that could lead to positive change. The challenge of instituting reforms has been left largely to the discretion of government. Like Milton Friedman, many believe “the business of business, is business” and have tended to go into *survival mode* taking whatever routes and using whatever means they can get away with to continue to achieve their ends of profit maximization regardless of the costs to society and long run costs to themselves.

The recent market crashes and economic crises demonstrate that this is not a sustainable solution and that it is in the interest of business to ensure that it raises its voice to ensure constructive solutions are brought to bear on issues that affect its very existence. This is not a task for individual businesses but a collective one, speaking with one voice, which is very often at the core of why business membership organizations are formed – to look out for, protect and pursue the interests of members.

Very influential persons with strong links to power often start many of the business membership organizations in Nigeria. Sadly, a number use such platforms, access and additional prestige gained from being in leadership roles in BMOs to further profile themselves and pursue their private interests. Today, we have ended up with a situation where BMO leadership brings great value for the leaders and not much value for the membership who initially pay their dues and participate enthusiastically only to peter off over the next few periods as they understand not much will come back to them in return. The secretariats of such instead of being developed to provide professional, competent policy research, analysis and advocacy support (along with provision of business services) tend to be used instead to run errands for those appointed into leadership roles. Had BMOs in Nigeria been as effective as they promise to be, a number of the crises that the business sector and the Nigerian economy as a whole have witnessed could have been averted.

What would it take to get BMOs back on track? What are the likely issues they need to consider in order to achieve results for leaders, members, and other stakeholders alike?

This guide seeks to tackle these issues in three parts: it examines issues emanating from the set up of BMOs; issues emanating from how they are directed and controlled; and finally, issues emanating from priorities chosen and activities undertaken to provide value to members and other stakeholders.