

Herbert Orji Foundation

The Maiden Memory Lecture and Workshop Series with topic:

Powering National Economic Development through Community Based Homegrown Micro, Small and Medium Entrepreneurs (MSMEs)

January 18, 2024

Umuahia, Abia State, Nigeria

Keynote Lecture by Sam Smoots, International Project Finance Consultant

Greetings

Good afternoon, distinguished guests, ladies, and gentlemen. All protocols observed.

Let me thank the organizers of this event honoring Professor Herbert Orji for a job well done!

A special thanks is reserved for Madame Chief, Dr. Nnenna Orji who honored me by asking me to serve as the keynote speaker for today.

Given the stature of her dear late husband, I am aware that the range of people she could have chosen to speak on this program is a long list. I am honored, humbled and truly grateful to join you today.

Several years ago in the 1990's I had the pleasure of meeting Mrs. Coretta Scott King in Ghana. I told her that while many people see her and want to talk about her husband, I however wanted her to know how much I held her in high regards because of the way she carried herself in public during his funeral. The image of her outward appearance of peace and strength helped me when my mother died one month before I finished college.

It is in this light that I also want to acknowledge Ms. Orji. Let's give her another round of applause.

Family Ties

I have known Ms. Orji for about 15 years via her younger brother K.C. Obioha. K.C. has been like an older brother and mentor to me for almost 30 years.

Although I only met Professor Orji two or three times, now that I've visited his home in Item, I feel like I'm not only a member of the Obioha family, but also the Orji family as well now.

MLK, Jr. Connections

Some of you may be aware that we celebrated the birthday of Martin Luther King Jr. on Monday in the U.S. While some might consider it a travesty to compare or link MLK, Jr. and Professor Orji, I would argue that it is quite appropriate – especially since it's my speech!

Both men were freedom fighters who put their lives on the line for their people and their country.

- MLK, Jr fought the war for African American civil rights.
- Professor Orji fought in the Biafran war for the Igbo.
- MLK, Jr received the Nobel Peace Prize.
- Professor received the OON

I recently learned that Professor Orji was the first African to serve as a V.P. at a U.S. bank which would not have been possible without the efforts of MLK, Jr, and those who fought for equal opportunity in America.

So I trust I've made my point on why the connection with MLK, Jr. is appropriate on this day.

How to Honor a Great Man

I said earlier that Ms. Orji honored me by asking me to give a speech that reflects on the vision and life purpose of Professor Orji.

This was also a great challenge given that he wrote so many books and has had so many articles and stories already written about his life and dreams for his beloved Nigeria.

I have prayed that the Lord God will speak to me and through me to give you a word or something of value to take from these remarks.

Lecture Topic

Powering National Economic Development Through Community based, Homegrown Micro, Small and Medium Entrepreneurs or Enterprises (MSME's)

Rather than attempt to give you a policy speech or an academic presentation – particularly in the presence of our esteemed madam Arunma Oteh, former DG of the SEC and current professor of entrepreneurship at Oxford.

My talk is based more on applied studies or applied economics as Professor Orji wrote about but through my own experiences and observations.

Story Time

I'd like to begin by telling a few stories. They say a picture is worth a thousand words so I will attempt to paint a verbal picture to get us all on the same wavelength or foundation for the discussion.

These comments and observations represent innovation, perseverance and courage which are some of the key ingredients required to be a successful entrepreneur.

Story #1: The Mongoose, a Snake, and Wild Dogs

The other day I was scrolling through Facebook and saw a video reel showing a mongoose fighting with a snake that had wrapped itself around the mongoose. As it bit down on the snake, the snake would squeeze tighter. Finally the mongoose freed itself and was trying to pull the snake into the bushes when two wild dogs showed up and began attacking the mongoose trying to take the snake away. The mongoose would release the snake to attack the one dog while the other dog bit the snake by the tail and started dragging it away. The mongoose would turn from the one dog attacking it and return to the snake to pull it away from the other dog. This went on for a while with the mongoose going after each dog back and forth. A few times the mongoose and one of the dogs would engage in a tug of war with the snake acting as a rope – each animal pulling in the opposite direction trying to take the prized meal for the day. Finally the mongoose managed to fight off both dogs and dragged the snake into the bushes for dinner.

As a project finance consultant, I tend to see things as an artist does, making connections to events and my surroundings to economic development.

This story reminded me of the challenges faced by entrepreneurs. In this case the mongoose represents the entrepreneur. The snake represents the market opportunity. The wild dogs represent the market competition. As an entrepreneur there will be some big opportunities that you want to pursue that also have big risks. There will be all types of issues that will challenge the pursuit of the market opportunity from internal personnel issues, government issues, supplier issues, family issues which can all nip at you at the same time.

The point of this story is the need for courage to take the high risk to achieve high rewards and to persevere against all odds to achieve your goals.

Story #2: The Boy Who Harnessed the Wind

The Boy Who Harnessed the Wind is a 2019 African drama film that is shown on Netflix. It's based on the life of a young schoolboy in Malawi who comes from a family of farmers who has a talent for fixing radios for his friends and neighbors. He spends his free time looking through the local junkyard for electronic components.

Although he is soon banned from attending school due to his parents' inability to pay his tuition fees, the boy blackmails his science teacher (who is in a secret relationship with his sister) into letting him continue attending his class and have access to the school's library where he learns about electrical engineering and energy production.

By the mid-2000s, the family's crops fail due to drought and the famine devastates his village. People soon begin abandoning the village, and his sister elopes with his former teacher to leave her family one less mouth to feed.

Seeking to save his village from the drought, he devised a plan to build a windmill to power the town's broken water pump. His small prototype works successfully, but to build a larger windmill, it requires his father to give permission to dismantle the family bicycle for parts, which is the only bicycle in the village and the family's last major asset. His father believes the exercise futile and destroys the prototype and forces the boy to toil in the fields. His mother intervenes and urges his father to reconsider. With the help of his friends and the few remaining members of the village, they build a full-size windmill which leads to a successful crop.

Word of his windmill spread and he is awarded a scholarship to attend school, ultimately receiving a degree from Dartmouth College in America.

This story embodies all the three elements required to be a successful entrepreneur that I mentioned previously – the courage to ask his father to dismantle the family's bicycle for an innovative solution to a community problem and the perseverance to push for what he believed he could achieve.

Story #3: Nite Club Supply Chain in Umuahia

As I said earlier, as a project finance consultant focused on developing countries, it's hard for me to turn off my mind when I observe things that have the potential to help build an economy or that can be done better to help improve the quality of life for the people.

The night I arrived here my host took me out for a drink and to see the town. We went to a couple of nightclubs. As we were enjoying the music and the atmosphere, I noticed the different booths with different types of food that people were ordering. I was told that these booths were leased by other entrepreneurs. That got me thinking about the supply chain associated with the various aspects of what I saw in the club. The music and DJ, the uniforms for the waiters and servers, the lighting and sound system, the chairs and tables, the signage, the liquor, the glasses, plates and silverware, the generator and fuel, the food. All these items and more are most likely supplied by other small businesses or distributors of large companies if not purchased directly overseas.

The second club we visited replicated this same model but had more space which also allowed it to rent space to retail shops owned by other MSMEs which helps to power local and state level economic development through community based homegrown Micro, Small and Medium Entrepreneurs that is replicated in some form or fashion across the nation.

Again, each of these stories and observations represent innovation, perseverance, and courage.

My Experience with MSMEs

As mentioned in my bio, I was Director for Africa with the Overseas Private Investment Corporation (OPIC) an agency of the U.S. government, during the Clinton and Bush Administrations.

I worked on the promotion and implementation of the African Growth and Opportunity Act (AGOA) which was designed to promote U.S. – Africa trade primarily via exports from African SME's.

During this time at OPIC, I facilitated funding for over 30 projects in 20 different countries totaling \$ 1 billion USD.

I would like to highlight a few of these transactions.

1. Tanzania Wireless Public Payphone: This was a \$6 million dollar deal that was highlighted in a report to the U.S. Congress detailing the inclusion of small businesses in our work. Seventy percent of that projects supply chain were from small businesses from about ten different states in the U.S.
2. Living Water International - Village Well project in Kenya and Ghana. This was a \$2 million project that was the first project the agency financed that was sponsored by an American NGO. The women of the villages monetized the water by selling it to people in the area and to irrigate small scale crops which they sold to the market.
3. Peoples Investment Fund for Africa (PIFA) – this project was sponsored by another U.S. NGO led by the late Reverend Leon Sullivan – author of the Sullivan principles of operations for American companies in South Africa which led to the end of apartheid. His organization raised money as small as \$500 from African American diaspora and bigger amounts from corporate friends amounting to \$1 million USD that OPIC matched for a total of \$2 million. The African Development Bank agreed to manage the money and forward it to microfinance banks that would lend it to individual MSME customers.

This model could be replicated by the Herbert Orji Foundation and the Igbo diaspora.

MSME's Matter

Last year I spent six months in Zambia working on opportunities with the U.S. and one of the developments I was made aware of was the creation of a new Cabinet level Ministry for SME's. It was an important part of the new President's development plan and policies for the country.

Here in Nigeria, I've worked with an organization called PETAN on local content issues in the oil and gas sector. According to them, the policy requiring increased local participation in the contracting opportunities with the international oil companies was driven from the ground up by its members which led to the local content law for this sector. These are just two examples of how MSME's can power national development as suggested by the title of today's program.

Powering National Development

Addressing the specific point in the subject of “Powering” National Development through MSMEs it is important to note that power can be either –

Kinetic active and moving;

Stored and potential power; or

Static and neutral due to the atoms operating in different directions on the same object or thing.

Put into the context of the Herbert Orji Foundation, Kinetic power is what we’re pursuing to advance national economic development via MSMEs. We don’t want power that’s not active and is only in the potential form, nor do we want to have internal and external forces pushing against each other so that the organization becomes static and neutral – staying still versus moving forward.

The foundation has engaged me as a consultant to develop strategies, structures and funding options to support the empowerment of MSMEs.

I’m so grateful that I had a chance to visit Professor Orji’s village where we saw a palm oil processing plant that uses the waste products as biomass to power the plant.

Thanks to Chief Agu for his vision and efforts to develop this model. Replicating this model across Abia state and indeed the country that can have a huge impact on community and national development. I’m excited about the possibility to use this project in our work.

I also hope that the foundation can look at possibilities to revitalize manufacturing in Aba to enhance Nigeria’s exports to the USA using AGOA.

This is just a small snippet of the vision of how the Herbert Orji Foundation can help Power National Development through MSMEs.

Oftentimes when I give speeches in America, I reference different African proverbs. Since I’m in Africa and I made the connection between Professor Orji and Martin Luther King Jr., let me now reference Dr. Benjamin Mayes who was the President of Morehouse College when Dr. King attended as an undergraduate student. He said, “A man who fails to plan, plans to fail.” We don’t plan to fail.

This vision will be accomplished by a plan of action that will be developed by Ms. Orji and the board of directors.

Conclusion

The scripture says to give glory unto him who is able to do exceedingly abundantly above all that we ask or think, according to the power that worketh in us.

We already have the power to make MSMEs a driving force in the national development of Nigeria and by God’s grace we will do so!

Thank you.