

REVIEW OF BUSINESS DOCUMENTS USED BY SMALL SCALE ENTERPRISE FOR SUSTAINABLE RATE OF TURNOVER IN ASABA, DELTA STATE

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Abstract

The purpose of this study is to review business documents used by small scale enterprise for sustainable rate of turnover in Asaba, Delta State. Two research questions were raised to guide the study. Survey research design was adopted as a plan of action in the conduct of the study. The study was carried out in Asaba, Delta State with a population of 1,072 registered business enterprises in Asaba. Convenient sampling technique was used to sample a total of 107 enterprises, representing 10% of the population of registered business enterprise in Asaba. The instrument used for data collection was a structured questionnaire. The questionnaire was validated by two experts. The reliability of the instrument yielded a coefficient of 0.86 when analyzed using Spearman's Rank Order correlation. Validated copies of the questionnaires were distributed to the respondents through the help of two experienced research assistants. Out of the 107 instruments distributed, only 82 were retrieved indicating 85% retrieval rate. Data collected from the respondents were analyzed using mean and standard deviation. Findings revealed that business plan records, transactional documents with clients, financial documents to manage the business, functional e-mail records, business license records, business reports for conveying information are business documents used by small scale enterprise for sustaining rate of turnover. It was recommended among others that small scale businesses should ensure to keep all relevant documents for future purpose, as this will sustain the rate of turnover.

Keywords: Business Documents, Small Scale Enterprise, Sustainability, Rate of Turnover

Introduction

Small scale enterprises have been adjusted to act as a catalyst in the economic development of any country. Small scale enterprises (SSEs) are the backbone of virtually all economies of the world because of their vital role in employment creation and provision of personalized services. They are generally regarded as the engine of economic growth and equitable development especially in developing economies (Zindiye, 2016). In Nigeria, small scale enterprises have contributed about 97 percent of enterprises and provided an average of 50 percent of Nigeria's employment, and its industrial output (Taiwo, Ayodeji & Yusuf, 2017). They are also perceived as the key to Nigeria's economic growth, poverty alleviation and employment generation at low investment cost, development of entrepreneurial capabilities and indigenous technology.

For many years, small scale enterprises have been labeled as the major contributor to the development of many countries' economy. This is because, small scale enterprise serves as backbone to national development. For a country to reach its full potential in terms of economic and social development, it cannot afford to snub the chief role of its home-grown small scale enterprises and the input they contributed to the country's economy (Erdem & Erdem, 2017). In today's world, small scale enterprises are facing the growing challenges from global competition and more sophisticated customers in terms of what they want and their changing needs. The ever-increasing global competitive nature of the business environment has forced firms to develop administrative management strategies to become low cost producers and to differentiate their goods and services from their competition (Ajayi, 2013). One reason that could be adduced from the inadequate business growth of SSEs is poor maintenance of business documents.

Business documents refer to all the files, documents, papers, books, reports, records, letters, commercial documents etc. related to the business. Simply put, business documents are all the documents that pertain to the activities that take place in a business. They can be financial transactions, customer data, agreements, meeting minutes, or any other internal or external written communication. Business documents according to Newton (2021) are files of various types that record various details regarding an organization's internal and external dealings. They're usually essential for a company's management, as they provide the information needed to properly run it as well as details of various transactions with other parties. Depending on their format, business documents can have a physical form or a digital one.

A business cannot effectively function without business documents. A business requires specific list of business documents to buy and sell products, to communicate, to understand how to be more efficient and effective, to manage a business and to operate one. It is safe to say that a business cannot run properly without business documents (Waquar, 2020). Furthermore, every business should have a system to properly document their business documents. Lack of maintaining the records can delay processes, attract fines and sometimes even cancel a critical deal. According to Waquar (2020), businesses should build sustainable processes that are inclusive of the right documentation. It is imperative to have a repository of documents that can be retrieved from time to time. This, therefore, helps in the effective process of functioning and recording data. The process can be made easier once the documents repository is built and the procedural norms are set around it. Ideally, every company should be having a list of documents that are mandatory for its operations.

According to Janice (2019), a business uses documents to communicate, transact business and analyze its productivity. Business documents range from brief email messages to complex legal agreements. Some documents are prepared by employees and business owners, while others are drafted by professionals from outside of the company, such as accountants and lawyers. Since documents provide proof of an organization's dealings and may be referred to for years to come, it is important that they be well written.

Having well-organized business documents is crucial for an organization's well-being. Regardless of your role within a company, you're likely to encounter different business documents, and being familiar with their characteristics can improve your professional performance. Knowing that the most common business document, can be a valuable skill, and you can gain it through research (Indeed Editorial Team, 2021). The business documents required by small scale business for sustaining rate of turnover according to Newton (2021), Waquar (2020) and Janice (2019) includes; Emails and Memorandums: Co-workers typically use email to convey information to each other. Before email became prevalent, memorandums were used for intra office messages. Memos are still used in situations where a message is meant to accompany a specific file and in cases that require more privacy than an email. Both a memo and an email identify the sender and recipient and contain a subject line. The text is formatted in one or more paragraphs. Business Letters for Outside Communication: Business letters are used to communicate with individuals outside of the office. Recipients may include customers, colleagues in other businesses, service providers, professionals who advise the business, government officials and job applicants. A

business letter is usually formatted in block style, in which all of the elements of the letter, except the letter-head, are aligned with the left margin. It can be emailed or delivered by mail. If a letter is sent in the text of an email, the sender includes his name, job title and contact information at the bottom of the email.

Business Reports for Conveying Information: Business reports convey information in a format that is more formal and usually longer than a letter. Reports cover a variety of topics, such as safety compliance, sales figures, financial data, feasibility studies and marketing plans. They may include statistics, charts, graphs, images, case studies and survey results. Some reports are published for the benefit of investors. If a report is periodic, such as a monthly sales report, a template is used for convenience and to enable comparison with previous reports.

Transactional Documents to Conduct Business with Clients: A company uses documents to transact business with its clients. To save time, these documents may be formatted as a form, such as an order form, transmittal page, invoice or receipt. The types of transactional documents used vary somewhat by the nature of a business. An insurance agent, for example, generates insurance applications and policies, while a lender uses loan applications and mortgage documents. In some fields, businesses enter into agreements and contracts with others; these documents might be drafted by the company's lawyer.

Financial Documents to Manage the Business: A business uses financial documents to stay within its budget, prepare budget proposals and file tax returns. These documents include receipt records, payroll reports, paid bills, bank statements, income statements, balance sheets and tax reporting forms. These documents may be prepared by the company's accountant. A business owner uses these documents to determine the financial success of the company and to identify areas that are unproductive. A department head might use financial documents to prepare a budget proposal.

Contractor agreements: Whenever an organization hires a contractor, the two parties need to clearly outline the details of the collaboration. Some of the most often-included information in such an agreement is regarding to ownership of the completed work, deadline for the work to be completed and the amount owed to the contractor. It may also contain details regarding quality standards.

Business insurance: Business insurance is a way for companies to protect themselves against various risks. Some of the most common business risks are major business losses, natural disasters, catastrophes, accidents and theft. A business insurance document is a file where the organization keeps different insurance policies that cover various risks.

Partnership agreement: Partnership agreements are contracts signed between two or more individuals who decide to start a

business together. It clearly specifies each party's responsibilities and shares of both profits and losses. Its role is to facilitate relationships between partners and act as a binding document in case of a disagreement. Franchise agreement: Some companies choose to outsource their brand and business practices to other parties in the form of franchises. A franchise agreement is a contract that's signed by the franchiser and the person who wishes to open a franchise and outlines the conditions in which the latter can open their business. The document typically includes details on how the franchiser would help the franchisee with technical and operational support as well as how the franchisee would compensate the franchisor and the duration of the agreement. Business license: Depending on a company's areas of activity or geographical location, it may need one or more permits issued by government agencies in order to function. Each state usually has its own licensing terms, with the location of the company's headquarters typically dictating which local license is required. Business licenses are crucial documents for an organization, as it would be illegal to operate without them. Minutes of business meetings: Keeping minutes of the company's most important meetings can help everyone involved analyze what was discussed and the validity of the decisions made. This can clear up any uncertainties and disagreements by showing exactly what was said, in unambiguous terms. Effective minutes of meeting often include as much information as possible, including a list of everyone attending the meeting and their vote on various decisions. Employment agreement: This document is signed each time a company hires a new employee. It covers both the employee's duties and role within the company as well as the company's obligations toward the employee. They're essential in maintaining good relationships between organizations and their employees and can be used by both parties in a court of law to act as proof that the other party has failed to fulfill its obligations. Transactional documents: Similar to financial documents, transactional documents help the organization's management maintain a healthy budget. They include all documents issued as a result of a transaction, such as invoices, receipts and payment orders. Keeping track of them helps the company know the funds going in and out at all times.

Keeping business records has one way or the other help so many enterprises to grow and stand the test of time because, monitoring business processes gives one insight on how business is going, either up or down. Therefore, the benefits of business documents according to MacKechnie (2019), Moromisato (2021) includes; Safeguards Business Integrity: When you create accurate and sound business documents that cover your operations from beginning to the end, your business becomes less prone to falling apart. Business

documents will cover everything, even the tiniest of details, and presents a healthy overview of your business. This way, your business can assure its reputation and integrity to customers, investors, and potential regulators.

Unravels New Opportunities: Good documentation tells a captivating story of your business from how it started-up, to where it is going. Especially when the business is looking for new investors, spotless documentation of your growth, your achievements, and more is a great way to impress them. Organizations should not forget every new opportunity sign up for, must start with a business document (contract).

Smooth Corporate Governance: Business documents like company bylaws clearly outline the rules and regulations of the business. These documents are a great way to ensure that employees, managers, and everyone in the firm are aware of these expectations. When they know better, they will do better. This way, business documents pave the way for smooth and effective corporate governance. The business should see her operations

Process from a Fresh Perspective: When documenting the processes step-by-step, things should be seen differently. The company may have executed the steps according to memory and years of experience. Execute Reporting Processes More Consistently: When the business rely solely on memory to get work done, it might forget some steps. For example, the organisation will forget to create backup files, or they will forget to remove or edit certain data points. If they have process documentation that reminds them to watch out for any missed points, then, the risk will be reduced. By having that guide, all someone has to do, is to follow the instructions, and there will be a consistent and predictable outcome, every time accurate, error-free reports are ready for the client, performed in the way you want them done. Give the Business Operations a More Professional Image: Having documentation not only promotes consistency in the processes, but it also sets a standard. Documented procedures indicate a clear goal to be achieved and the steps to achieve that goal. Having standards in print and/or electronic form shows organizations have control over the work, and it conveys to others a sense of confidence, authority, and trust in the operations. Furthermore, when a business set standards in documented format, it enhances credibility and professionalism to those that matter most: The clients will feel secure knowing a system is in place to deliver timely, and reports are accurate. Adequate business documentation enhances sustainable rate of turnover.

Sustainability means, ability to be maintained at a certain rate or level or the ability to maintain or support a process continuously over time. Sustainable growth rate is the rate of growth that business or enterprise can sustain without having to finance growth with additional equity or debt. In other words it is the

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rates at which the business can grow with its own internal revenue without borrowing from outside sources. This can be possible when the business turnover is consistent.

Turnover of an enterprise is the total net sales during a particular period or year. It is also the value of total sale of an enterprise during an accounting period which can be calculated as sales less return inwards. While rate of turnover is the number of times the value of average stock of a business is sold during a period. This is used to investigate the market success of the output of a firm. The above can only be achieved, if there is adequate documentation of business records. It is based on the above background, that this study was conducted to review business documents used by small scale enterprise for sustainable rate of turnover in Asaba, Delta State. This is the crux of this paper.

Statement of the Problem

A number of small scale enterprises have not given much attention to record keeping in relation to their business transaction, despite its importance to the success of an enterprise. This could be lack of sound knowledge in keeping records by owners or respective managers. Also, there was difficulty in ascertaining whether comprehensive records that satisfied the laws under which it was incorporated had been kept. It was difficult to determine the extent to which laid down procedures and controls of implementation of good documentation system are made by businesses. Difficulty exists in ascertaining how far non-recognition of the necessity of documents keeping to continued existence and growth, low educational background of owners and the employment of unskilled record management staff had affected the production of unreliable business documents in small scale enterprises and it is on this note that the researcher deemed it necessary to carry out this study on review of business documents used by small scale enterprise for sustainable rate of turnover in Asaba, Delta State.

Purpose of the Study

The main purpose of this study is to review the business documents used by small scale enterprise for sustainable rate of turnover in Asaba, Delta State. Specifically, the study tends to find out the;

1. Business documents used by small scale enterprise for sustainable rate of turnover in Asaba.
2. Benefits of using business documents by small scale enterprise for sustainable rate of turnover in Asaba.

Research Questions

The following research questions were raised to guide the study;

1. What are the business documents used by small scale enterprise for sustainable rate of turnover in Asaba?
2. What are the benefits of using business documents by small scale enterprise for sustainable rate of turnover in Asaba?

Methods

Survey research design was adopted as a plan of action in the conduct of the study. Franklin and Walker (2013) examine survey as a research strategy in which qualitative information is systematically collected from a relatively large sample taken from a population. The adoption of this design was informed by its efficient way of collecting information about the population of interest, ease of administration of research instrument (questionnaire), which can be tailored to the problem the researcher is studying. The study was carried out in Asaba. The population of this study consists of 1,072 registered business organizations in Asaba, Delta State. (*Source:* Delta State Ministry of Commerce and Industries, 2021). Simple random sampling technique was used to sample a total of 107 (10%) business owners in Asaba. The instrument used for data collection was a structured questionnaire titled Business Documents Used by Small Scale Enterprise Questionnaire (BDUSSEQ). The questionnaire was made up of two parts. Part A was used to collect information on personal data of the respondents while part B contained items for answering the two research questions. The questionnaire was structured on a four-point rating scale. The numerical value of the scale points (Response modes) are as follows: SA – Strongly Agreed (4), A – Agreed (3), D – Disagreed (2), SD – Strongly Disagreed (1). Drafted copies of the questionnaire were submitted to one lecturer in School of Secondary Education (Business), Federal College of Education (Technical) Asaba, Delta State and one owner of small scale enterprises an Estate management consultancy firm in Asaba. They were requested to examine the instrument as regards to its content and face validation. After vetting the instrument, the experts' suggestions were used as corrections for the final copy. In order to establish the reliability of the instrument, a test re-test method was used to administer the instrument twice to five owners of five small scale enterprise in Onitsha, Anambra State, who are not originally part of the study. Spearman's rank order correlation was used to analyze the result. The instrument yielded a coefficient of 0.88, this indicates that the instrument was reliable. Validated copies of the questionnaires were distributed to the respondents through the help of two experienced research assistants. Out of the 107 instruments distributed, 92 indicating 86% were retrieved because as at the time of retrieval, 15 respondents were not available representing 14%. Data collected from respondents were analyzed using

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statistical tool of mean and standard deviation. The cut-off point was bench marked at 2.50; this means that any item scoring 2.50 and above was regarded as agreed while any item scoring below 2.50 is regarded as disagreed.

Results

Research Question 1: What are the business documents used by small scale enterprise for sustainable rate of turnover in Asaba?

Table 1: Mean responses on business documents used by small scale enterprise for sustainable rate of turnover. **N = 92**

S/N	Statements	S A	A	D	S D	Mea n	S.D	Remarks
1	Contractor, partnership, franchise and employment agreements	38	25	12	17	2.91	0.12	Agree
2	Business letters for various communication	30	40	10	2	2.85	0.08	Agree
3	Business plan records	28	32	15	17	2.77	0.11	Agree
4	Transactional documents with clients	35	20	20	17	2.79	0.12	Agree
5	Financial documents to manage the business	23	35	16	8	2.58	0.10	Agree
6	Business insurance records	32	27	15	18	2.79	0.12	Agree
7	Functional e-mails records	12	25	40	20	2.42	0.09	Disagree
8	Business license records	33	35	15	9	3.00	0.10	Agree
9	Minutes of business meetings	37	33	12	10	3.05	0.10	Agree
10	Business reports for conveying information	34	32	15	11	2.97	0.10	Agree
11	Memorandum of understanding on various issues	37	31	11	13	3.00	0.11	Agree
12	Business evaluation reports	39	34	8	11	3.09	0.10	Agree
13	Transactional documents	36	23	16	17	2.85	0.12	Agree
Weighted Average						2.85		Agree

Analysis of data in table 1 shows mean scores of responses on the business documents used by small scale enterprise for enhancing rate of turnover. 12 statements which were rated agreed have mean scores ranging from 2.58 to 3.09 which is above the acceptable mean score. Item 7 was rated 2.42 which indicated disagreed because, it was below the acceptable point of 2.50. Also, the weighted average mean of 2.85 which is also above 2.50 of the acceptable mean score indicated that business documents are used by small scale enterprise for sustainable rate of turnover in Asaba, Delta State.

Research Question 2: What are the benefits of using business document by small scale enterprise for sustainable rate of turnover in Asaba?

Table 2: Mean responses on the benefits of using business document by small scale enterprise for sustainable rate of turnover. **N = 92**

S/N	Statements	SA	A	D	SD	Mean	SD	Remark
14	It aids forecasting in the business plan	26	36	17	13	2.82	0.10	Agree
15	Business documents unravels new opportunities	30	33	17	12	2.88	0.11	Agree
16	It provide smooth corporate governance	35	26	18	13	2.90	0.11	Agree
17	It safeguards business integrity	38	25	16	13	2.96	0.11	Agree
18	It executes reporting processes more consistently	39	32	12	9	3.09	0.10	Agree
19	It foster business predictions	36	24	16	16	2.87	0.12	Agree
20	Business documents are used as a training tool for future operations hires	31	28	14	19	2.77	0.12	Agree
21	Business documents help to keep track of all business transactions in the business	33	30	15	14	2.89	0.11	Agree
22	It serves as evidence or proof that transaction took place in case of future use	32	28	17	15	2.84	0.11	Agree
23	It attracts more opportunities	34	29	19	10	2.96	0.10	Agree
24	It enhances problem solving process	37	33	11	11	3.04	0.10	Agree
25	It promotes accountability	35	26	16	15	2.88	0.11	Agree
26	Business documents help to see the operations process from a fresh perspective	32	39	12	9	3.02	0.09	Agree
27	It gives the operations a more professional image	27	33	10	12	2.59	0.10	Agree
Weighted Average						2.89		Agree

Analysis of data in table 2 shows that mean responses on the importance of using business document in small scale business for effective operation in Asaba. Items 14 to 27 scored above 2.50 of the acceptable mean score indicating that all the items agreed. The calculated weighted average mean of 2.89 which is also above 2.50 and basis for decision showed that there are several benefits of using business document by small scale enterprise for sustainable rate of turnover in Asaba, Delta State.

Discussion of Findings

The analysis of the first research question revealed that contractor, partnership, franchise and employment agreements, business letters for various communication, business plan records, transactional documents with clients, financial documents to manage the business, functional e-mails records, business license records, business reports for conveying information among others are business documents used by small scale enterprise for enhancing rate of turnover in Asaba. The findings is related to Newton (2021), Waqar (2020) and Janice (2019) who stated that emails and memorandums, business letters for outside communication, business reports for conveying information, transactional documents to conduct business with clients, financial documents to manage the business, contractor agreements, business insurance, partnership agreement, franchise agreement among others are business documents required by small scale business for easy operation.

Findings in research question two revealed there are several benefits of using business documents by small scale enterprise for enhancing sustainable rate of turnover in Asaba, Delta State. It was further revealed that business documents aid forecasting in the business plan, unravels new opportunities, provide smooth corporate governance, safeguards business integrity, executes reporting processes more consistently, foster business predictions, help to keep track of all business transactions in the business, serves as evidence or proof that transactions took place in case of future use, attracts more opportunities, enhances problem solving processes and finally, it promotes accountability. The findings collaborates with MacKechnie (2019), Moromisato (2021) who listed the benefits of business documents to includes; safeguards business integrity, unravels new opportunities, smooth corporate governance, see your operations process from a fresh perspective, execute reporting processes more consistently, give your operations a more professional image and as well use as a training tool for future operations hire.

Conclusion

In this study, small scale enterprises in Asaba were studied to ascertain the business documents used for enhancing sustainable rate of turnover. Small scale business has been labeled as the major contributor to the development of many countries' economy, as such, it requires some certain documents to aid their efficient and effective operation. This study therefore, reviewed the different documents used and the benefits of usind the documents for enhancing sustainable rate of turnover of small scale enterprises in Asaba. It was revealed

that business documents are very important for business enterprises, because, when properly used and documented by the enterprise owners, they can be used for future references and for sustainable rate of small scale enterprise turnover in Asaba, Delta State.

Recommendations

The following were recommended based on the findings;

1. Small scale business enterprise, should ensure to keep all relevant documents for future purposes, as this will stand as evidence when the needs arise and as reference materials for other engaging businesses or transactions.
2. Documents like memos, letters and receipts, financial statements of the enterprise and other evidence of business engagements, should be properly filed in an orderly matter in a secured place for safe keeping, this will aid easy retrieval when the need arises.

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