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The role of financial literacy in driving sustainable entrepreneurial success: A case study of Lapo Microfinance Institution (MFI), Nigeria

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Abstract

Even with access to microfinance loans, many small and medium enterprises (SMEs) in Nigeria still find it challenging to achieve sustainable growth; thus, this systematic study investigates the role of financial literacy in driving the sustainable entrepreneurial success of clients of Lapo Microfinance Institution (MFI), Nigeria. A representative sample of Lapo MFI clients who have participated in their financial literacy training programmes was surveyed and interviewed, providing qualitative and quantitative data. The findings demonstrate a positive correlation between participation in Lapo MFI's financial literacy training programmes and sustainable business success among their clients. The novelty of this research is that it establishes a link between financial literacy and SME success. This study offers valuable direction or guidance for other MFIs in developing targeted financial literacy interventions to support the sustainable growth of their clients' businesses.

Keywords:
Financial literacy;
Lapo MFI (Microfinance Institution);
SME,
Sustainability;
Entrepreneurs.

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1. Introduction

According to Ratten (2023), entrepreneurship is an important tool for developing an economy due to its promotion of invention, creativity, and the creation of jobs. However, there is still a challenge confronting many small and medium enterprises (SMEs), especially the developing economies (Banerjee, 2023), that is to say, even with access to microfinance loans, these SMEs situated in Nigeria still find it very difficult to prosper in their businesses (Ekpo & Ebewo, 2024). This gap has left an indelible question: What elements play a significant role in the success of microfinance clients entrepreneurs sustainably?

Financial literacy plays an important role as the pilot of the SME progress (Graña-Alvarez et al., 2022). From numerous systematic analyses, it is drawn that entrepreneurs with a sound and deep comprehension of financial policies can use resources judiciously, effectively, and efficiently, which in turn marks a positive influence or reach their long-term business objectives, goals, mission, and vision (Brown & Saunders, 2020). This systematic analysis explores how financial literacy, specifically, Lapo Microfinance Institution (MFI), Nigeria, sustainably propels entrepreneurial success.

For entrepreneurs to enhance their financial resources, an astute comprehension of profitability analysis, cash flow, and budgeting is a necessity. By so doing, they could abstain from excessive or uncertain reliance on outside funding, make a strategic financial allocation, and then give

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precedence to expenses (Erhomosele & Obi, 2022). Financial literacy ensures that entrepreneurs can create plans that align with their long-term goals, mission, and vision. With these in place, they can rest assured of managing economic swings more resiliently, forecasting future financial needs, and then making well-informed investment decisions void of risk or excessive uncertainty.

The Lapo MFI in Nigeria came into existence in 2010 and was established by Mr. Godwin Ehigiamusoe. This establishment intends to strengthen rural communities by minimising poverty through financial service provision (Adelekun, 2019). Since its operation, it has achieved a high footing as one of Nigeria's leading and finest microfinance institutions. Its commitment to offering financial services to low-income individuals and micro-entrepreneurs is highly remarkable and commendable. Its financial products and services include microloans, savings accounts, insurance, and financial education. These services are customised to fulfil the needs of its clients, many of whom lack access to regular financial services (Adelekun, 2019)

Lapo MFI offers financial literacy training as a fundamental tool due to the significance of financial literacy in successfully sustaining a business. The programme enables the entrepreneurs to make decisions that will support their companies' long-term survival. Due to its social impact, sustainable growth, business training, capacity building, and community development, it has been marked as outstanding (Limited, 2018). Its tremendous growth throughout Nigeria has solidified its position as a leading player in the microfinance sector (Umoh et al., 2019).

Access to microfinance loans does not guarantee sustainable growth, as many small and medium enterprises (SMEs) in Nigeria are yet to achieve sustainable growth; thus, this research plays a role in recognising financial literacy in driving the sustainable entrepreneurial success of clients of Lapo Microfinance Institution (MFI). The aim is centred on examining how Lapo MFI's financial literacy training initiatives support the long-term viability of their clients' enterprises. The following inquiries are tackled in this study to fulfil this objective: (i) How does the involvement in Lapo MFI's financial literacy training programmes lead to improved financial literacy levels among their clients? (ii) What is the correlation between participation in these programmes and enhanced business performance metrics - profitability and growth, for Lapo MFI clients? (iii) How do Lapo MFI's financial literacy training programmes empower clients to make informed financial decisions and achieve sustainable business success?

The Impact of Lapo MFI's distinctive financial literacy training initiatives in the particular setting of Nigeria was explored thoroughly in this study. This study does more than just show a connection between SME success and financial literacy; it also provides insightful information about how to create and implement successful financial literacy programmes for microfinance clients in emerging economies. Lapo MFI would be able to improve the way it creates and delivers its financial literacy training programmes through this study. Also, other MFIs will benefit from this study by developing focused financial literacy initiatives to support the sustainable growth of their clients' enterprises and promote an inclusive entrepreneurial environment in Nigeria.

Having a sound knowledge of how financial literacy plays a significant role in the success of SMEs in emerging nations like Nigeria. Lapo MFI will be able to create more successful financial literacy programmes and serve as an example for similar programmes at other microfinance organisations. Ultimately, we will create a more sustainable business ecosystem in Nigeria and elsewhere by equipping entrepreneurs with financial knowledge and skills. The findings of this study offer valuable direction or guidance for other MFIs in developing targeted financial literacy interventions to support the sustainable growth of their clients' businesses and promote an inclusive entrepreneurial ecosystem in Nigeria and beyond.

This systematic study delves into the background of the problem, providing a comprehensive review of the relevant literature and identifying existing research gaps. The research objectives and methodology are presented next, followed by the analysis of findings and interpretation. This study is concluded with key recommendations and policy suggestions.

2. Literature review

Financial literacy refers to the skills, attitudes, and knowledge required to make informed financial decisions (Graña-Alvarez et al., 2022). It has become apparent as a crucial factor that impacts the SME's success. This research analyses the potential correlation between the various aspects of SME performance and financial literacy. Entrepreneurs who have an in-depth understanding of financial concepts can ensure effective management of cash flow (Brown & Saunders, 2020), make well-reasoned, responsible, and financially sensible investment choices (Erhomosele & Obi, 2022), and procure funding from financial providers (Sawitri, 2023). In addition, financial literacy equips entrepreneurs to actively create financial plans and projections that are essential for setting realistic goals and closely observing and recording progress (Culebro-Martínez et al., 2024).

Brown and Saunders (2020) found that wise financial decisions are dependent on financial literacy. Therefore, poor financial literacy would have a negative impact, including reducing the probability of making fast decisions and avoiding the financial triggers that could bankrupt a startup company. The authors concluded that financial literacy allows entrepreneurs to analyse investment alternatives, know the market dynamics, and allocate resources rationally. Proper resource management is another positive result of financial literacy and could mean that an entrepreneur uses his or her money more efficiently. Examples include improved cash flow management, looking into indicators such as the profitability of investments, and budgeting. According to the paper by Banerjee (2023), entrepreneurs who follow financial principles such as these are more likely to actually 'make a profit'. If a firm is overspending on areas such as decoration and insufficiently investing in engineering, then financial literacy could be vital in helping even spending priorities and ensuring that the company stays on its feet. Furthermore, if a company has to take out unnecessary loans on top of its usual finances, this could lead to more room for error and contribute to economic instability.

Culebro-Martínez et al. (2024) contended that the success of business owners in creating growth plans for their company's evolution that would make sense given their long-term objectives and the ability to set realistic financial targets is contingent on their level of financial literacy. Their cost-benefit analysis indicates that financially literate business owners with a long-term perspective who can foresee their cash-flow position can make the smartest investment decisions.

Microfinance institutions (MFIs) play a significant role in moving forward or advancing financial inclusion and supporting the growth of SMEs in developing economies (Mishra et al., 2024). As financial resources alone are inadequate, MFIs allow entrepreneurs to launch and expand their various businesses (Sanchez, 2023). Findings from various investigations point to the conclusion that financial literacy training programmes offered by MFIs can bolster microloans by endowing entrepreneurs with the skills and knowledge necessary to manage their finances (Choudhary & Jain, 2023).

Financial literacy empowers individuals to make informed financial decisions, navigate complexities, and ultimately build a more secure future. Lapo MFI, recognising the value of financial knowledge for its clients, has implemented training programmes to equip entrepreneurs with the necessary skills. As one of its main initiatives, Lapo MFI acknowledges the importance of financial literacy in tackling this issue and provides financial literacy training programmes to give entrepreneurs the knowledge and abilities in finance they need to run their enterprises successfully in the long run. Analyses performed by Supriyadi et al. (2024) have determined that engagement with financial literacy training programmes provided by MFIs enhanced financial management practices and increased loan repayment rates among microentrepreneurs. Similarly, Shrestha (2023) recorded the constructive or affirmative impact of financial literacy training on business performance for microfinance clients in Nepal.

However, before employing financial literacy training programmes for microfinance clients, it is critical to ensure they are tailored to their contexts and problems. Programmes are often delivered through participatory methods (exercises that require the participation of all involved) and are adapted to local contexts (Kislitsyn, 2020). For the greatest effectiveness, financial literacy education could be incorporated into the loan application process or prerequisite for receiving a loan (Choudhary & Jain, 2023).

Even when research has confirmed a positive relationship between financial literacy and SME success as well as between microfinance and entrepreneurial success (Masdupi et al., 2024), there is still a gap in the literature due to the few studies that have been focused on exploring the impact of financial literacy training programmes offered by MFIs on the long-term success of their clients (Dorkas Rambu Atahau et al., 2023). MFIs also focus on general financial literacy interventions offered outside the microfinance setting. Furthermore, much of the existing research on microfinance and financial literacy originates from developed or emerging economies (Magali, 2023). The specific context of developing economies like Nigeria, with its unique challenges and opportunities, may require further investigation.

3. Methods

A mixed method combining qualitative and quantitative approaches was adopted to explore the role of financial literacy in driving sustainable entrepreneurial success among Lapo MFI clients. In this study, convenience sampling was used, whereby the participants were selected based on their accessibility and availability. The author has collaborated with Lapo MFI in conducting the survey, with the following assistance from the institution: arrangement of interview sessions with customers that are considered to be representative of the general population and provision of information about the training program and identification of clients. The research utilised triangulation to enhance the validity and credibility of the findings by drawing on both the mixed approach.

3.1 Research instruments

Two quantitative research methods were utilised, namely, a financial literacy test and a questionnaire survey. The two qualitative methods used in this study are interviews and focus group discussions (FGD) to elicit more detailed information regarding the clients' experiences in the training programme and the extent to which the programme contributed to the growth of their businesses.

3.1.1 Pre- and post-test on financial literacy

A standardised financial literacy test was administered to measure the participants' overall knowledge base. This test included questions encompassing various financial concepts relevant to small business owners, including (i) basic financial terminology such as interest rates, profit margin, or return on investment (ROI); (ii) budgeting and cash flow management, which assess the ability to establish and manage a budget; and knowledge of cash flow patterns, (iii) debt and loan management, covering the basic concepts of loans including loan features and interest rates, interest rate assessment as well as the managing of the credit; (iv) savings and investments, with assessment on the recognition of savings, various forms of saving and basic knowledge of investments; (v) risk management such as evaluating and managing financial risks connected business performance.

The financial literacy test has been pretested and was found effective to be used on small business proprietors or any member of the public. The financial literacy test scores ranged from 0 to 100, with higher scores indicating the respondents' higher financial knowledge. The comparison of the scores obtained before and after the training enabled the determination of the effects of the training programme on financial literacy.

A pre-test and post-test were conducted among 30 selected clients of Lapo MFI to determine their level of understanding of finance before and after the training. These tests made it convenient for the researcher to assess the level of financial literacy gained by the learners. The results collected in this study were analysed using descriptive statistics in terms of mean, median, and standard deviation on the pre-test and post-test scores of the participants. In addition, an independent t-test was conducted to analyse the significant difference in the pre-test and post-test scores. Linear regression analysis was conducted to establish the extent of mean sales growth associated with participation in training.

3.1.2 Research questionnaire

A research questionnaire was developed for this study to collect demographic data about the participants, such as the nature of the business, years in operation, and sex. These demographics assist to identify if there are any differences in financial literacy levels or business needs in the different areas. The survey was administered electronically through a secure online platform, and pen-and-paper questionnaires were used in areas with limited internet access.

Quantitative data from the survey were analysed using SPSS statistical software. Descriptive statistics were used to summarise key variables. Also, correlational analysis assessed the relationship between participation in financial literacy training programmes, profitability, and sales growth metrics. Regression analysis was utilised to identify the potential influence of financial literacy training on business success while controlling for other relevant factors.

3.1.3 Interviews

Semi-structured interviews were conducted with a smaller purposive sample of Lapo MFI clients who participated in the financial literacy training programmes. The interview questions centred on gaining participants' experiences with Lapo MFI's financial literacy training programme. Three main questions were developed to assess the following:

Q1: How did the training help them overcome financial challenges and improve their businesses.
Q2: What are the specific aspects of the training they found most beneficial.
Q3: What are the changes they implemented in their businesses based on the training.

3.1.4 Focus group discussions (FGD)

The FGD provided a platform for clients to share their experiences and collectively explore the programme's effects. The discussions centred on specific topics such as the shift from short-term spending to long-term financial planning, budgeting techniques learned in training, understanding loan terms and making informed borrowing decisions, and savings strategies and goal setting.

These discussions offer valuable insights into how the programme empowers clients to develop a more strategic and sustainable approach to managing their businesses. Qualitative data from the interviews and FGD were transcribed and analysed verbatim. The common themes emerging from the data were identified to provide a deeper understanding of the client's experiences.

4. Findings and discussion

Thirty Lapo MFI have participated in this study, out of which 16 are male participants (53%) and another 14 are female (47%). The participants owned various businesses, including retail shops (bakery and clothing), services (repair shops and hair salons), construction, and technology. The number of years in operation ranges from a year to 10 years and above.

4.1 The influence of financial literacy training programmes

The financial literacy scores for 30 clients who participated in Lapo MFI's training programmes were analysed based on the standardised pre- and post-test scores. The results are summarised in Table 1. From the pre-test scores, the average score of 42.2 suggests a level of knowledge, implying that while some clients possessed foundational concepts, others required more extensive training. This result shows that there is a variation of results, with the minimum result being 21 while the maximum result is 67, suggesting that the degree of financial literacy of the participants varied significantly. The clients with scores as low as 21 likely lacked basic financial literacy skills, while those with higher scores (up to 67) might have had some prior experience or knowledge. Furthermore, the spread of scores, by the standard deviation of 12.08 and the range of 21-67, confirms this diversity in financial knowledge.

Table 1: Pre-test vs. post-test financial literacy

	Pre-test statistics	Post-test statistics
Mean	42.2	82.6
Median	44	82
Standard deviation	12.07863	6.867718
Range	21-67	67-95
Maximum score	67	95
Minimum score	21	67

From the post-test scores, remarkable transformation can be observed. The mean score rose to 82.6, reflecting improved financial literacy across the participants. This substantial increase resonated with the median score (82). Going by the training program's impact, it is just beyond heightening the mean score. The pre-test standard deviation of 12.08 demonstrated a wide range of scores, which indicates that some clients were more knowledgeable than others. The post-test standard deviation dropped to 6.87, indicating that the participants' financial literacy levels were much more consistent. The training programme bridged the knowledge gap and ensured that a more significant portion of the participants understood the various financial concepts. The impact the programme had on the client is beyond enhancing the average scores. An effective tool for visualising score dispersion is the standard deviation. This result shows that the training programme successfully closed the knowledge gap and guaranteeing that a greater percentage of the clients gained a firm understanding of financial principles.

Another noteworthy observation lies in the pre- and post-test minimum scores. Even though the maximum score remained relatively stable (increasing from 67 to 95), there was a dramatic rise in the minimum score, from a concerning 21 to a more respectable 67, implying that the training was effective in reaching those clients with the lowest initial knowledge base.

Table 2 shows the results of paired sample *t*-test. The mean value of the pre-test score (42.0) is significantly lower than the average post-test score (82.66), suggesting a positive impact of the programme on participants' financial literacy. The pre-test variance (155.07) is higher than the post-test variance (50.52), implying a wider spread of scores before the training; this implies that some clients had significantly lower or higher knowledge levels. The correlation coefficient (0.61) indicates a moderate positive relationship between pre-test and post-test scores. The clients with higher initial scores tended to have higher scores after the training, but those with lower starting points benefitted, too.

The *t*-statistic (-22.20) obtained from the analysis is highly negative, indicating a statistically significant difference between the pre-test and post-test means. The *p*-values (one-tailed and two-tailed) are extremely small (less than 2.57 x 10^-19), meaning that it is highly unlikely this difference occurred by chance. The absolute value of the *t*-statistic (-22.20) is far greater than the critical *t*-values (1.70 for one-tailed and 2.05 for two-tailed test) at a significance level of 0.05.

Table 2: Paired two sample for means

Statistics	Pre-test	Post-test
Mean	42	82.65517
Variance	155.0714	50.5197
Observations	29	9
Correlation	0.612113	
Null hypothesis	Mean difference = 0	
Difference	28	
t-value	-22.2027	
One-Tailed *p*-value	1.29E-19	
Two-Tailed *p*-value	1.701131	
t-Critical (One-Tail)	2.57E-19	
t-Critical (Two-Tail)	2.048407	

4.2 The influence of training programmes on profitability and growth

Table 3 summarises key metrics potentially related to the impact of Lapo MFI's financial literacy training programme on participants' businesses. The average score on the profitability scale was 3.1, meaning that, depending on the scale to which the scores range from 1 to 5, participants have average levels of profitability. The median of 3 means a mid-point of the range in profitability scores, meaning that half of the participants are as profitable or more than moderately profitable. The standard deviation was 1; the range was 2, and the sample skewness was 1. As illustrated from figure 1.279368, there is a slight variation in the profitability aspect in connection to the participants. This variation also infers that contrary to what could be thought, not all the participants are moderately profitable, with some even having relatively higher or lower profitability levels.

The average resulting sales growth rate equals 41.1%, which is relatively high, indicating that the participants, on average, experience a substantial sales increase. The median value of 42% nearly mirrors the mean value as a measure of central tendency, suggesting that more participants exhibited high sales growth. The obtained value for the standard deviation amounts to 19.23733, thus proving the statement on considerable variation in growth rates among the participants. This result indicates that while most participants may enjoy considerable improvements, some may witness insignificant advances or even deterioration**.** The finding suggests high satisfaction with the training offered by Lapo MFI. These high participation values indicate that clients have a positive attitude to the training programme, which they consider useful.

Table 3: key metrics of profitability, sales growth, and training

Metric	Mean	Median	Standard deviation
Profitability	3.1	3	1.279368
Sales growth (%)	41.1	42	19.23733

Table 4 summarises the results of a multiple regression analysis, focussing on the relationship between sales growth and two independent variables: sales growth (%) and training participation. The results reveal high sensitivity to the sales increase and the independent variables incorporated into the model. This conclusion is evident from the Multiple *R*-value of 0.816, with values close to 1 suggesting a strong relationship.

The R^2 value is equal to 0.666, indicating that the given model accounts for approximately 67% of the variability in the sales growth. However, the Adjusted R^2 (0.641) is a better estimate of the model's explanatory power adjusted for the total number of input variables and is slightly less than the R^2. The value of Standard Error (0.766) shows the average deviation of the predicted to the actual sales growth with the lower value preferred. It also involved securing 30 data points or observations for the model.

A high *F*-statistic of 26. indicates that the model explains significant variation in sales growth. The *F*-value should ideally be below 0.05 to depict model significance, meaning the observed results differ significantly from what would occur by chance.

Table 4 details the impact of each independent variable. This Intercept (0.81) represents the predicted sales growth when both independent variables are zero. Then, the sales growth (%) (0.045) indicates a 1 unit increase in sales growth is associated with a 0.045 unit increase in predicted sales growth. The positive coefficient and significant *p*-value (likely less than 0.05) indicate a positive relationship. The data showing training participation (0.588) indicates that the coefficient is inconclusive due to a high *p*-value (likely greater than 0.05).

Table 4: Results of regression analysis

		β	*t*-values	*Sig.*
Intercept		0.809	2.318602	0.028
Sales growth (%)		0.045	4.447952	0.000
Training participation		0.587	1.227595	0.230
R	0.816			
R^2	0.666			
Adjusted R^2	0.641			
df	2			
F	26.9375			
Significance F	0.000			

From the plot in Figure 1, it demonstrates a positive trend. As training participation increases on the X-axis, the sales growth on the Y-axis also increases, suggesting an association between investing in employee training and experiencing higher sales growth. The plot above shows that the data points are scattered, highlighting some relationship variation. It shows that not everyone with higher training participation necessarily has the highest sales growth, and vice versa.

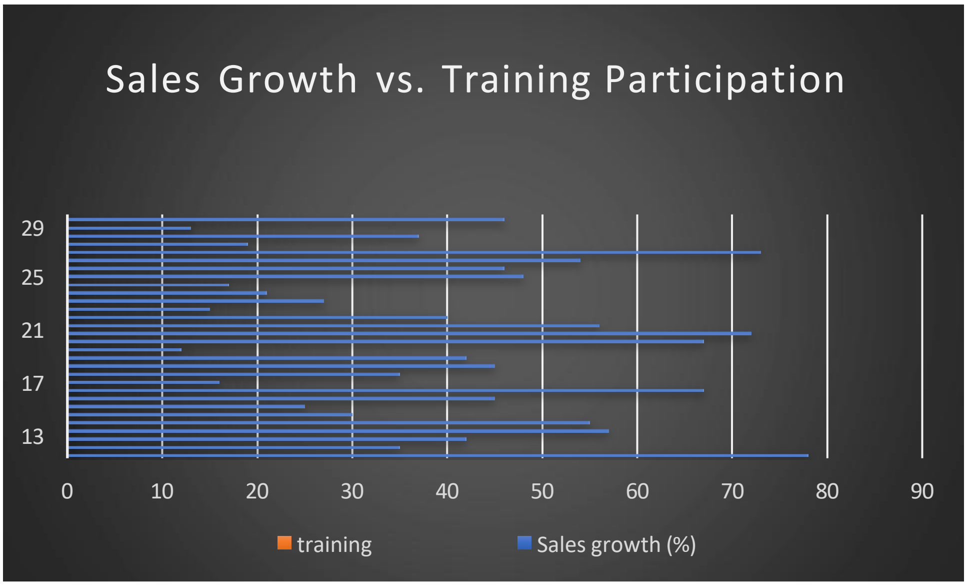

Figure 1 Sales Growth vs. Training Participation

4.3 Qualitative results

The Lapo MFI offers financial tools and empowers its clients through knowledge procurement. Entrepreneurs are equipped with the skills to navigate the complexities of finance through financial literacy training initiatives, which in turn encourage informed decision-making and pave the way for business success sustainably. The following subsections describe the qualitative data derived from the study.

4.3.1 From hand-to-mouth to strategic planning

Interview question: Could you tell me about your experience with the Lapo MFI, how did the training programme help you overcome challenges, and how did it improve your business?

One of the interviewees, Sarah, a vegetable vendor, has been a Lapo MFI client for two years. Before the training, her financial management skills were limited. She recalled,

"*Before the training, to be factual with you, I did keep track of things in my head. I had no real plan, most times, the monetary resources were strained. However, her breakthrough came forth after attending the Lapo MFI's financial literacy programme. I was offered an insight on how to make a budget, how to categorise my expenses, and then how to ensure proper record keeping*,"

Sarah thoroughly explained that after her exposure to the programme, she tracked her income and outgoings in a notebook, a newly found habit that has significantly refashioned her business activity.

"Now, I can see where my money goes. The knowledge I acquired now allows me to have a good deal of negotiation with suppliers and as well plan for future investments. Also, I am currently saving a small amount each month to buy a cart to enable me to reach out to more customers."

Sarah's story simply typifies how the Lapo MFI's training significantly equips clients with practical tools for financial planning and control.

4.3.2 From stagnation to expansion

Interview question: Could you tell me how the Lapo MFI played a role in the success of our business? What aspects of the training did you find most helpful? Could you elaborate on how you executed changes in your business?

Another participant, named Demola, who owns a local bakery, initially viewed the financial literacy training as just a necessity. Nevertheless, there was a major shift in his perspective as the programme existed. Demola explained that:

"The bookkeeping, which I never had prior knowledge of, through this programme, I learned its basic. Seriously, for the first time, I had a thorough understanding of where my money was going."

The newly found clarity empowered him to identify areas for strategic reinvestment and cost-cutting reinvestment. Demola admits,

"This programme made me realise that I was spending too much on ingredients that are not necessary. And this training helped me streamline my inventory and explore the various cost-effective alternatives that seem achievable."

With this newly found financial adeptness, Demola meticulously implemented these changes that culminated in increased profitability. He exclaims,

"My business is really flourishing now! Thanks to this vital training, also, it is worth mentioning that I am expanding my bakery and even hiring an assistant. Truthfully, I never believed this would be achievable."

Demola's story emphasised how the Lapo MFI's programme empowers clients with the skills to evaluate their financial health, discover opportunities for growth, and make informed decisions that catalyse their business progression.

4.3.3 FGD: Collective insights and shared experiences

The FGDs provide a platform for clients to share their experiences and collectively explore the impact of Lapo MFI's financial literacy training. Two FGD have been conducted. The first group (Group 1) are attendees of a training session focusing on creating a long-term vision of financial savings. The second group (Group 2) comprises attendees of a training module on interest rates and loan terms. Here are the discussions that have emerged:

Group 1: Building a financial mindset. In this group, a common theme is the shift from a day-to-day spending mentality to a long-term financial vision. The participants discussed the specific budgeting techniques that were learned in the training, such as the 50/30/20 rule (that is, the allocation of 50% for needs, 30% for wants, and 20% for savings/debt repayment); they expressed their newly found ability to save for future investments. A participant shared,

"At first, that is, before the training, I did spend everything I earned unnecessarily. However, now I can set aside a portion of my income each month. For the fact that I am building a safety net and planning for the future, it feels empowering."

The discussion explains how the programme fosters a sense of financial responsibility and drives long-term planning that is essential for the sustainability of their businesses.

Group 2: Navigating loans and savings. This group discussion centres on the programme's impact on understanding interest rates and loan terms. The clients expressed how they feel empowered to ask informed questions, compare loan options, and choose the one best suited to their business needs. A participant noted that:

"Through this training, loan options were made clearer. I was confused before, but now, I know what I am getting into, and I can choose the loan options that best suits my repayment capacity and growth plans."

The discussions on saving strategies, specifically the accumulation of small amounts, regularly resonate with the group members. They shared their success stories of establishing emergency funds or saving for specific business goals. One of them, a restaurant owner, said:

"The programme introduced the concept of setting specific savings goals. My goal was to save enough to purchase a new industrial oven. Monitoring and tracking my income and expenses effectively, enabled me to identify areas where I could cut back and increase the amount I saved each month. Using this strategy, I was able to achieve my goal in record time, and I can comfortably say that the new oven has improved my food quality and production capacity and increased my customer base customers."

The group discussion explains how the training allowed clients to make informed financial decisions associated with loans and savings, bolstering financial prudence.

5. Conclusion

The Lapo MFI's financial literacy training programme emerges from this systematic investigation as a promising intervention for empowering small and medium-sized enterprise (SME) owners in Nigeria. From the findings and discussion, the analysis of pre-and post-test scores reveals a significant improvement in clients' financial literacy, which suggests that the programme effectively equips participants with the necessary knowledge and skills, leading to the thriving of their businesses.

The qualitative information that was gathered from the focus groups and interviews showed how the programme converts into real-world advantages. There were improved record-keeping, budgeting, and cost classification techniques, which gave them a stronger sense of financial control, as reported by the clients. It showed a move away from tactical decision-making, with participants pointing out areas for long-term financial planning, reinvestment, and cost-cutting.

The shortcomings of this study that are centred on generalisability must be addressed. In order to enhance the generalisability of the results and establish a stronger causal relationship between the programme and its impact, a larger sample size and a control group design would be beneficial. A multi-year longitudinal study of members' financial success would offer priceless insights into the programme's long-term effects on firm sustainability. Including financial performance criteria other than sales growth and profitability could offer a detailed picture of the program's significance.

Tackling the constraints will provide a conclusive comprehension of the programme's influence on fiscal outcomes and bolster the correlation between monetary literacy and enduring business prosperity for Lapo MFI clients. To conclude, the usefulness of the financial literacy programme offered by Lapo MFI is seen as an instrument for empowering small and medium-sized enterprise (SME) owners and cultivating a flourishing business environment in Nigeria.

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