

The Hidden Logic Behind Petty Business Growth in Nigeria

Betasha Felix Chawaza

Chawaza Foundation Worldwide

E-mail: Betashafelixchawo@gmail.com

Abstract

A petty business grows big over the years due to a certain principle adopted/applied by its owner. This principle is known as the compound interest principle. Albert Einstein in the 20th Century identifies compound interest as one of the greatest discovery of the Century due to its amazing nature of turning a smaller number to a bigger number which is actually applicable in reality.

THE HIDDEN LOGIC BEHIND PETTY BUSINESS GROWTH IN NIGERIA

A petty business grows big over the years due to a certain principle adopted/applied by its owner. This principle is known as the compound interest principle. Albert Einstein in the 20th Century identifies compound interest as one of the greatest discovery of the Century due to its amazing nature of turning a smaller number to a bigger number which is actually applicable in reality. Compound interest is a dream actualizer and a hope activator due to the fact that it makes small thing to turn big within an arithmetic stipulated time frame if properly applied. In factual, a petty business owner may not even know if he or she is applying this principle to his/her business but this is what's actually happening in real life. The compound interest basis is that an interest will keep generating interest. How dose this works in petty business growth? The overall insight is that it requires a huge amount of discipline from the side of the business owner because small amount of money plus huge amount of discipline is equal to large sum of money. Mathematically, [SAM+HAD=LSM]. This is a rollover technique and also a reigning equation for any petty business to grow. Looking at the compound interest formula $P(1+r)^t$, breaking it down sequentially inline with the logic applied by the petty business owners; 'P' is the amount of money used to start up the business, 'r' is the average gain gotten when sales are made over a period of time, t is the targeted year chosen for expansion from petty to a higher scale business. Now the 'SAM' part of the reigning equation requires only the compound interest while the 'HAD' goes with character and self denial not to spend extravagantly when profit is made. Combining this two things gives an unbelievable result at long run which brings about the growth and expansion of the business from small scale to a larger one. The hidden logic behind petty business growth in nigeria will be discussed extensively and mathematically in the next part of this work.

Reference

Ric E., (1996). *“The Greatest Discovery of The 20th Century . The Truth about Money. p. 33. ISBN 0-87840-616-6.*