

ACTIVATOR HQ

# HOW TO FIND GOOD BUSINESS IDEAS

6 Powerful Strategies for Discovering  
Gaps & Opportunities to Make Money in  
the Nigerian Market

**Volume 1**

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**FREE**



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Strategy #1

# Marketing the Star

Find a good product that is not yet popular in the market (a hidden Star) and create a marketing, sales and distribution solution for it. A hidden star could be a locally-made or imported product.

Nigeria is a huge market, but making enough sales remains a **big challenge** for many small businesses. As a result, many good products struggle. If you can solve the marketing problem for a hidden Star, you can make a lot of money by becoming a **market maker, middleman, commission agent, major distributor, or sole marketing partner** for that product.

## How to spot a hidden star?

1. The product has a ready market. It meets a need, problem, or desire that people are already paying for (or willing to pay for) in Nigeria.
2. It can do a better job or provide more value than other products currently on the market.
3. The product sells very well in another part of the country or outside Nigeria but is not yet popular in your location.
4. The owner or manufacturer of the product doesn't have a sales strategy or team to push the product well in your location.
5. The owner of the business is not aggressive or is too focused on production and doesn't have the time, money, or resources for effective marketing and sales.

## Example:

Multipro is one of the biggest marketing, sales and distribution companies in Nigeria. It markets over 13 local and foreign consumer brands in Nigeria and West Africa that include Indomie Noodles, Power Oil, Minimie ChinChin, Hypo Bleach, Pringles, Kelloggs and Arla Products. In 2015, Kelloggs paid \$450 million for a 50% stake in Multipro.

## Advantages of this strategy

- **Less risk and capital.** You can make money selling other people's products without the risks and capital required for production.
- **You have leverage.** You can structure a deal that favours you. If you try to market a star that doesn't sell, you can always pivot to another star.

## Risks of this strategy

- **No ownership rights.** You may be sidelined if the product becomes successful. So, make sure your deal is sealed with a strong contract.





Strategy #2

# Producing for the Star

Find a person or business with a strong market presence (a Star) and make exclusive products or offers they will want to sell under their name or brand. You make the product, they sell the product, and both of you make money.

Building a strong brand takes a lot of **time, effort, and money**. So, if you make products or offer services, you could make more money by leaning on a brand (a Star) rather than struggle to build your own brand. By producing for a Star, you could make money from **revenue sharing, joint ventures, licensing, contract manufacturing, white label and private label services, and exclusive deals**.

## How to spot a good Star?

1. A Star should be a person, platform or business with good market visibility such as a company, a retail chain, a celebrity, public figure, social media influencer, etc.
2. Propose a win-win arrangement that clearly shows how the Star will make money without high risk.
3. Make sure you have a valuable and **exclusive** product (or service) the Star will be proud to put their name on.
4. The product should complement, and not compete with, their existing business or offerings.
5. Project credibility. Show certifications, quality standards, a track record, customer testimonials, and anything that proves you will actually enhance and not damage their reputation and brand.

## Example:

Adunni Organics is a manufacturer of skin and hair care products that allows private labelling of its products and handles custom manufacturing for clients with specific product formulations at its NAFDAC and SON-approved factory. The company handles everything from production, packaging, and logistics, to regulatory compliance.

## Advantages of this strategy

- **Sales boost.** You can generate significant sales for your product (or service) without spending money on marketing and sales.
- **Exclusivity.** Since the product is exclusive to the Star, they could become dependent on you as their trusted manufacturer and partner.

## Risks of this strategy

- **Sidelining.** You may be sidelined if the Star decides to move to a different producer. So, make sure you have strong contractual and/or intellectual property protection.



## Strategy #3

# Infrastructure as a Business

Provide the space, tools, equipment, resources, and support services that small businesses, entrepreneurs, and self-employed professionals in a particular industry need to operate successfully and make money.



Starting some types of businesses can be **capital intensive**. Startup and operating costs like rent, electricity, machines, tools, and equipment make it difficult to start or run a small business. By providing the critical infrastructure that small businesses and professionals need to operate, you can make money from **rentals, leases, subscriptions, access fees, timeshare, revenue sharing, and more**.

## What makes a good infrastructure business?

1. Focus on capital-intensive businesses that require space, equipment, machines, and tools to operate, such as car washes, laundry and dry cleaning, crop and livestock production, building and construction, furniture production, medical diagnostics and surgeries, music production, fabrication and manufacturing, auto repairs, transportation, etc.
2. Offer flexibility and convenience at the core of the business. Your infrastructure should be available for both short-term users (pay-as-you-go) and longer term users.
3. If possible, provide value-added services that enhance the value you provide. These include marketing, customer services, training, staff recruitment, legal and financial support, etc.

## Examples:

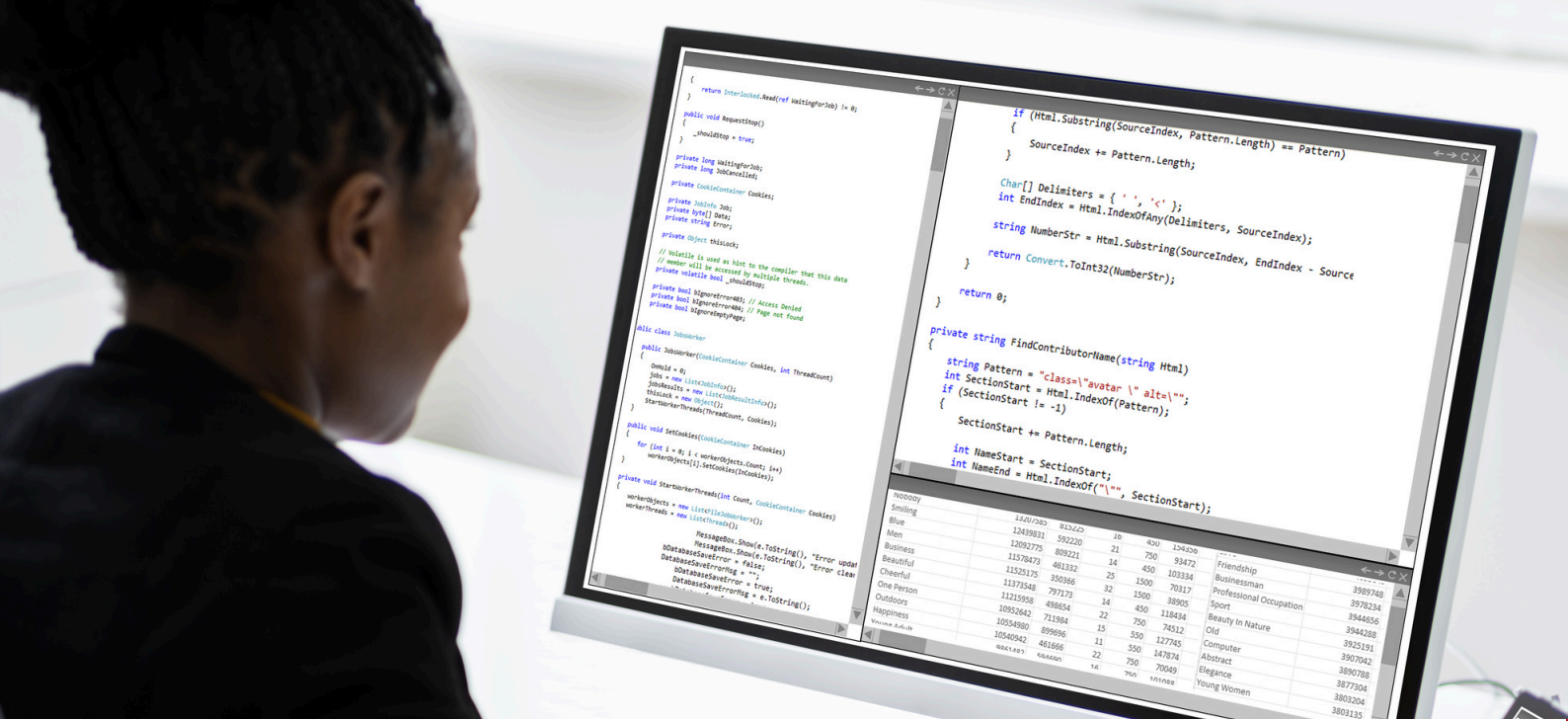
- A fully-equipped laundry facility that serves as an operating base and can be used (on daily, weekly, or monthly plans) by different independent laundry businesses that serve clients.
- A car wash facility that gives young men the opportunity to wash cars, earn income, and pay a daily service charge to the business.

## Advantages of this strategy

- **Less risk.** You get paid for the use of your infrastructure. This is actually lower risk compared to hiring and paying employees.
- **More resilient.** By serving customers who depend on you to make money, an infrastructure business is usually more resilient in the long run.

## Risks of this strategy

- **Damage and loss.** Without close supervision, your assets could be stolen or damaged.



## Strategy #4

# Exporting Services

Package your knowledge, skills, and experience into a product or service you can sell to overseas clients. The internet is an export terminal that allows you to earn foreign exchange without dealing with the costs, risks and hassles of exporting physical goods.

Exporting physical goods from Nigeria can be a **difficult, risky, and capital-intensive** business that involves logistics, Customs, and rigorous international trade rules. Exporting services is an easier route that allows you to earn foreign exchange from **consulting fees, retainers, digital products, professional services, training, coaching, speaking, subscriptions, and more.**

## How to spot opportunities for exporting services

1. Focus on services that enjoy high global demand such as training, consulting, coaching, communities, digital services (coding, design, copywriting, VAs), professional services (law, finance, healthcare, etc.)
2. Leverage platforms like social media and online marketplaces for freelancers and service providers (like Upwork and Fiverr) to attract and serve international clients.
3. Target markets and topics with high interest such as business, investing, tech, finance, career, cuisine, languages, dating and relationships, spirituality, health and wellness, mental health.
4. Focus on niche markets like Nigerians in Diaspora, other Africans in Diaspora, African-Americans, Africans in Africa outside Nigeria, and Non-Africans.

## Example:

A growing number of skilled tech talent in Nigeria work as consultants and contractors to overseas companies who pay in foreign currencies. These people typically specialize in domains like programming, UI/UX design, product management, data science and analytics, digital marketing, social media management, customer support.

## Advantages of this strategy

- **Opportunity to earn FX.** You can earn major international currencies like Dollars, Euros, and British Pounds.
- **Grow sales and diversify.** You will be able to sell to a bigger global market, serve overseas clients, and diversify your business from the local Nigerian economy.

## Risks of this strategy

- **Vulnerability.** Without proper guidance, you could fall victim to online scams, identity theft, and more.





Strategy #5

# In-Country Arbitrage

Buy and sell heavily-consumed products that are cheaper in some parts of Nigeria, but more expensive in other parts of the country. Take advantage of price differences and demand-supply gaps that create arbitrage opportunities for profit in Nigeria.

Big cities like Lagos and Abuja are major consumption centers that constantly need huge amounts of food and consumer products, but have to rely on supplies from rural areas across Nigeria. By sourcing low-priced products from the hinterland and selling at higher prices in urban areas, you can make money from **bulk sales, retail sales, premium pricing, import substitution, and more.**

## How to spot opportunities for in-country arbitrage

1. Focus on local products that are abundantly made or grown outside Nigeria's big cities where they are heavily consumed. Some examples are palm oil, honey, grains, natural spices, nuts (cashews, coconuts, and groundnuts), natural oils (shea butter, coconut oil, palm kernel oil), fresh food ingredients, fruits.
2. For more profits, target bulk buyers who can order big volumes (such as wholesalers and manufacturers) or target premium and upmarket customers in cities who will pay more for higher product quality, freshness, organic, etc.
3. Target seasonal products that are abundant in harvest time but scarce in the off-season. Consumers in the city will pay higher for local but scarce products.

## Example:

One entrepreneur in the Lekki area of Lagos (name withheld) is a major supplier of Kilishi (spiced beef jerky) to several supermarkets in the Ikoyi-V/Island-Lekki axis. The product is sourced from Kano and other states in northern Nigeria, where they are quite cheap, and sold as an exotic snack at premium prices in Lagos.

## Advantages of this strategy

- **Market maker and middleman.** You will enjoy the profits and benefits of matching excess supply with excess demand without the risks and capital required to make the product.
- **Low cost advantage.** By sourcing products at very low prices in rural areas, you will have leverage to set good prices and make good profits.

## Risks of this strategy

- **Logistics and security:** The bad state of roads and insecurity in some rural areas could significantly affect the feasibility of this business.





Strategy #6

# Authority as a Business

Make money from knowledge and skill transfer (Authority). Use your business as a platform to provide internship, apprenticeship, certifications, vocational, technical, and business training to people who want to become professionals or business owners in your industry.



The breakdown of technical and vocational training institutions in Nigeria has created a labour market full of people with theoretical knowledge but limited practical skills. By leveraging your business as an Authority platform, you can make money from providing **on-the-job training, consulting, tiered certifications, outsourcing services, technical assistance, and more.**

## How to spot opportunities for in-country arbitrage

1. Target companies in your industry that have a training budget and want to improve the skills and technical capacity of their employees so they perform better at their jobs.
2. Provide certification tracks for job seekers in your industry looking for hands-on and experiential training that will boost their chances of landing good-paying jobs.
3. Provide business training and technical assistance to entrepreneurs looking to start a new business in your industry but need the technical and business know-how.
4. Provide recruitment, human resource, and outsourcing services to businesses in your industry looking to fill critical technical positions with well-trained and certified professionals.

## Example:

Zapron Fashion School in Lagos provides technical, vocational, and business training for professionals and aspiring entrepreneurs in apparel production. In addition to basic and advanced courses and certification programs, the company serves as a conduit for recruiting tailors, stylists, and specialists.

## Advantages of this strategy

- **Low capital and new revenues.** You will be selling knowledge, skills, and experience you already have. Can bring in additional revenues and profits without additional costs.
- **Enhanced brand and reputation.** Your business could benefit from industry recognition as a center of learning and excellence

## Risks of this strategy

- **Loss and damages.** If not set up and run properly, this strategy could lead to reputational damage, and loss of trade secrets and intellectual property.

# About the Author

## John-Paul Iwuoha

Founder of Activator HQ

John-Paul Iwuoha is a business activator who works with entrepreneurs to fix tough business problems and unlock the potential of startup and growth-stage businesses.

For more than a decade, he has helped dozens of entrepreneurs start new businesses, raise funds, grow sales, optimize business models, and solve human capital and growth problems.

His clients are active in industries that range from agribusiness and tech, to retail, healthcare, manufacturing, energy, financial services, and other sectors.

John-Paul is an alumnus of PwC, holds a degree in mechanical engineering, and qualified as a chartered certified accountant with ACCA.

He is a frequent speaker, trainer, and judge who works with business networks and entrepreneur-focused organizations.



In the last decade, he has trained hundreds of entrepreneurs in partnership with organizations that include AWE Europe, the SUN Business Network, the Roddenberry Foundation, the African Women Innovation and Entrepreneurship Forum (AWIEF), and several others.

He has been featured on several media platforms, including CNN, TRT World, The Huffington Post, Fidelity Bank SME Forum, and the African Diaspora News Channel.

**In 2018, he was recognized by LinkedIn as a Top Voice on Startups and Entrepreneurship.**



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Activator HQ (formerly SmallStarter.com) is a market intelligence and capacity development platform that actively tracks Africa's Top 500 Business Opportunities and supports entrepreneurs with the insights, training, and guidance they need to start and grow businesses in Africa's promising (but difficult) markets.

## Our Services



### Strategy

We provide unique market insights, strategic business planning, and strategy consulting services to entrepreneurs and business owners who are starting or growing a business.



### Training

We develop and deliver bespoke training programs that improve the capacity of entrepreneurs and business owners to overcome critical challenges in starting and growing businesses.



### Coaching

We provide private (one-on-one) and group coaching that guides entrepreneurs and business owners on their journey, providing focus, accountability, and drive to hit ambitious targets and milestones.

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