

THE FALL OF EKENE DILI CHUKWU TRANSPORT BUSINESS: PROBLEM OF OWNERSHIP TRANSFER

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Abstract

The work examines critically the causes of the rise and fall of businesses owned and operated by Igbo Entrepreneurs, with special attention to Ekene Dili Chukwu Transport Company. Every Entrepreneur has the resolve to be successful, and many actually do. The entrepreneurial spirit energizes the founder and promoter of business to give all that it takes to drive the business to success. However, at the end of the active life of the entrepreneur or even at the retirement or death of the founding person, keeping the business alive becomes a great challenge. More often, the business is transferred to some other persons. Many businesses have been known to go under on this kind of arrangement. This is not unconnected with the

nature of business and the lack of knowledge of the business by the inheritors, successors, or to those the business is transferred. Management approach and environment of business also presents a strong factor on success or failure of business. Transport business is a service business that requires its management entrusted in the hands of good managers. Where this is not the case, failure is inevitable. This work is a critical appreciation and appraisal of the reasons for the failure of most transferred businesses in general and Ekene Dili Chukwu Transport in particular. The work is carried out on secondary data basis. It is however, critical, knowledge-based, and evaluative. The work made findings that in the event that businesses are transferred to people who are not trained, knowledgeable, or experienced to carry on, the result is failure. Care must be taken not to engage in problematic and toxic business transfer. It is recommended that knowledge, experience, and skill be put into primary consideration when businesses are to be transferred to people other than the original owner(s).

Keywords: Business Failure, Business Transfer, Ekene Dili Chukwu, Transport Business

Introduction

Every business enterprise is primarily founded on the profound belief that it will be successful. The primary purpose of going into business is to succeed. This success translates into profit which in turn keeps the business going and satisfies the desire of the owner. Nickels, McHugh and McHugh (2008), define business as any activity that seeks to provide goods and services to others while operating at a profit. At the basis of every business is profit. The success and

continued existence of every business depends on profit that it makes. However, this belief becomes erroneous going by the number of failed businesses within Igbo land. Profit maximization should not overshadow service delivery. Both should go together for business to succeed. Practical experience shows that not all businesses survive. Many businesses go under and the promoters lose their investment. This experience is not peculiar to a particular business, but it is spread across businesses owned by the Igbo persons. This work is focused on the transport sub-sector with emphasis on Ekene Dili Chukwu Transport Company. The transport sub sector is growing and improving. It is a service-oriented business that requires knowledge of human beings, vehicles and roads to be successful is an uphill task. The world of business, especially transport business has gone global, demanding stiff and keen competition. This calls for know-how, competence, and civilized best practices. It is only on these aforementioned planks that a business in the service industry such as transport can survive. That brings to the fore the challenge posed by ownership transfer. Ownership transfer, ordinarily, should be the rational option. However, this is not proving to be going by failures being experienced. Most transferred businesses fail because of lack of adequate knowledge, skill, and training to carry on. When a business is transferred, it means that it is operated by new management whose vision, mission and philosophy may be different from those of the erstwhile operators. This poses a great challenge capable of running down the venture. The dream and vision of the entrepreneur may not be realized any more.

Nature of Business

Our definition and description of business here will be limited to venture business especially those operated by entrepreneurs and classified as Small and Medium Enterprises (SMEs). Hodgetts and Kuratko (2002), define SMEs as business that is independently owned and operated and not dominant in its field of operation. This is also known as entrepreneur. According to Nickels, McHugh and McHugh (2008), business is any activity that seeks to provide goods and services to others while operating at a profit. Business, however, should be taken very seriously. Any business must aim at maximizing profit. Profit is the amount of money a business earns above and beyond what it spends for salaries and other expenses. If expenditure exceeds earning or income, what we have is loss. Loss is not a friend of business. In spite of passion for venturing and for taking risk, an entrepreneur expects profit. It is profit that keeps him in business. To make profit however, business must satisfy needs. According to Gasper et. al. (2006), business creates value for customers. If a business does not create value for customers, that is, if a business does not meet customer's unsatisfied needs, it will cease to exist. However, for a business to grow and to continue as a going concern, efficient and effective management team needs to be put in place. Yalokwu (2006) defines management as a process used to accomplish organisational goals through planning, organising, leading, and controlling. For Dixon-Ogbechi (2022), management means getting things done through and with people. Accordingly, management must be effective and efficient. What managers do is to ensure that good use is made of human resources for organisation's successes. It is for this reason that management holds key to organisation's success.

However, even the best management team will require good and conducive environment for business to thrive. Here, environment will include physical, political, social, economic, and human. All must be put into consideration for the success of business. Management must understand the business environment with which it is operating. Every environment of business is always competitive. This requires that management must up their game; it must keep abreast with the trends.

The Nature of Transport Business

Motor Transportation business is a business with primary aim of moving people and goods from one location to the other. The contemporary era has developed to the extent that trekking, horse riding, donkey riding, and cat pushing has become less attractive and primitive means of moving people and goods to distances that are afar off. Motor transport has been a convenient way of travelling by the masses of people, accommodating the rich and the poor, alike. For that reason, it poses challenges managing people. For one, passengers have target to meet, so, time is always of essence. They also are conscious of their safety, so, vehicles and drivers must be fit to carry them. Of course, these days, when people are aware of their rights, good service delivery is always demanded. Therefore, transport business, like any other service business, requires high level of relationship building and relationship management. Transport managers, however, must be up and doing. They must know the intricacies of their business; they must know what to do to satisfy customers. They must know that customer satisfaction is the only secret for the growth of a business. Transport business meets the adage which says that “*ore ere bu eze, ozu azu bu eze*”, meaning: the seller is king,

the buyer is king. Without the seller, there will be no buyer, and without the buyer there will be no seller. The peace of one is the peace of the other.

This thought, unfortunately is not considered appropriate in local transportation business. The thinking that passenger and good, cargo, luggage handling is paramount in transport business is yet to be imbibed by many managers of local transport companies. This leads to their fall always. A situation where commuters and passengers are treated with disrespect and disdain irrespective of the age, status and background, is a minus to local motor transport business. This is a major cause of the collapse of transport business, especially when the founder is dead or no more directly involved in the daily operations.

Ekene Dili Chukwu Transport Company – A Brief History

In the time past, Ekene Dili Chukwu (Thanks be to God) Transport Company had no rivalry in road transport business in Nigeria. It rose as a colossus and remained to the point that like the Titanic, no one would ever imagine or dream that it would one day, be off the road. To the surprise of everyone who knew the transport company very well, the company, like a burning candle placed against the wind burned to finish. Ekene Dili Chukwu Transport Company was founded in the year 1955 by Chief Augustine Ilodibe (Ekene Ndi Uwa) by which time it commenced operations. This great Entrepreneur acted on the realization of a dream and a vision to reduce the suffering of his people. He could not stop his people who were always on the move from moving. But he could reduce their suffering and the cheating to which they were subjected

by few transport companies then. To achieve this, however, he ensured the spread of loading points which also, later served as headquarters with the main headquarters in Onitsha. The service type was Coach, Express, Haulage, and such services that enabled people to move from South to any part of Nigeria. The major destinations were, Kaduna, Yaba in Lagos, Owerri, Enugu, Aba, and Port Harcourt. The movement was to and fro; places where the Igbo travelled quite often and in their numbers. The company never disappointed any traveler. The vehicles were always available and in good conditions too. The transport company was born out of the need to satisfy the yearning of Igbo people who were traders and travelers, and who found it difficult to move due to the fact that there were few vehicles on the roads.

Chief Ilodibe was not only passionate about transport business as a venture capital provider and transport promoter, he also felt the pains of his people who suffered for the reason they needed to explore other areas within the Nigerian Nation. There is no doubt that Ekene Dili Chukwu Transport Company is a Nigerian transport and logistics group. Unarguably, the largest inter-state bus operator at the time it flourished. The transport company was a household name that brought relief to commuters even those who are not Igbo people.

However, no one lives forever; there is always the time to live and the time to die. Death, unfortunately, comes with the cessation of the individual. The dead will not be there to drive his dream any longer. Such was the case of Chief Augustine Ilodibe and his pet project Ekene Dili Chukwu Transport Company. After the death of its founder, things fell apart. The dreamer seemed to have gone with his dream. The business

seriously went into decline; and gradually it came to its cul-de-sac. This was obvious, even as it was noticeable. Of course, no one could be deceived. Infighting among heirs followed, to the detriment of the business. Children and relatives were more interested in what will benefit them immediately at the expense of the business. The golden egg was being chased after and the hen that laid the egg was neglected. For that reason, bus operations gradually went into decline. Maintenance of vehicles was neglected; increase in the number of vehicles was no longer considered. Passenger satisfaction was sacrificed. This led to the fall of the once upon the first choice of passengers and cargoes nationwide.

A further knowledge of the background and the circumstances of the birth of Ekene Dili Chukwu Transport Company may be of interest to the reader. The Company was founded by Augustine Ilodibe, who was before then, an auto spare parts dealer. Dealing in Auto spare parts contributed to his knowledge of road transport. In the mid-1950s, he ventured into transport business after procuring a lorry to carry passengers and goods. In those days, lorries served for both human beings as well as cargoes. His was the addition to his spare parts, providing another stream of income. The Nigerian/Biafran war period (1967-1970) was a big challenge to all Igbo businesses. And after the war, the Igbo were devastated, having lost to Nigeria and failing to realize Biafra, the country of their dream for which many of their sons and daughters sacrificed their lives and properties. However, after surviving the civil war, both the company and the owner, like phoenix, were revived and resuscitated. For instance, company emerged after the Nigerian Civil War to become a prominent bus operator within East Central State core-Igbo States (today's Abia, Anambra, Ebonyi, Enugu and Imo

States). It became so successful that it acquired dealership of Mercedes-Benz of Germany trucks. With his successes and knowledge of local business, Chief Ilodibe diversified into other auto and non-auto sectors of the Nigeria economy. The firm was a dominant bus operator in Nigeria in the 1980s and 1990s, with operations in all geopolitical regions of the country, that is, going beyond Igbo soil and targeting non-Igbo passengers and commuters.

Ekene Dili Chukwu's business origins can be traced to an auto parts retailer from Otolu-Nnewi but based in Onitsha, Augustine Ilodibe. Ilodibe had established a small shop in Onitsha in 1952 with funds received from a Catholic priest as payment for years working at the local church. He studied the transportation sector while trading and in 1955, he purchased an Austin lorry to begin the transport business. A few months later, he added a second lorry which was dedicated to God, and provided the setting for the name of the business, Ekene Dili Chukwu (Thanks to God). Thereafter, he diverted from the retail business to concentrate on transportation. The business expanded with the purchase of a Daimler Benz 911 truck from a Benin based Lebanese firm, Armels Transport. The trucks were then modified to carry goods and passengers and were called Bolekaja in local parlance. After independence, the firm introduced Peugeot 404 salon cars for faster transportation between the Eastern region and Lagos. The firm also began buying Benz trucks from Leventis Group, the new distributors of the brand in the country. The Nigerian/Biafran War impacted Ekene Dili Chukwu as its trucks were largely at the employ of Biafran forces, after the war, few trucks were returned. Leventis Group provided vehicles on hire-purchase contract to provide footing for the firm and make a return to transportation. In 1972, after the

regional transport company was fumbling, Ekene Dili Chukwu launched a large fleet of medium size Mercedes 608D and 508D buses for inter-city routes within the East Central State and to Lagos. During this time, the firm established its own bus terminals to differentiate it from other bus operators who operate in motor parks, settings that can sometimes be chaotic. Terminals were opened in Lagos, Onitsha, Enugu and Kaduna. As revenue grew, a large coach bus service, Mercedes buses 0-362 and 0-364 were obtained from Mercedes Do Brazil, these models were called luxurious buses. In the 1980s, the company introduced more luxurious buses from Brazil to complement a fleet that included Peugeot J5 buses and 404 salon cars. The new buses were air-conditioned and dubbed concord.

Decline and Collapse of Ekene Dili Chukwu Transport Company

Music maestro Emeka Morroco Maduka in one of his lyrics said: *e kpochie nwoke aja, ife o chelu ana*; when a man is covered in mud (buried), all his thoughts and plans go with him or cease to be. This is apposite in this discourse. One of the strong points of entrepreneurship is the spirit which drives the entrepreneur. The dream and the vision are better realizable with the dreamer and the visioner. No other person is capable of doing it exactly the way the dreamer would ordinarily do it. And gradually, in the absence of the dreamer, the venture is first threatened and then thereafter dies or collapses. At best, whatever remains may be transferred.

The decline of Ekene Dili Chukwu Transport Company started with the death of the owner, Chief Augustine Ilodibe. Both staff and family saw the vacuum created by death as an

opportunity to have their share of Ekene's cake without working to replace the cakes eaten. That informed the collapse of management, which in turn caused the collapse of the entire transport business.

Business Ownership Transfer: Meaning and Challenges

Every business is established as a going concern. Businesses are supposed to have perpetual life. They are always separated from their ownership and are therefore expected to last forever. The owner may get old, retire, feel like not continuing, or even die, yet the venture should continue to exist. Where this is the case, business needs to be taken over by another who is interested. The interested parties may be offspring or children or relations of the entrepreneur; or it may be outright handover to people other than those related in any manner. It may even be sold to interested buyers. Most businesses today were established over a hundred years ago. That means that the founding entrepreneurs are no longer alive. Guinness, for example, was established in 1759. Companies such as Nestle, Kellogg, Unilever, Evans, Toyota, Honda, were established before this millennium. Besides, they were established by entrepreneurs, that is, individuals with vision and mission. The continued existence of those companies is because they were transferred to management of those who could continue. Businesses are not designed to die with the death of the promoter or the entrepreneur. There is always succession by inheritance or by outright sale. That makes transfer of business a natural practice. It is a global practice. When the original owner and founder ceases to be, management and operation of the business fall under new hands. Business transfer means any change in ownership or transfer of all or a material portion of the business to another

entity or individual by entity merger, combination, reorganization, asset acquisition, transfer, or other similar business transaction in which an existing business is continued under new ownership or a different entity.

According to Schlepphorst (2016), Business transfers are commonly understood as the transfer of ownership of a company to one or more legal entities or natural persons. It is a means of transfer of part or all of business to any other person, firm or company. Business transfer is where a business or part of a business moves from one employer to another

Advantages of Business Ownership Transfer

Business ownership transfer, if properly carried out, has a lot of benefits. It can provide an opportunity to rethink the strategic vision and business model of the enterprise, and to introduce innovations and new management practices. It may also represent an opportunity for new entrepreneurs to take over a business (Brigham et al., 2007). Successful ownership transfer of viable SMEs at different stages of their life cycle is crucial to retain employment, preserve the value of assets and ensure continuity in production processes and business relation. Successful business transfer of economically sound SMEs is crucial to retain employment, ensure continuity in production processes and business relations, and preserve the value of tangible and intangible assets.

Challenges of Succession in Business

One of the major challenges for SME business owners is the identification of a capable and willing successor, as well as an

appropriate form of transfer, which may include mergers and acquisitions (M&As) (that is, sales to other enterprises) (2018 Mexico City SME Ministerial Conference Policy Note 2). Transferring ownership of business can be a complex task, which demands adequate planning and competencies. A significant number of economically sound SMEs disappear from the market as a result of problematic transfers, with implications for economic growth, employment, innovation and social inclusion. Some transfers can be toxic and problematic.

Conclusion

Strickland (Yalokwu, 2006) summarizes the burden on the shoulders of managers on which business success is built and sustained thus: among all the things managers do, nothing affects a company's ultimate success or failure more fundamentally than how well its management team sets the company's long-term direction, develops competitive strategic moves and business approaches, and implements what needs to be done internally to achieve excellence. One cannot rule out business failure from poor management approach. Management holds the key to business success or failure. It is therefore reiterated that businesses create value for customers. If businesses do not create value for customers, that is, if they do not meet a customer's unsatisfied need, they would cease to exist.

By their nature, entrepreneurs do not wish themselves failure in their business endeavour yet, it is not wishful thinking that sustains business. The life of every business is dependents on many factors. While the retirement of the business owner is one of the main reasons for the business transfer, other drivers

include the pursuance of other career opportunities by the entrepreneur, the sale of the business to set up a new enterprise, or unforeseen events. That makes business transfer inevitable. However, practical experience has shown that a lot of businesses fail due to transfer to other people. The reasons are not far from us. For example, the entrepreneur has a drive and passion. This makes him develop 'I Can Do' spirit. And true to the resolve, he succeeds. But when the business gets to somebody or groups who are not competent, have little or nothing at stake, failure has been booked, so to say.

Other reasons for business failure include:

Borrowing money without planning how and when to pay it back.

Going into business with little or no experience.

Not allowing for set back and unexpected expenses.

Carrying habit of personal extravagances into the business.

Recommendations

The following recommendations are proffered:

There is a need to improve the evidence base on business transfer trends; raise entrepreneurs' awareness of the importance of early succession planning and acquisition opportunities for new entrepreneurs.

Government policy on business should be such that improves the environment of business. Wrong business conditions will lead to business failure.

Business education should be improved so that business operators keep abreast of the modern trends and competitive environment and embrace the world-class model as against the traditional model.

Laws guiding transfer of business should be enacted to prevent wrong people from getting hold of businesses for which they are not qualified.

There is need to build trust between the business owners or their family members and their skilled workers.

Building reliable trust will encourage the owners of businesses selling some portions of shares to their skilled workers who will hold on to the dreams of the originators at their life expiration and keep the businesses alive instead of allowing family members' crises or neglect to send such businesses to their early graves.

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