



AHMADU BELLO UNIVERSITY, ZARIA

**POLICY ON  
REVENUE GENERATION  
& COMMERCIALIZATION  
OF RESEARCH**

## **FOREWORD**

The Ahmadu Bello University, Zaria, founded in October, 1962 has to all intents attained maturity as a foremost tertiary educational institution in Nigeria. Its ownership and financial standing has gone through changes.

Started as a regional University for the Northern region of Nigeria in 1962 with all its funding fully provided for by the Northern region government until 1975 when the Federal Government took over all regional Universities Funding to ABU continued to be stable until the Structural Adjustment programmes of the late 1990's. With the dwindling of Federal funding and the high cost of the maintenance of aged infrastructure, the University has placed revenue generation on the front burner.

The University has had to pay more attention to its existing companies and incorporate even more to generate revenue. This is, however, the first time that the University has found it necessary to formulate a specific policy to guide its revenue generation activities.

This revenue generation policy document, already approved by the University management is intended to assist not only the members of management but also the operations of the businesses and all the staff of the University.

**Professor Kabiru Bala**

Vice-Chancellor

October, 2023

## **PREFACE**

This policy document on revenue generation and the commercialization of research is designed to guide all such related practices in Ahmadu Bello University. The policy is the product of wide consultations and two committees, one at the Senate and another at the level of the Governing Council. The University Management approved the policy document at its October, 2023 meeting.

In the policy document, the first part is the introduction which explains the necessity for the document. This is followed with scope and applicability, rationale, objectives, establishment, operations and strategies of ABU enterprises, benchmarking and group structure for the ABU companies. The profile of the existing ABU enterprises ends the first part of the policy.

The second and final part concentrates on the commercialization of the findings and products of research conducted in the Ahmadu Bello University, Zaria, Nigeria.

**Prof. Sani Abba Aliyu, mni.**  
Director,  
University Advancement and  
International Education,  
Chairman,  
Revenue Generation & Research  
Commercialization Policy Drafting Committee

November, 2023

# **AHMADU BELLO UNIVERSITY, ZARIA**

## **POLICY ON REVENUE GENERATION & COMMERCIALISATION OF RESEARCH**

### **INTRODUCTION: NECESSITY FOR THE POLICY**

Education is generally perceived as a tool for socio-economic and political change and development and has overtime been accorded priority attention at all levels of Governance, The World Bank (1988) had noted that University education in particular is considered as the most important instrument of change in the intellectual and social outlook of any society. The performance of Universities and in particular the quality of their graduates depends mainly on the various resources at their disposal; the most important of which is funding or financial resources.

Ahmadu Bello University, (ABU) receives funding from the Federal Government (both capital and recurrent); special intervention grants from the Tertiary Education Trust Fund (TETFund) grants as well as from internally generated sources such as fees, levies and other miscellaneous incomes. On the average, funding from the Federal Government and other related sources accounts for between 80 - 85% of total revenue profiles, while internally generated revenue averages between 15 - 20%. Funding from the Federal Government which is considered the major source has been epileptic and dwindling especially in view of the mono-product nature of the Nigerian economy and the fluctuations associated with crude oil production (quantity) and prices. Indeed, funding It has therefore become necessary for the university to review its funding sources with a view to diversifying same away from allocation from the Federal Government. Efforts must be focused on strengthening non- subvention sources, especially on internally generated revenue. Strategies must be put in place to significantly improve income generation internally for ABU to survive and continue to achieve its set objectives. In the past, the issue of internally generated revenue had received only symbolic attention. This was simply through the establishment of a number of companies and business ventures with the view to augment subventions from the Government. In this respect, ABU established a number of companies/ventures with the main objective of providing quality services as well as generating revenue/income to supplement its other sources. It is, however, unfortunate that most, if not all, of the companies/ventures have not performed optimally and have not been able to add serious value to the internal revenue generation efforts of the University. This is in spite of the fact that similar organisations/ventures operated by private sector entrepreneurs seem to be doing well. Thus, the Policy seeks to provide the framework to revive and strengthen revenue

generation in ABU.

### **Scope and Applicability**

This policy on Revenue Generation is applicable to all enterprises (existing and those to be established) operated by the Ahmadu Bello University and/or by organised groups affiliated with the University which are authorised to operate enterprises. The policy offers guidelines on the establishment, operation and management of enterprises.

### **Rationale for the Policy on Revenue Generation**

Increasing revenue generation capacity has become a preoccupation for many university administrators across the globe. This has become necessary in the face of changing fiscal policies, increasing needs and desire for universities to meet up with their recurrent expenditure in terms of allowances and utility charges and to maintain reasonable level of autonomy. The aspiration to be globally competitive also necessitated the need to aggressively generate funds to provide modern facilities and services to support the ambitions.

The IGR policy document is required to enable ABU to have vibrant revenue generation undertakings for self-sufficiency and to realize grand objectives.

### **Objectives of the Policy**

1. To articulate the mission and objectives of the University in business enterprise development;
2. To provide a mechanism for the effective efficient establishment and management of enterprises within the University;
3. To reformulate and restructure the existing university business enterprises towards a more commercial orientation;
4. To provide for proper risk management of all commercial activities undertaken by the University;
5. To limit the University's liability in respect of enterprises and ensure accountability by all University enterprises; and
6. To specify duties, responsibilities and accountability procedure and practice in all the commercial enterprises of the University, within the University administrative framework.

## **Establishment of Commercial Enterprises in ABU**

- a. Commercial enterprises are to be established with the objective of making profits to support the core mandate of the university.
- b. The University may establish enterprises solely or in partnership with other organisations.
- c. That such commercial business enterprises are expected to be established in line with the University's mission.
- d. Business enterprises are to operate autonomously with full accountability.

## **Operations of the Enterprises**

- i. All the business enterprises of the University are to be evaluated periodically through their output (size of profit and quality of service).
- ii. The enterprises may consider the University as a special customer.
- iii. The University business enterprises are to be governed by a board of directors composed of managers or delegates from each of the autonomous enterprises.
- iv. Each enterprise is to use its own revenue to cover its direct and indirect costs and to expand the enterprise as per subsisting regulations.
- v. Any unit of the University can propose to run a business subject to approval by the relevant organs.

## **STRATEGIES FOR IMPROVING UNIVERSITY REVENUE SOURCES**

Strategies for improving IGR sources are similar across universities. Emphasis varies between focus on Research, Alumni and Tuition, to State Support and Endowments. To generally increase revenue from industrial engagement, knowledge transfer, intellectual property, consultancy, Alumni and benefactors. Universities have to diversify their revenue generating opportunities by way of developing the following:

- a. Develop and emphasize endowments and fundraising at all levels:
  - Leverage participation of all staff and students in fundraising
  - Focusing investment in long terms projects
  - Expand international business development opportunities

- Improve essential infrastructure (tools, messages, structures)
- b. Identify and remove barriers to collaborations and partnerships with outside enterprises and organisations.
- c. Identify opportunities and create incentives to generate entrepreneurial collaborations and / or corporate sponsorships
- d. Evaluate opportunities to lease campus spaces and facilities to external users
- e. Assess opportunities to provide fee-based services to other Academic institutions. Examples include:
  - Manage electronic products for libraries
  - Payroll, etc.
- f. Assess opportunities to more fully utilise the campus during traditional off-periods (e.g., long vacation)
- g. Continue to develop strategies for increasing success in grants submissions to funding organisations.
- h. All revenue generating avenues are to be explored with none being considered as insignificant including fees for parking spaces;
- i. Emphasis is to be placed on the utilization of all university facilities through an appropriate academic facilities management software. Idle facilities should be put to use.
- j. The focus of the strategies for IGR is to be in areas of the core competences and internal resources of the university.
- k. Quick wins are to be clearly identified and prioritized.

## **Benchmarking**

Benchmarking is the process of comparing metrics of a company to the metrics of others including industry competitors or to those of innovative companies outside the industry. The metrics for benchmarking include: Revenues, Production costs, profitability Employee turnover, Process cycle time, etc.

## **GROUP STRUCTURE FOR ABU COMPANIES**

- i) The University management is to adopt a group structure to manage all the existing companies into a holding company with one board to govern and supervise without flouting the Companies and Allied Matters Act (CAMA). The advantages of a group structure are multi-faceted and would provide a lot of synergy in the easy identification and exploitation of opportunities; more efficient deployment of resources; reduction of wastages and dup
- ii) The composition of boards for the company(ies) should have a few members (ALUMNI) with private sector experience/exposure particularly in areas relevant to the operations of company(ies).
- iii) ABU management is to adopt a well advertised, open and objective recruitment process in filling vacancies/posts in its companies. In addition, each chief executive should be given a free hand to run his/her unit under the supervision of a board without undue interference.
- iv) ABU owned companies are to operate autonomously with full accountability such that each outfit uses its own revenue for covering its direct and indirect costs and for expanding the enterprise as per the specific regulation to be prepared. This means that each company should be regarded as a profit centre and its management held accountable for meeting budgetary targets. By extension, each company is to adopt a performance driven evaluation system such that it prepares, implements and is appraised based on its targets in terms of income and turnover.
- v) The University is to introduce a culture of 5 year business planning for each company. All programmes in the plan are to be funded through ploughing back of income from operations. This type of planning a
- vi) Management is to strengthen the existing companies by ensuring that different units of the university patronize them such as ABU Hotel, ABU Bookshop, ABU Press etc. A monitoring mechanism is to be put in place to ensure compliance.
- vii) There are to be clearly spelt out incentives to motivate staff of the companies to engage in business development and marketing. This is to be in the form of profit sharing to recognize and reward such efforts.
- viii) The University is to have a framework for proper risk assessment and management of all commercial activities undertaken by the University or its



companies.

- ix) IGR is to be a key objective of the University's planning process and is to ensure that targets are set and reviewed regularly.
- x) The university is to leverage on its large Alumni for support in infrastructural improvement and development.
- xi) The University is to introduce a 2% surcharge on all contracts being executed in the University as endowment fee similar to what obtains in University of Lagos.
- xii) The existing operating surplus of the companies is very low.

Target operating surplus is to be at least 10% of the university's total revenue for long term investment.

- xiii) The university is to set up a fund for contingencies, instead of paying large sum of money as insurance premium

## **BRIEFS ON EXISTING REVENUE GENERATION ENTERPRISES/UNITS**

### **ABU PRESS LTD**

#### **Mandate of the Company**

Ahmadu Bello University Press (ABUP) is a limited liability company incorporated by the University in 1978 to promote academic excellence through scholarly publishing, as well as to meet other printing needs of the university. The company takes nine (9) product lines to the market: Text Books, Answer Booklets, Laboratory & Practical Manuals, Course Materials, Journals, Forms (assorted), Poster (assorted), Examination

Papers and Medical Records/Stationery. It stands as an independent commercial venture with For ABUP to survive this competition, it is necessary to have a mix of products in each segment of the market. The company's core line of scholarly publishing should be maintained and enhanced to conform to the current computer and internet age. To be a market leader, ABUP should strategize to be ahead of its market segment in e-publishing while the market is sleeping. There is also the need to consider the deployment of Print on Demand technology in order to tap into the mass market.

## **ABUCONS LTD**

### **Mandate of the Company**

ABUCONS was established by the Governing Council of Ahmadu Bello University under the Business names Act of 1961. The mission and mandate of ABUCONS are among others:

- To strategically be an active player in the University's national development efforts;
- To be the channel through which the larger community access the professional and technical expertise of members of staff of the University;
- To provide an enhanced opportunity for staff and students to acquire experience in practical problem solving which can be transferred to teaching in furtherance of national development goals and objectives; and
- To provide additional source of revenue for the University and its staff.

Specifically, ABUCONS is set up to offer both the public and private sectors unrivalled depth and breadth of consultancy expertise in many areas including the following:

- Agriculture
- Business and Management
- Architectural Design
- Engineering
- Physical Sciences

- Health and medical sciences
- Social sciences
- Life sciences

Operationally, the company is to place a strong emphasis on research- oriented atmosphere to enhance the quality of its deliverables. Operations should be with a sharp commercial and professional focus in dealing with business communities to present a great possibility of generating streams of unending cashflow.

## **ABU HOTELS LTD**

### **Mandate of the Unit**

*Kongo Conference Hotel (KCH)* was incorporated as a limited liability company and is owned

### **Sourcing of a Core Investor**

KCH is operationally built around a conference idea consisting of an ultra-modern conference and banquet hall with separate committee and secretarial rooms supported with elaborate catering facilities.

The KCH Board could consider getting a company which is ready to invest as a core investor into the company. This can only be feasible if the KCH owners are ready to forgo part of their ownership and control to the core investor by way of divesting part of its current holding.

Considering the potential of this option, the core investor should be one that can bring financial resources, managerial and technical expertise in order to rehabilitate and reposition the hotel to a desired standard.

Under this arrangement, ABU could still retain majority holding (not below 51%) but the core investor should have a stake that would give him the leverage to operate the hotel with free hands and take full responsibility to manage the company's balance sheet.

## **ABU BOOKSHOP LTD**

### **Mandate of the Unit**

Ahmadu Bello University Bookshop was established on December 9<sup>th</sup>, 1966. It was incorporated as a limited liability organization, which had ABU as its only shareholder. The present University Bookshop was reconstituted in 1982 and ABU Bookshop was mandated to render consultancy services to other bookshops, as well as the sales of books and stationery at affordable rates to students, the university community, and the general public among other services. The bookshop previously used to be a major collection centre in the northern part of Nigeria and a first point of call when searching for educational materials. However, the situation today is far from what it used to be.

## **ABU ESTATE MANAGEMENT COMPANY LIMITED**

### **Mandate of the Company**

ABU Estate Management Company was incorporated as a Limited Liability Company in 2007 and is fully owned by Ahmadu Bello University, Zaria. The company was incorporated with the major aim of managing the University Staff Quarters. It received a capital grant of N14,000,000 from Ahmadu Bello University in 2008 on the commencement of its operation. However, eight years after it commenced operations, the quarters are yet to be handed over to the company.

## **ABU VENTURES LTD**

### **Mandate of the Company**

In an effort to regulate these commercial functions, A.B.U. Ventures Limited was incorporated with the Corporate Affairs Commission (CAC)

in January, 2008 as a Private Limited Liability Company fully owned by Ahmadu Bello University. The activities of the ABU Ventures Ltd include manufacturing services, retail activity (including sale of notes and publications), lease of campus space to external entities and overseeing projects and joint ventures.

## **THE AHMADU BELLO UNIVERSITY FARM**

The farm was established in the 60's, with the major aim of producing farm produce for sale, and the platform for staff and student research. It is fully owned by the university and managed by the Vet-Agric Complex. The farm has covered about 100 hectares of land located in Shika and is currently engaged in five key activities. These are:

1. Poultry production: There are good potentials for egg and broiler production given the competitive and synergistic advantages the farm enjoys. Given these potentials, the current low production levels of birds and eggs could be considered grossly sub-optimal. This under-production is attributable to insufficient pens, poor water supply in the farm inadequate marketing/production planning.
2. Livestock: the farm has potentials for raising such animals as cattle, goats, sheep (rams), etc. Like the poultry section, low production rate annum could be significantly expanded. With the current facilities available in the farm for expansion, the farm is capable of producing large tonnes metric tonnes of meat per annum. In addition, the farm has great potential for daily products, including fresh milk and serve
3. Orchard: the farm has substantial capacity for establishing an orchard. The boom in juice-making industry provides opportunity for expansion. The key enablers include increased investment, especially in trained staff and security of the farm.
4. Pasture and Arable Farming: the farm has sufficient land for commercial pasture production. Despite the potential for meeting the demand, absence of baling equipment, including mower, raker, baler and tractor, makes the current production only enough for the Farm's livestock. In terms of arable farming, the farm is well positioned to engage in commercial mechanized farming of high value crops. There are ample opportunities for the farm to participate in the agricultural value chain development, especially with the numerous support and interventions in the area.

The key shortcomings, which could prevent the farm from attaining its potentials, as a key source of revenue for the university appears to be paucity of investible funds for purchasing machinery, general insecurity and absence of market.

## **NIGERIAN AGRICULTURAL EXTENSION RESEARCH AND LIAISON SERVICES (NAERLS)**

NAERLS is an autonomous agric-based research institute principally supervised by the Agricultural Research Council of Nigeria, but hosted

by Ahmadu Bello University. Their key mandate of institute is:

- To advance the frontiers of extension research and services
- Conduct agricultural performance assessment and provide feedbacks
- Builds capacity and skill of key actors for effective extension service
- Package and disseminate improved agricultural innovation
- Review and support extension activities of other agric research institutes.

The current activities of the institute place it in a good position to be an important partner to the university in its drive to raise internally generated revenue. At present, for instance, the institute has a well- equipped printing equipment which could, in collaboration with the university, be used for commercial printing. In addition, being a skill- propagating institute, it has significant potential for provision of capacity building and skill acquisition programmes to individuals, agric business managers, extension personnel and other agricultural agencies in a number of areas:

- Green house and Hydroponic production
- Hydroponic Fodder Production
- Tractor operation, maintenance and hiring services
- Poultry
- Aquaculture (Fisheries)

## **DIVISION OF AGRICULTURAL COLLEGES (DAC)**

### **Mandate of the Unit/Performance**

The division of Agricultural Colleges (DAC) is made up of (i) Samaru College of Agriculture, (ii) College of Agriculture and Animal Science, Mando, (iii) Kabba College of Agriculture, Kabba and concerned with the training of technologists and extension work force in various fields of agriculture.

### **COMMERCIALIZATION OF RESEARCH**

The commercialization of Research is an important revenue source to a university.

1. There is the need for continuous sensitization of key university stakeholders on the importance of research commercialization.
2. There shall be the development of a well conceived and well communicated package of incentives for research commercialization as well as strategies for implementation including revenue sharing.
3. The recognition of research contract and commercialization activity in the administration of staff awards and promotions.
4. The employment of adequately experienced business development staff in faculties and research centres to assist with applications and tenders for new research contracts and grants, and to identify and exploit commercialization opportunities.
5. The University is to continue to liaise with academic Departments to identify functional research (both existing and potential) which could be marketed or can generate support from local and international organizations;

6. The various academic Departments are to establish linkages with relevant industries and corporations.
  7. The University is to encourage various research units/institutes to go into partnerships and collaborations for synergy.
  8. All Non-NUC funded programmes at both undergraduate and postgraduate levels (Certificate and Diploma programmes, Long Vocation Programmes (LVT), Postgraduate Diploma Programmes, and graduate programmes are to be streamlined for proper monitoring and charging of reasonable fees.
  9. Establishment of computer based examination centres (WASC, NECO, JAMB, and conduct of recruitment exercises for organizations)
- Establishment of a supermarket, pharmacy shop, petrol station etc.