

# Loadshedding and SMEs: 3 ways to mitigate the impact of power cuts on your business

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When the first scheduled blackouts were rolled out in 2007, it was believed to be a solution to a temporary problem especially when the country avoided loadshedding from 2009. More than a decade later and experts predict that loadshedding is going to be part of the South African socio-economic reality for far longer than anyone could have anticipated.



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The effect that loadshedding has had on small and big businesses has been well documented, with the cost of power cuts being estimated at billions of rands every day. Faced with this mounting challenge, South African small and medium enterprise (SME) owners have been called upon to be more solutions-driven and resilient than ever.

The most recent Business Partners Limited SME Index showed a noticeable increase in the percentage of entrepreneurs who are taking proactive steps to mitigate the effects that loadshedding has on profitability and productivity.

These are a few of the ways that entrepreneurs can reduce the cost of business interruption and damage caused when the lights go out.

## 1. Share the load

Many small businesses have invested in inverters and generators to keep their operations going during loadshedding. This equipment can cost anywhere between R2,000 and R200,000, depending on the capacity of the machinery and the energy demand placed on it. For some entrepreneurs who run their businesses from retail stores or small

workshops, the large capital outlay required to own a generator has proven too expensive.

But, if you're an SME that operates within the same building or complex as other small businesses, you could consider coming together and sharing the cost of a generator that will keep basic operations going for two or three shops at the same time.

The same can be said about installing solar panels as an alternative energy source. As an SME, you can apply for a small business loan to equip your business with solar technology as a backup energy source and split the cost with surrounding SMEs where possible. If you do opt to do this, remember to check what the insurance implications are and ensure that contractual agreements are in place between all parties involved to avoid incurring unnecessary liabilities.

## 2. Charge up

The onset of loadshedding in South Africa triggered several innovations in technology to keep devices charged when power cuts kick in. As an SME owner, you should invest in as many backup charging devices as you can to keep your essential equipment going.

In one example, a nail salon owner shared her solution of investing in chargeable equipment like electric nail files, chargeable UV lights to cure nails and desk lamps that can be charged using a USB cable.

Fortunately, it's now relatively easy to find a chargeable alternative to many different devices – online you'll be able to find power banks for multiple devices as well as rechargeable desk fans, LED lamps, speakers, food production equipment and even water dispensers.

## 3. Safety first

Mitigating the effects of loadshedding is as much about finding creative ways to keep going when the power is cut off, as it is about implementing preventative measures to reduce the potential damage that blackouts can cause.

As an SME, once you have opted for an alternative energy source or found ways to work around the loadshedding schedule, you should conduct an "energy safety audit". As a bare minimum, you should install surge protection strips or devices to prevent long-term electrical damage from power surges.

Other precautionary measures include ensuring that your power adapters are never overloaded and that your team makes a habit of disconnecting any electrical devices during loadshedding, particularly those that require high voltage. You should also review your commercial insurance policy regularly to ensure that you have adequate cover for the equipment you own and that you understand the responsibilities that are placed on you by the insurer to ensure that machinery is properly stored and maintained.

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