

Focus areas for SMEs dealing with Covid-19

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Small businesses are certainly bearing the brunt of the Covid-19 related economic fallout. Here are three ways SMEs can make sure they bounce back strongly after lockdown is lifted.



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The Covid-19 pandemic is wreaking havoc on global societies and economies. With a growing number of cases worldwide, governments, businesses and citizens are still coming to grips with the effects of the biggest global crisis this century.

As governments continue their lockdown measures to limit the spread of the virus, the economic damage has become harder to control – or predict. The World Economic Forum reports that the pandemic could push the world economy into a 12% contraction over January to March 2020.

For SMEs, the sudden halt in economic activity is devastating. Liquidity and cash flow are perennial issues in the sector, where cash reserves are low and money can dry up in a matter of weeks.

Government has joined forces with the private sector to introduce a welcome range of support measures for SMEs. Funding relief efforts have been made available to business owners. Government launched its SMME portal to connect business owners with local market opportunities during lockdown, and relief funds for a range of industries have been introduced. Banks and other institutions are doing what they can to support households and businesses through this time.

However, these measures are only temporary support measures that will ease pressure on SMEs in the short term, but do little to build long-term sustainability. The crisis is forcing a fundamental rethink of business and operating models that will transform South Africa's small business sector for years to come.

It's tempting to simply wait for a return to business-as-usual, but all indications are that our current state of disruption will continue for months. Some aspects, especially things like social distancing and remote working, are likely to remain with us for years.

SMEs need to urgently prioritise key digital transformation objectives to ensure they can bounce back strongly once economic activity resumes. Here are three things SMEs should focus on:

Building better business continuity

In the immediate aftermath of global lockdown efforts, commentators observed that, for many organisations, the pandemic has kick-started their digital transformation efforts. But there's no doubt that organisations that had already adopted technology found it much easier to adapt to the new realities.

When survival is the main priority, SMEs are unlikely to make major investments into new technologies. But without the correct tech, SMEs will find it near-impossible to adapt to the unfolding changes.

In this environment, the time-to-value for new technology implementations – the time between acquiring and implementing new technology and that technology delivering business value – is critically important. A solution that negates the need for large upfront capital outlay and that can be easily implemented eases the adoption of new technologies for SMEs.

The cloud removes many of the obstacles to digital transformation by allowing businesses to pay for services as they consume them and to more easily integrate new services as they need them. SME owners that remain unconvinced of the power of cloud-based tools can also now trial any number of solutions that are currently being offered at reduced or no fees.

Ensuring remote teams can perform optimally

One of the most apparent changes in business models since the start of the pandemic is that nearly every company, unless it's deemed an essential service, now relies on remote workers. For some, the transition to remote work has been easier than for others.

Companies with progressive employee engagement models and the technology tools to support them will have made the transition to remote work far more seamlessly than their less digitally-transformed peers. Facing the likely prospect of a protracted period of remote work and social distancing, SMEs should urgently look at human capital management tools to help them manage, motivate and support teams working from home.

SMEs can further use employee experience management tools to constantly collect feedback and data from remote workers, ensuring team members remain engaged and motivated even when isolating at home. Since these tools are cloud-

based, SMEs can introduce them into the business fairly easily and without much impact on day-to-day productivity.

Maintaining business integrity

There may be no completely paperless businesses, but companies that had invested in digitising paper-based processes prior to the pandemic undoubtedly found it far easier to maintain business integrity since lockdown. In most businesses, signing off on financial requests and submitting official forms needed for regulatory compliance requires a handwritten signature on a printed document.

SMEs need to ensure they remain compliance-focused and able to keep a clear audit trail, crisis or not. Cloud-based electronic signature and contract lifecycle management tools can help companies securely digitise paper-based approvals and contracts. SMEs should look for tools that are secure, carry reputable certifications such as ISO, and are GDPR and POPI compliant.

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