

Big businesses urged to #PayYourBills

"Covid-19 and the economic downturn has and will continue to have a devastating impact on SMEs throughout South Africa. SMEs need to pay their workers, rent, suppliers and other key operating expenses, and survive as a family", says Mike Anderson, founder and CEO of National Small Business Chamber (NSBC).



Source: pixabay.com

"What SMEs don't need right now, or at any time in fact, is that additional burden of not receiving payment on outstanding invoices. We have limited control over how long the pandemic will disrupt our nation, but we are in control of how quickly we can pay our SME suppliers. Big business and government cannot sit on cash piles and destroy our SMEs. The nation also needs to know who is paying quickly and on-time, and who is not.", says Anderson.

Anderson continues, "More than ever before, now is the time to ensure that all SME suppliers are paid quickly and on-time. We are urging big business and government to #PayYourBills and release these all-important payments. For any business, the amount of money flowing in or out is critical to its success. When money is tight, paying basic bills can get challenging. But when cash is plentiful, a business can invest in its future by expanding, buying new equipment, hiring key staff or retaining key staff by rewarding them further.

#PayYourBills, a national pro-active movement closely associated with The Prompt Payment Code, all powered by the NSBC, is challenging the way SMEs are being paid. The NSBC is championing the importance of big Business and government paying SMEs quicker and on-time.

“We see SMEs going out of business every day, in many cases due to cash flow as a result of late or non-payment. What is pleasing to note is that leading brands are starting to openly commit to paying their SME suppliers within ten working days. This type of commitment needs to accelerate” notes Anderson.

The findings of the recent Covid-19 National Small Business Survey clearly indicates that late payments are at an all-time high as SMEs are waiting too long to get paid. The average amount owed to each SME is now at its highest level. Big business and government are mainly to blame for SMEs waiting for payment. More than half of all SMEs in South Africa are burdened with late payments. The result is that SMEs are going out of business due to late payments.

“Intentional late or non-payment is totally unacceptable, as in most cases when an SME goes out of business a family goes out of business. Procurement policies urgently need to be changed to accommodate for early payments. Late payments to SMEs coupled with the current crisis and the economic downturn spells out disaster for many SMEs, the mainstay of our economy, the very engine of our society and the future of job creation”, says Anderson.

“We all have a collective responsibility to do whatever we can to keep SMEs in business and their workers employed. By paying SMEs quickly, this is the most meaningful step in the right direction”, concludes Anderson.

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