

# Learn to surf the economic wave

By [Kumaran Padayachee](#)

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The economic tide has had local entrepreneurs bobbing up and down since 2008. With South Africa's economic growth down from 3.0% y/y to around 0.5% y/y over the past decade, how do those with their own small to medium businesses remain positive in February - the month where all eyes are on the Budget Speech by Finance Minister Tito Mboweni?



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As a funder of hundreds of established SMEs, Spartan SME Finance finds the safest approach is to develop an internal lens that allows you to look at things with duality and an even-keeled disposition.

Entrepreneurs should learn to surf - if you can see both the good and the bad, read the tides, and ride the waves, it makes it easier to accept the push and pull of business as a force of nature.

## The duality of ups and downs

If you are having a great day, celebrate it, but know that in the last hour of work you could be thrown a curveball - and that's fine. See things philosophically, when a high comes - don't get carried away because when there's a low you're going to feel the crash. Entrepreneurs need to accept that it's not the end of the world when they hit a low.

Over the past ten years, fixed investment growth has weakened, fiscal stimulus has yielded little long-term growth, and government finances are now constrained. The formal unemployment rate is close to 30%, versus the 21.3% ten years ago - it's choppy out there.

## Responding to tough conditions

Spartan advises SMEs to focus on solutions. Having a philosophical lens enables entrepreneurs to accept life's

contradictions and to react correctly. It's all about how business owners respond to the market versus the actual challenge itself.

We manage our thoughts and reactions a lot better, if we can make sense of the duality of things. In most cases, negativity brings out wrong decisions or complete inaction. Anxiety fueled action will cause bigger problems than taking on a situation with a level head, and figuring out ways to manoeuvre around it.

There's a paradox in everything. We are particularly negative as a country and when people talk optimistically, they can be ostracised for being unrealistic. Yet South Africans are particularly resilient, and a tough economic climate can bring out inventiveness in people.

When Spartan assesses entrepreneurs for funding in our regular Credit Committee meetings, we find business owners "MacGyver-ing" their way through to stabilise or grow their businesses – finding solutions, thinking on their feet – that's what we like to see, and these kinds of business people often have a positive approach where duality leads them through it all.

It is important to keep an open mind and look up. The sun rises and the sun sets, waves rise and they crash down, there is life and there is death. Duality of ups/downs is embedded in nature, so why fight it? Just learn to surf.

## ABOUT THE AUTHOR

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