

The importance of formalising your business

 By [Miranda Lusiba](#)

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I must admit, I did not realise the importance of formalising a business when I first registered my PR company nine years ago. I registered the company as a Private Company (Pty) Limited (Ltd), opened a business account, got both my BEE and tax clearances because I was advised that this was the right way to get into business.



Source: pixabay.com

I really felt the effect of keeping all company documents up-to-date and the importance of registering for UIF under my company when the pandemic came early last year and hit our economy and mostly SMMEs. I would like to commend our government for trying to assist small businesses during this difficult period through the Covid-19 SMME Relief Fund.

You see, I was one of the SMMEs that was not able to benefit from this fund and this was entirely my fault.

For about three years since May 2017 until end of 2019, I was asked by a CEO friend of mine to be the managing director and turn-around strategist for one of his businesses - a PR agency called The GrindPR (TGPR) that needed my help.

So, at the end of 2019 I felt I had achieved my mandate of ensuring that the company was stable and profitable. By the time I left – the PR team was able to consistently deliver quality services to clients and most importantly – having a solid team ensured that there was business continuity long after I had left.



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It was now time for me to go back to running my own business full-time, which I had neglected - especially the administration - during that period. This was because my role at TGPR was quite demanding and it was difficult to juggle the responsibilities of both businesses at the same time. When I returned to my business, I started the process of reviving the administration aspects.

While I was busy with this process, Covid-19 hit us, and everything stood still. This meant that some of my business administration documents that were still in the 'work in progress' stage – could not be finalised. So, when the Covid-19 SMME Relief Fund was made available, I was not able to apply for what could have been the best relief for my business simply because my company affairs were not yet in order.

Get your paperwork in order

Another important factor that I learnt over the years is that large and medium-sized organisations work with SMMEs that have all the necessary paperwork – this includes both private sector and our regulator – government. For these companies or potential clients to register an SMME as their preferred supplier – they need all the documents that I mentioned earlier. My advice then to both aspirant and existing entrepreneurs is that if you want to be taken seriously in business and get lucrative opportunities; you need to make sure that your house is in order – like all the time!

If you do not do that, then you will unfortunately lose out on opportunities like I did with the Covid-19 SMME Relief Fund. And while having conversations with other SMME owners last year, I realised that there were some, if not a lot, of us small businesses who lost out on this much-needed relief. So, again I would like to say to entrepreneurs, be wise – do not make the same mistake I did because I can honestly say that my procrastination hit straight into my business' bottom line.

ABOUT MIRANDA LUSIBA

Miranda Lusiba is the Founding Director of Strangé Consulting - a boutique PR Agency specialising in Communications, Freelance Writing, Media Relations, Reputation Management and Media Training.

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