

Are SMEs maturing in their use of IT?

Key questions in SME Survey 2015 are, 'how well are SMEs coping with technology and what mechanisms are they using?' This is critical at a time when technology tools ranging from email to social media are becoming more complex rather than simpler and many small and medium enterprises (SMEs) are struggling to cope with the rapid pace of change.

Forest Technologies, powered by Rectron, and Standard Bank sponsor SME Survey 2015, regarded as the original and largest representative survey of SMEs in South Africa. Since 2003, it has contributed groundbreaking research into the forces shaping SME competitiveness. Due to be released mid-year, it is anticipated the 2015 survey results will point to a growing maturity in the use of IT by SMEs.

The importance of the small and medium enterprise (SME) sector to the South African economy as a whole should not be underestimated. Therefore, if SMEs are to play the significant role envisioned for them, it is critical they make the best possible use of the information technology (IT) options available to them.



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Cloud-based services take-up

According to Arthur Goldstuck, MD of World Wide Worx and principal researcher for SME Survey, it is expected that this year will, for the first time, see a real take-up of cloud services amongst SMEs and a genuine sense that they are finally waking up to the benefit of cloud-based services like online storage and backups.

"We are definitely noticing a trend that sees SMEs becoming more technology-savvy and mature in the use of IT. Although I think service providers have been trying to target SMEs for a number of years, their approach has generally been flawed, that their services tended to be geared towards the international definition of medium-sized enterprises, which tend to be equivalent to our corporates. At the same time, the SMEs weren't really ready for the services being offered to them.

"Now we are witnessing a fine-tuning by the service providers that sees them offering services that are aimed directly at SME requirements, coupled with the growing awareness in this sector of the importance of new technologies. This is helping to drive the uptake of cloud and similar services.

"One of the main reasons for cloud having taken this long to achieve traction is that SMEs often struggle with the rapid pace of technology change. They are often simply bewildered by the multitude of options available to them. Our research has shown repeatedly that most SMEs prefer to adopt solutions that are already tried and tested, which is why cloud is only now reaching high levels of uptake in this sector."

He adds that there are also many SMEs that are utilising cloud services without even knowing they are cloud - for example solutions like Gmail and Microsoft OneDrive. Discovering this, he says, is also part of the migration process. Once they realise this, most are prepared to go deeper into the cloud.

Role of financial services

"Another key focus this year will be whether the role of the financial services sector has shifted. SMEs require an increase

amount of access to financial expertise in respect of the structuring and operating of their business finances," states Goldstuck.

Ethel Nyembe, Head of Small Enterprise at Standard Bank says that while we live in an ever-changing, dynamic business world, our focus has always been to offer SMEs a comprehensive financial management system. Designed to help SMEs build their financial management capabilities, this system encompasses basic, affordable banking services that enable the businesses to build financial records and capacity.

"It will be valuable to get insight into whether SMEs are satisfied with the support they get from the financial services sector how this actively assists them in overcoming challenges such as access to affordable credit, business management skills, infrastructure costs, regulatory requirements and access to markets etc.

"It will also enable us to see where the critical gaps are that hinder the growth of the industry and what we can do to bridge this gap and help SMEs increase their ability to create employment and contribute to the economy."

Forest Technologies, in partnership with Rectron, believes it is important to get a better sense of how larger SMEs are operating at a branch level and how these branches are being managed and serviced. "While we know that cloud makes it easier to manage the IT needs of different branches, the question remains whether technology has now enabled SMEs to decentralise even further. This study will provide a great deal of insight around that," points out Garret Firstbrook, MD at Forest Technologies.

Sustainability as an issue

Another area that the Survey will explore, says Goldstuck, is the issue of environmental sustainability and whether this is important to SMEs.

"In the past, it was of considerably lower importance, but it is an issue that has gained more prominence in recent years, it will be interesting to see how SMEs' views on this subject have changed.

"We will also take a look at how SMEs are marketing their businesses and correlate this with how profitable their businesses are. This will allow us to consider what forms of marketing have a direct impact on their profitability, and how that is changing.

"Ultimately, this year's SME Survey will aim to get a sense of whether SMEs have evolved and are maturing in their use of technology. If we can better understand what issues are keeping SME owners awake at night, we might be able to offer some answers to help them cope better," he concludes.

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