

# Position your SME for success in 2022

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Businesses, particularly small- and medium-sized enterprises (SMEs) learned a lot in 2021 and had many hardships to overcome. This hard-won insight will now hopefully inform the decisions they make in 2022. That said, gearing up for success in 2022 can be better achieved by employing winning strategies.



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SMEs contribute substantially to the South African economy and as such, need to be supported in their efforts to be successful. There are many business actions they can take to ensure their growth and sustainability, and preparations they can make to position themselves for a prosperous year.

## **Covid-19 lessons**

While much has already been said about Covid-19, it is still a part of our reality. It would be prudent of businesses to keep an eye on local and global developments and be able to adapt to any changes. It's essential to adhere to safety protocols to protect staff and clients and to indicate the level of professionalism of the enterprise.

## **Digitisation**

Another significant reality that emerged from the pandemic is that digitising of operations has become essential. This trend

will continue in 2022, and businesses must prioritise digital transformation. This should include continued remote working capabilities, digital marketing tools, cloud-based software, and enhanced cyber security.

As more consumers turn to mobile and online resources to procure goods and services, it's vital that SMEs adopt an online platform where customers can easily do business with them.

### **Supply chain management**

SMEs need to build and nurture a resilient supply chain with dependable partners. They must be able to switch between suppliers to become more adaptable. Companies also need to have plans in place to manage potential supply chain challenges and obstacles. Also keep in mind that many supply chain partners are now including zero-waste, decarbonisation and renewable energy practices, so SMEs need to be prepared to accommodate this.

### **Productivity**

While larger companies have many advantages, SMEs are more adaptable because they manage smaller teams, and can therefore be agile in providing quality products and services. This will be an important advantage to capitalise on going forward.

### **Be different, be unique**

Every business must stand out. Differentiation is essential for SMEs, and their unique selling point (USP) must be the basis of their brand identity and be carried through the business and through all communication, marketing efforts and customer service.

### **Managing your money**

Getting to know effective business practices and managing cash flow effectively, is crucial in the continued success of any enterprise. Managing the accounting system is vital for the survival of any business.

Here are six practices that can help: If need be, obtain financial and business advice from a professional.

#### **1. Budget**

Have a budget and stick to it. Track your expenses and how much revenue you need to cover everything. Take it further and find ways to cut back on expenses in tough times.

#### **2. Unearth hidden expenses**

Look out for underutilised equipment, excess inventory, and inefficient IT systems, and ensure that your business space is being utilised profitably.

#### **3. Be firm about money owed to you**

Business owners often don't follow up on payments timeously out of fear of chasing clients away. However, if you don't chase up on payments due to you, you can incur debt and delay your own path to profitability. Make it a priority to get paid.

#### **4. Pay yourself**

Set aside a base salary for yourself as well as an amount for emergencies and a retirement fund. Also important is to

not use your personal credit card for business expenses.

## **5. Get clued up on taxes**

You know that certain expenses, for example, rent, payroll, and equipment are tax-deductible, but you need to educate yourself on other expenses that are tax-deductible. Ask a tax consultant for advice if you need it.

## **6. You can't do it all**

If you're a busy entrepreneur, you shouldn't be spending too much time on the accounting functions of your business. Be realistic about what you can do yourself and then seek help from a professional, even if it's on a freelance basis. Remember, too, that cloud-based accounting software can help you manage your books easily.

### **Define your marketing strategy**

Content marketing plays a valuable role in raising awareness of your products and services. Changes in consumer behaviour and the need for accurate information are an opportunity for SMEs to add value to their clients through marketing.

A marketing strategy should aim to create an effective brand presence through engaging content and should measure the success of this content by collecting and analysing feedback and information from your audience.

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