

Creating SMMEs that meet 21st century needs

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The biggest challenge South Africa faces is to create SMMEs that meet the needs of the 21st century. Before the start of this century, discussions on SMMEs were rhetorical but currently, the subject is firmly on the national agenda because economic hardship is forcing individuals and the government to explore alternative sources of income or economic growth. Significantly, the SMME agenda is gaining prominence during a phase in which businesses are increasingly under pressure to adapt to the needs of 21st century consumers.



To identify examples of a 21st century business one should look to brands such as South Africa's Sorbet franchise and instant networking platforms such as WhatsApp and Twitter. Sorbet is an example of a business that is modelled on the lifestyle of a 21 century consumer. This is encouraging to see in South Africa because that is exactly the mindset needed in order to create a boom in the SMME sector.

Key attributes of a 21st century business

- Online or virtual presence - even though the decision to operate physically or virtually largely depends on the type of business, online presence is necessary in the 21st century. The benefits of being accessible online far outweigh the risk of not having any online presence.
- Do not just offer a service, offer a lifestyle - Consumers are more likely to be attracted to something that complements or improve their lifestyle. Ensure that your business complements the lifestyle of your target consumer.
- Reward Innovation - Innovation is something that is encouraged by businesses in general but very few actually follow through by rewarding employees for brilliant ideas. Rewarding innovators encourages them to do more than their prescribed share.
- Don't offer a job, sell a vision - Entrepreneurs need to employ or partner with people who share their vision. People are more attracted to something they believe in, rather than the short-lived lure of a better pay check.
- Be agile and accessible - All clients would rather not wait to get service. If your business has an opportunity to offer a particular service faster and efficiently, do it. This could be your business' competitive edge.
- 'Trend' for the right reasons - A single customer complaint on a social networking platform such as Twitter or Facebook has a potential to jeopardise years of hard work. Even though it is impossible to make everyone happy, every complaint should be addressed efficiently to set a better impression of the business.
- Adopt a 'local but global' business philosophy - Becoming a global or a multinational player does not always require millions of Rands, especially if there are no physical assets required. Virtual networking could easily place one's business in a position to operate across different markets.

Without a doubt, South Africa has the capability to create SMMEs that meet the needs of the 21st century. Since the beginning of the current decade, one has already seen a number of relatively small South African start-ups, especially in the tech space, acquired by global brands because of the potential they possess. The message we need to instil is that our

SMMEs need to address the needs of the 21st century consumer.

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