

SMEs increasing cloud usage, expressing confidence in government support

The SME Survey 2014, sponsored by the Small Enterprise Development Agency (SEDA), Business Connexion and Microsoft, has released its 2014 results that indicate that SMEs are steadily moving to the cloud and have a generally positive perception of government services.



The proportion of SMEs using the cloud is 27% overall, says principal researcher Arthur Goldstuck, substantially up from 9% in 2012. This compared to 24% who were using social media as an online business service.

"What's surprising is not that one in four is using social media, but that three in four aren't. Given the hype around it, you might expect more to be using social media than the cloud - but it demonstrates once again that SMEs also need a clear value proposition before they invest in new services."

Of those not yet using cloud, asked if they expect to take it up, just 2% gave a definite 'yes', but the potential usage was far higher: another 20% said it depended on business needs. A further 30% are unsure.

"If the business case can be clearly demonstrated to these potential users, adoption will move closer to 50%. There is a possibility that cloud adoption could double in the next 12-24 months. It is all about a clear and obvious value proposition."

Charles Lalieu at Business Connexion says despite the benefits, cloud adoption by SMEs is far from a foregone conclusion. "There is no doubt of the advantages and the cloud model is internationally proven. However, transitioning to cloud still requires a mindset change and, in many instances, some guidance. That said, the progression by SMEs to the cloud is accelerating and is likely to continue gaining momentum."

Government relations

In terms of perceptions of government relations, SME Survey 2014 throws up a surprise: business owners are more positive than might be expected - 38% of respondents said they had used government support services for SMEs in the last

12 months, while 17% had done so more than three times in this period. Exactly half report being very happy with those services, with a further 34% somewhat happy.

Furthermore, 44% of all respondents expressed high confidence in using government support services for SMEs. This compared to 34% in 2007 and just 12% in 2004. Shortly after the 2004 SME Survey findings were released, a major overhaul of government support services occurred and again after the 2007 findings.

"We've seen dramatic improvement in perceptions of government services over the past decade," says Goldstuck. "Such improvements tended to follow restructuring of the services, showing that the evolution of such services has had positive outcomes."

As an agency of the Department of Trade and Industry, the Small Enterprise Development Agency (Seda) says government acknowledges the contribution made by SMEs to the economy. As such, it is committed to easing all necessary interactions, including those with the South African Revenue Services (SARS) and the Companies and Intellectual Property Offices. "When administration is straightforward and convenient, such as with SARS eFiling, doing business is faster and more satisfying. The advances in perceptions recorded by SME Survey over the years are noteworthy and confirm that government is on the right track," says Lusapho Njenge, chief strategy and information officer at Seda.

For more information, go to www.smesurvey.co.za.

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