

# 5 signs that your business plan needs to be revisited in today's economy

A business plan is never set in stone. It should reflect the realities of your operating environment, especially considering how quickly economic conditions seem to be shifting in 2025. While some economists remain optimistic, predicting growth of up to 2.1% this year, the South African Reserve Bank (SARB) recently trimmed its 2025 forecast down to 1.7%, citing ongoing supply constraints and weak demand.

By [Jeremy Lang](#), issued by [Business Partners Limited](#) 13 May 2025



With the effects of global trade tensions, rising costs and looming tax increases already being felt across the small to medium enterprise (SME) sector, it may be necessary to revisit your business plan. Here are five signs that your plan may no longer be fit for purpose in today's economic environment:

## 1. Your revenue assumptions haven't changed

If your plan still assumes consistent or growing customer demand based on pre-2025 expectations, it may be out of step with reality. As of now, VAT is set to increase to 15.5% from 1 May and again to 16% in 2026. This will erode consumer buying power and place added pressure on input costs - particularly for SMEs that are not VAT-registered or that supply end-consumers directly.

At the same time, electricity tariffs are increasing by 12.7% for Eskom direct customers, and at least 11.3% for municipal customers from July. This, combined with the potential return of load-shedding, is likely to impact both costs and productivity. If your projections don't reflect these pressures, your forecasts could be overly optimistic.

## 2. Your operating model depends on stable input costs

After months of volatility, the recent April fuel price cuts have come as a welcome reprieve, especially for

SMEs in logistics, deliveries or field services. But this relief may be temporary. Fluctuating commodity prices and global supply chain risks remain a reality, particularly as global trade tensions escalate.

The United States' recent decision to extend tariffs to all trading partners, including South Africa, has reignited fears of a global recession. These external factors can increase the cost and complexity of doing business, especially if your model relies heavily on exporting goods.

### **3. You haven't re-evaluated your cost base**

When costs rise, margins shrink – unless you actively manage your overheads. Many SMEs have already built leaner operations during previous periods of load-shedding or economic slowdown. But as power cuts resurface and inflation-linked increases take hold, those cost-saving measures may no longer be enough.

Some useful questions to ask yourself include: Is your staffing model still appropriate? Have you reviewed your suppliers or renegotiated contracts considering the latest VAT and electricity hikes? Are there non-core activities that could be outsourced or automated? A business plan that doesn't include a strategy for cost containment in a rising-cost environment needs rethinking.

### **4. Your competitive landscape has shifted**

Economic pressure is forcing businesses to adapt faster than ever before, and your competitors are no exception. Some may have exited the market, while others are pivoting to new offerings, geographies or pricing strategies. You need to understand these shifts and respond accordingly.

Perhaps the opportunity lies in serving a different customer segment, launching a more affordable product range, or adjusting your sales model to reduce reliance on in-person channels. These changes must be reflected in your business plan if you want to stay ahead.

### **5. You're not tracking against updated KPIs**

A business plan isn't just a funding tool; it's a management tool. It should guide your decisions, provide a framework for measuring progress, and help you course-correct when conditions change.

If you haven't updated your key performance indicators (KPIs) or reviewed your cash flow projections in light of energy costs, or changing customer behaviour, you're essentially flying blind. Now is the time to revise your assumptions and adjust your goals to reflect 2025 realities.

South Africa's economic picture remains complex and uncertain, shaped by global developments and domestic headwinds. But this doesn't mean you should sit still. Revisiting your business plan isn't a sign that things are going wrong; it's a sign that you're paying attention, taking control, and preparing your business to succeed in an economy that demands resilience and forward thinking and planning.

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