

Key tech trends shaping African SMEs

Core technologies like cloud, business AI, and ERP built on clean data strategies will be evaluated not just on adoption, but on how efficiently they are applied across an SME's operations.

 By [Dumisani Moyo](#) 17 Mar 2026



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Foundational technologies such as cloud computing, business AI, and ERP running on clean-core data strategies will be measured not only by adoption, but by how quickly and effectively they can be applied across SME operations.

This vital sector accounts for nearly 95% of registered businesses in sub-Saharan Africa and generates roughly half of the region's GDP, yet many remain under-digitised. A World Bank report found that fewer than one in three African firms that have adopted digital technologies make intensive use of them to improve their business operations.

The B20 South Africa 2025 Digital Transformation Task Force listed SME digitalisation and AI literacy as key levers of growth and inclusion. A separate report projected that digital transformation could contribute nearly 20% to South Africa's GDP by 2028, creating 300,000 jobs and expanding access to essential services to millions.

Mobile technologies are paving the way for greater digitalisation across the continent, contributing nearly 8% of Africa's GDP in 2024, a figure set to grow rapidly with accelerated 4G and 5G rollout. Cloud adoption is surging, with nearly half of all companies in Africa reporting they've already adopted cloud technologies, and

many planning to transition all operations to the cloud.

However, this digitalisation also introduces greater cyber risk. An Interpol report revealed a continent-wide escalation of cybercrime, with about one in 15 organisations in Africa facing a ransomware attempt each week — significantly higher than the global average.

SMEs seeking to scale their digital capabilities for greater efficiency, innovation and growth this year must take heed of the trends shaping Africa's digital economy, including:

Trend 1: Cloud as the default operating model

Cloud computing has crossed a tipping point among African businesses. For SMEs, the attraction is clear: cloud replaces large upfront capital costs with predictable subscriptions, supports hybrid and mobile work and allows businesses to scale systems as they grow. It also reduces the operational burden of maintaining infrastructure, patching systems and managing uptime.

With hybrid and remote work now an established reality, demand for cloud-based human capital management systems is surging. These systems integrate payroll, performance, learning and workforce analytics, equipping even smaller firms with digital payslips, employee self-service, compliant payroll processing and basic people analytics.

Trend 2: Business AI moves from hype to habit

The most important AI trend for African SMEs is not experimentation with standalone tools, but the embedding of AI into everyday business workflows. Finance, HR, supply chain and customer operations are increasingly augmented by AI that automates routine tasks, highlights risks, and supports better decisions.

The expected gains are practical rather than futuristic: faster invoice processing, improved cash-flow forecasting, better demand planning and more efficient HR administration. In African contexts, where skills and budgets are constrained, AI that is easy to use and trusted can have a significant impact. Research has shown that a lack of AI-related skills often results in delayed implementations, failed initiatives and lost clients.

Trend 3: ERP is the digital nerve centre

Cloud ERP is increasingly seen as essential for survival rather than just modernisation. SMEs that remain with fragmented, on-premise systems may struggle to compete on cost, speed and trust.

Modern ERP is now modular, cloud-native, mobile-friendly and AI-enabled. It integrates finance, operations, people and partners into a single source of truth. For SMEs, ERP is no longer just a back-office system but a digital nerve centre that enables AI, supports compliance, strengthens security and connects businesses to wider ecosystems.

In 2026, African SMEs that build capability stacks around cloud ERP, embedded AI, secure platforms and digital skills will be better positioned to compete with larger organisations. Those who delay risk being locked out of supply chains, talent pools and digital markets.

Trend 4: Cybersecurity becomes existential

Ransomware, business email compromise and data breaches are no longer rare events, and the financial impact can be devastating. An IBM report found that the global average cost of a data breach reached \$4.4m in 2025. For many SMEs, such a breach represents an existential threat.

The volatile cyber threat landscape is shaping technology decisions. Cloud platforms and secure-by-design architectures can help reduce overall risk by consolidating security, patching and monitoring into professionally managed environments. In 2026, cybersecurity will be firmly established as a board-level issue for African SMEs, on par with cash flow and regulatory compliance.

Enterprise technology is moving toward cloud, AI, and end-to-end solutions that improve planning, efficiency, execution and innovation. For African SMEs, the opportunity lies in adopting these capabilities pragmatically and early, turning digital technologies into competitive advantage.

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