

MSME HOW-TO GUIDE

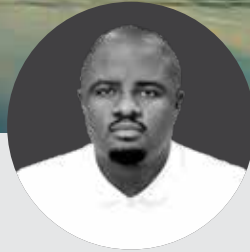
nelson mandela bay
BUSINESS CHAMBER



Connecting business. Stimulating progress.

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**LUNGA
MJODO**

*Nelson Mandela Bay
Business Chamber*

**BUSINESS INFORMATION
MANAGER**

HOW-TO GUIDE

FOREWORD

Micro, Small, and Medium Enterprises (MSMEs) have a significant role to play in South Africa.

This is as they are a crucial part in South Africa's economy, accounting for approximately 34% of the country's GDP. A plethora of authors, research papers, and media regard MSMEs as major job creators, innovators, and GDP contributors. They account for over 95% of firms and employ a sizable proportion of the workforce. Their development is a key opportunity for South Africa to boost the economy and create jobs, particularly as the country is in stagflation.

In today's fast-paced, ever-changing business ecosystem, MSMEs play an increasingly important role. These enterprises are the backbone of many economies, fostering innovation, creating much needed jobs particularly in the case of South Africa, and promoting inclusive growth. However, operating an MSM enterprise has a distinct set of challenges. From navigating limited resources to standing out in highly competitive markets, the journey of an MSME is filled with both opportunities and obstacles. This guide has been created to provide you - whether you are an aspiring

entrepreneur or a seasoned business owner - with practical insights and resources for navigating the intricacies of running a small business to medium sized enterprise. We understand that no two businesses are identical. Therefore, this publication covers a wide range of topics, from business compliance, sales, market penetration, future proofing your business, digitalisation to banking, and funding available.

The resilience, innovation, creativity of MSMEs fuel socio-economic progress and development, but success does not happen in isolation. It is built on the foundation of knowledge, adaptability, and collaboration. With this in mind, this guide serves as both a road map and a resource—a comprehensive tool to assist you in managing challenges, seizing opportunities, and ultimately growing your business sustainably.

We hope this guide will be your trusted companion as you embark on your journey to not only survive but thrive in the competitive landscape.

CHAMBER ENTREPRENEURSHIP SERVICES

THE SOUTH AFRICAN ENTREPRENEURIAL LANDSCAPE

Micro, Small, and Medium Enterprises (MSMEs) are considered world over to be the most promising drivers of sustainable economic growth and job creation – but they need support targeted at their needs if they are to reach this potential. South African MSMEs account for about 34% of the GDP but lag on job creation, with some studies indicating that they contribute less than a third of jobs in the formal sector. Agreeingly, 1 000 corporate companies, including government, were responsible for 56% of new jobs created between 2011 and 2016. A large proportion of MSMEs have only one employee, the business owner; and studies consistently find that MSMEs are not significantly growing their employee numbers. Only about 1% of MSMEs that start with less than five employees have managed to grow to 10 or more, according to research at the University of the Western Cape. Further, 70-80% do not make their fifth anniversary – this indicates that MSMEs are yet to play their envisaged role of reducing SA's high unemployment and unlikely to meet the National Development Goal that 90% of the 11 million new jobs forecasted by 2030 will be created by MSMEs. Therefore, the development of impactful interventions targeted at upskilling, sustaining, and growing MSMEs is important.

ABOUT THE ENTREPRENEURSHIP DESK

The Entrepreneurship Desk acts as a single contact where MSME growth and sustainability interventions are housed. These include pro bono one on one advisory support; access to market; entrepreneurial skills development; access to finance; and Business-to-Business linkages. The Desk further drives awareness of existing developmental opportunities in the entrepreneurial ecosystem and connects MSMEs with key strategic stakeholders. To put this into perspective, MSMEs registered with the desk get free access to legal consultation on commercial matters, free access to various skills training workshops, free access to networking events and business breakfasts, free access to information sessions with various funding entities both private and public, and access to a dedicated resource that timely responds to their queries and continuously shares trade opportunities with the MSMEs.

ENTREPRENEURSHIP DESK INTERVENTIONS

Entrepreneurial Skills training and capacitation:

MSMEs get access to free entrepreneurial skills workshops

designed to equip them with financial, legal, compliance, sales and marketing knowledge necessary for managing a growing and sustainable enterprise.

Business to Business linkages:

Chamber hosts networking events, functions, and business breakfasts designed to provide an opportunity to MSMEs to meet, interact, network, and form partnerships with other businesses.

Access to markets:

The Chamber links MSMEs with trade opportunities, trade exhibitions, and buyer delegations. The Chamber will further be launching an online platform where Chamber members can sell and purchase from each other, promoting member discounts.

Access to funding:

Through the Chamber's partnership and collaboration with Standard Bank, and ECDC, MSMEs get access to grants, developmental finance, and loans. The probability of funding approval increases through funding readiness training covered on entrepreneurial skills workshops.

Advisory support:

MSMEs get one on one advisory support on legal; HR; compliance; and financial advisory.

THE ENTREPRENEURSHIP DESK ACCELERATOR PROGRAMME

Through the Entrepreneurship Desk, an accelerator programme has been established, in partnership with Standard Bank, supported by the South African Revenue Service (SARS) and Joubert Galpin Searle (JGS). The programme is threefold, firstly it establishes business gaps through business needs analysis; secondly, it provides entrepreneurial, leadership, and management skills development with a focus on the generic gaps identified; and thirdly it positions these MSMEs to access funding through Standard Bank.

To put this into perspective, businesses are provided with knowledge of what banks and financial institutions focus on when assessing grant and loan applications; assess MSME of their financial statements; insurance and key man covers; legal partnership, customer, and supplier agreements; wills; compliance and HR policy consultations; and mentorship among others.



YOUR PARTNER AT MOMENTS THAT MATTER

Our commitment to small enterprises like yours rests on three pillars: we are present alongside you at the moments that matter, we provide human-led engagement supported by digital banking, and we support your business with more than just banking.

Typical moments that matter are the early days when you are starting a business, when you are established but need better management tools, and when you want to grow the business. Choices during these moments will have long term consequences, so choosing the right banking partner is critical.

Our innovative digital banking services enable you to perform everyday banking conveniently and quickly.

However, you also have access to a designated business banker, in person or remotely via email or telephone, whenever you need to discuss business with your bank.

As the best bank in Africa according to Global Finance, Standard Bank offers a full range of business bank products and services along with several value adds that make using our solutions even better. We also understand that your business needs more than just loans and bank accounts to succeed so we've built our industry-leading BizConnect portal where you'll find alternative forms of funding, an online business training programme, a marketplace for digital application and services for your business, a planner for starting a business plus much more.



FULL-SUITE OF BANKING SOLUTIONS

Unlike some banks, Standard Bank welcomes enterprises of all shapes and sizes, from small start-ups aiming to make their first 100 sales to large commercial groups turning over billions.

Our suite of solutions reflects this: you'll find simple, affordable products and services designed for very young or small businesses along with products and services designed for large, complex groups of companies. Depending on what you want to do, click on the product categories below

MORE INFORMATION ON THE BANKING PRODUCTS AND SERVICES IN THEM.

Transact	Borrow	Save & Invest	Protect
Borrow	Business Loans	Demand deposits	Business Insurance
Digital Banking	Vehicle & Asset Finance	Notice and Fixed Deposits	Life Assurance
Payments & Collections	Commercial Property Finance	Financial Planning	Guarantees

SPECIALISED BUSINESS SOLUTIONS

If yours falls within a sector with sector-specific needs, then our specialised solutions may be what takes your business to the next level. We offer solutions suited to the characteristics of agricultural, education and franchise businesses but also to the specialised needs of professional practices such as legal firms, medical and accounting practices. If your business involves cross-

border trade, consider our international trade solutions since Standard Bank is represented in more than 20 countries.

If you are looking for Shari'ah-compliant banking, Standard Bank's Shari'ah banking is highly regarded internationally so have a look at our Shari'ah-compliant Banking for Business suite.

If you are concerned about a reliable and affordable electricity supply for your business, consider our

What is the Business Solar Loan?

- A loan developed in response to our participation in government's Energy Bounce Back Loan Guarantee Scheme.
- It makes solar investments for South Africa's businesses more affordable and accessible with low interest rates and flexible repayment periods.
- The aim is to curb the impact of persistent energy constraints on economic growth and assist in reducing carbon emissions.
- Unsecured loan up to R500k, capped at Prime +2.5%, 12-60 months term and no early settlement fee.

Business Solar Loan available on special credit terms.

VALUE-ADDED SERVICES

Many of our banking products come with additional features and functions that make managing your business finances easier, safer, and simpler. Most people know about our UCount for Business loyalty and rewards programme as well as our MyUpdates for Business service that will inform you via email, SMS or the Mobile Banking App of transactions happening in your accounts.

But there are many other value-adds such as our Workplace Solutions for employees, Merchant Online and Fleet Management.

BEYOND BANKING

BizConnect is your gateway to our suite of beyond banking solutions, general business information and tools. Visit the Services Beyond Banking pillar to see the Skills Development programme, brought to you by Standard Bank and Thinkroom, that provides access to 11 courses that will help you manage and grow your business. Under the same pillar you will find information on Alternative Funding, Mentorship and Advisory, and the Enterprise Marketplace for small and medium businesses.

The Business Resources pillar contains a wealth of information and tools to help you start a new business successfully, manage your business operations optimally so that you save money and compete better, and help you grow your business sustainably and effectively. The



Industry Trends pillar provides a view of developments in various industries in SA and in African markets while the Client Success Stories pillar is where clients share their stories and inspire other entrepreneurs.

ENTERPRISE DEVELOPMENT

Standard Bank has set aside a percentage of its profits to help develop black majority-owned MSMEs, and our Enterprise Development team have put together several funding solutions, mentorship arrangements and third-party collaborations in this regard.

These include Purchase Order Funding to help clients fulfil their contractual obligations under an acceptable purchase order. Then there's the Construction Solution that provides working capital to clients with valid construction contracts. The team also offer Purposeful Funding to clients who do not meet the normal requirement for commercial credit, for example, insufficient collateral or an adverse credit record. Finally, there's Non-Financial Support in the form of providing financial management and systems support.

Our Enterprise Development solutions are not limited to existing clients of Standard Bank, and all applicants must be Black majority owned, have at least twelve months financial statements or management accounts, have six month's bank statement and be registered with relevant authorities. A Standard Bank Business Banker can arrange an interview for you with one of our Enterprise Development specialists.

FOR MORE INFORMATION, PLEASE CONTACT US AT:

You can reach us in Nelson Mandela Bay via

Email: enterprisedirect.easterncape@standardbank.co.za

Telephone: 010 824 2921 / 010 824 2926

WHETHER YOU ARE AN EXISTING
CLIENT OR NEW TO STANDARD
BANK, WE'D LOVE TO DISCUSS
HOW WE COULD HELP YOUR
BUSINESS SUCCEED.

WE'RE HERE FOR YOU AT THE
MOMENTS THAT MATTER!



From cash strapped to cash flow

Secure funding for your business' short-term needs and long-term growth with FNB.

For many small and medium enterprises (SMEs), one of the biggest constraints to their development is lack of financial resources to start, sustain or even grow their business.

"Accessing the right funding and financing at the right time can mean the difference between starting up, staying open, or shutting down a business," says Andiswa Bata, CEO of FNB Business.

The link between you and your business

It is common practice that an individual and their business are usually seen as one entity when it comes to securing finance for a business. This is because South Africa lacks a business credit bureau, so the credit information of the director serves as a proxy for assessing the creditworthiness of the business. That means that if the director's financial conduct falls short, there's a perception it will affect the business. A healthy credit score in your personal capacity is therefore critical when seeking funding for your business.

Stages of business and the funding required

- 1 Start-Up**
 You're a start-up if you have recently commenced operating, usually for less than a year. Typically, funding is sourced from personal savings, credit cards, personal loans, and/or loans from friends and/or family. Other sources of funds may include government grants. Traditional banks also offer a range of financial and funding solutions, but approval is subject to qualifying criteria. FinTechs offer an immediate source of funding, however, payment terms may not align to your business risk tolerance or long-term financial goals.
 Clear payment terms are important when seeking funding as they help provide clarity on your working capital requirements.
- 2 Early growth**
 You're in this phase if you've been trading for at least a year. Your business is operating profitably by this stage, but you may need further funding to grow. There are two main sources of funding:
 - Investors who would provide money for a portion of your business
 - Traditional banks or FinTechs for loans, depending on their qualifying criteria
 Established payment terms and a clear sight of working capital are a requirement for any funding required now.

Keep all accounts up to date and avoid arrears

Ensure that your business income is in your business account

Ensure you understand debt counselling and/or debt review and the impact on your credit score

Manage your cash flow to avoid excesses on your account

Ensure that you have sufficient funds to cover your debit orders

Check your credit bureau information regularly and maintain a healthy credit score

How to maintain a good credit record

3 Later growth

By now, your business will have been operating for several years. You've explored numerous growth trajectories and are looking at expanding into different spheres by merging with, or buying other companies, or selling your own. You'll also be focussing on expansion and succession planning. With a healthy cash flow and long-established funding relationships that are either renewed and/or increased by financial institutions, there's the potential to unlock funding with different structures to provide an equity benefit.

4 Exit

The last stage of the business journey is when you opt to exit or sell your portion of the business. The easiest way is to sell shares at an agreed price, which can be facilitated by a management buy-back. If your business is sizable and attracts outside investors, an Initial Public Offering (IPO) or listing on the JSE can unlock value and allow managers to profit without fully exiting.



Getting your business bank-funding ready

The biggest challenge for any SME is getting the correct form of funding. Here are some tips to enhance your funding applications:

- 1 Ensure cash is deposited into your business account. Many SMEs operate on a cash-only basis. The same cash is then used to pay suppliers and the running of the business without making its way into a business account. As a result, the bank is unable to determine the true profitability of the SME as cash has no paper trail. It is preferred to channel cash and transactions through a business account.
- 2 To help you with receiving payments, there are several devices available that facilitate the transition from cash transactions to funds being directly deposited into your business account.
- 3 It's also important to ensure the correct governance processes are in place. Financial reporting is important, so investing in a good bookkeeper or accountant is invaluable. Funders also require certain documentation to confirm your business's performance. You'll need to ensure all other compliance-related obligations have been adhered to. This may include FICA documentation, SARS, CIPC, and others.

The top 5 factors considered most important during the application process

- 1 The individual credit score
- 2 The bank will keep you informed during the application process
- 3 The ease of the process and the time it takes to approve the application
- 4 How soon the funds/facility would be made available if approved
- 5 The payment terms and interest rate offered

The way forward with FNB

Partnering with a reputable credit provider like FNB, which can assist with and simplify the credit application process, greatly improves your chances of accessing funds successfully. FNB has been strengthening its position as the preferred bank within the SME segment, with 85% of its main bank customers saying the bank is "ideal in their eyes". FNB also comes up strongly as the bank most likely to help owners achieve business success.

For more information or further insights call the **FNB Business Desk**, available 24/7 on **+27 (0) 877 362 247**

Help changes everything

Terms and conditions apply. Credit is subject to qualifying criteria.

First National Bank A division of FirstRand Bank Limited. An Authorised Financial Services and Credit Provider (NCRCP20).



empowering small businesses

WITH SUPPORT & ACCESS
TO ACCELERATE THEIR
GROWTH TRAJECTORIES

Small, and Medium Enterprises (SMEs) are widely acknowledged as the backbone of the South African economy, stemming from the various critical roles that they play, including job creation, community development and fostering of an inclusive economy within a difficult economic climate. Supporting and nurturing South African SMEs through access to finance, and capacity-building initiatives is essential for the sustainability of this important business sector.

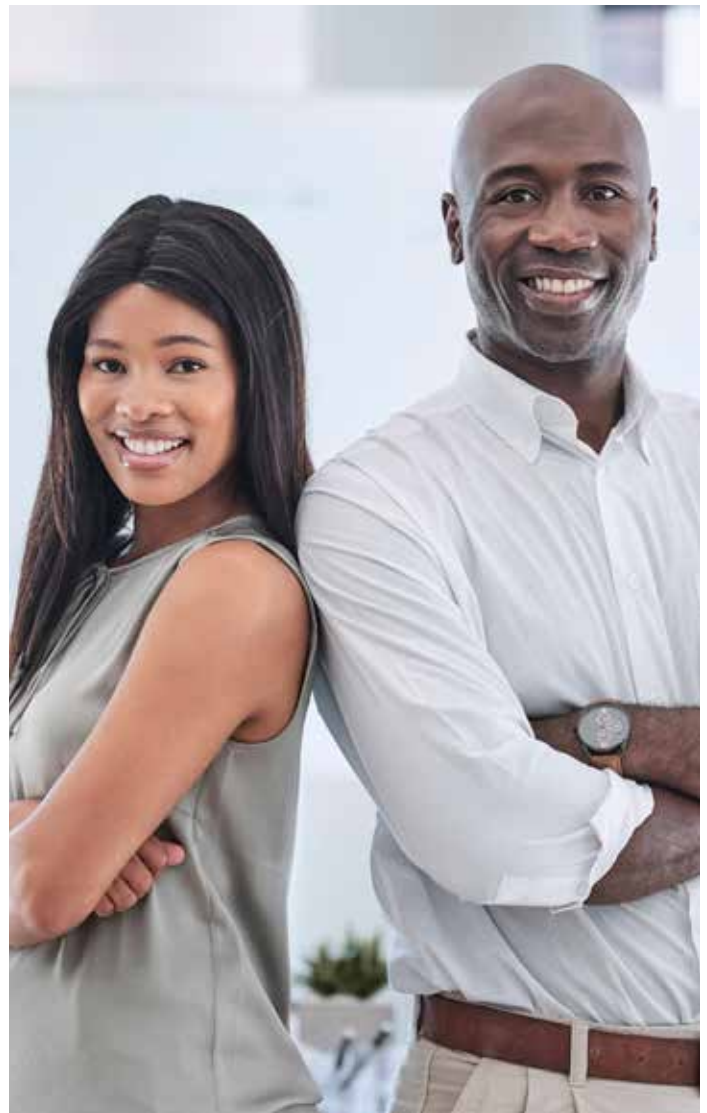
For SMEs, securing funding is an essential milestone towards establishing a solid foundation for long-term growth and sustainability. And while more and more funding is being made accessible to early-stage businesses, getting these businesses to the point that they are investment-ready is key.

When evaluating a business's appeal to investors, their uniqueness and the value of the product or service value will be assessed, along with whether the business is solving a significant problem or providing a compelling solution that differentiates them from competitors.

COMMON PITFALLS TO AVOID

Here are some factors that contribute to entrepreneurs failing to meet the specific needs and expectations of investors:

- ▶ Lack of preparation
- ▶ Ignoring legal or compliance issues
- ▶ A shortage of comprehensive and credible market information
- ▶ A lack of a unique selling point
- ▶ Unrealistic assumptions and flawed financial projections



KEY SUCCESS FACTORS

Here are some key considerations that SMEs can implement to better captivate the interest of investors:

- ▶ Some type of market research, customer surveys, testimonials, or successful pilot programmes to help test the validity and desirability of your product or service and become more investment ready.
- ▶ A business plan that demonstrates the viability of the business
- ▶ The capability of the entrepreneur and their team's expertise, track record and ability to execute the business plan
- ▶ Sound financial management
- ▶ Showcasing of social responsibility
- ▶ A compelling growth strategy that illustrates scalability and aligns with market trends



Sadly, without help, most SMEs fail within the first two years. Providing small businesses with access to both early-stage business finance and financial prowess through growth support will grow a more robust business sector in South Africa, bringing with it a myriad of benefits for our people and our economy.

Established in 2007, leading small business development specialist, Edge Growth, has an unmatched track record in designing and implementing customised, sustainable solutions for the business growth of SMEs, having managed the deployment of more capital to early stage SMEs than any other non-governmental SME fund in South Africa.



Edge Growth has unlocked growth constraints for progressive entrepreneurs with cutting-edge ideas, through purpose-led partnerships with corporate organisations, funding institutions and impact investors whose commitment for investing in the growth of SMEs mirrors their own.

EDGE GROWTH'S CURRENT IMPACT STATISTICS

- ▶ R1.4 billion in funding deployed
- ▶ Over 15 000 jobs created
- ▶ Over 20% average SME revenue growth
- ▶ Over 100 000 livelihoods affected
- ▶ Over 1 000 SME beneficiaries



Apart from supporting businesses to become investment ready, the essence of Edge Growth's approach involves addressing all possible growth constraints for SMEs on their business journey, by growing their knowledge and skills. Through access to training, mentorship and additional business resources, businesses are provided with the vital support they need to overcome obstacles and scale up.



Edge Growth partners with corporates, mentors and industry experts to co-create innovative, end-to-end solutions to provide SMEs with the skills and support they need to accelerate their growth trajectories. The organisation currently manages the [Vumela ESD Fund](#), the [ASISA ESD Fund](#), the [Edge Action ESD Fund](#), the [SAB Thrive Fund](#), and the [Abadali EEIP Fund](#), all of which have been established to support the growth and development of high potential SMEs in South Africa.

To apply for funding, click [here](#) and for more information, go to [edgegrowth.com](#).

EDGE
G R O W T H

Leading **Growth**. Igniting **Impact**.



PROMOTING INVESTMENT ACROSS SOUTH AFRICA

DEVELOPING REGIONAL ECONOMIES

The Industrial Development Corporation (IDC) actively promotes investment across all provinces in South Africa. With a keen interest in developing and growing regional economies, the corporation has offices in all nine provinces to ensure that entrepreneurs are opportunely serviced in the provinces they reside in. The primary outcome of the IDC's activities is to facilitate the creation of sustainable direct and indirect jobs.

ADDITIONAL OUTCOMES INCLUDES:

Regional equity, Expansionary BEE, Grow the MSME sector with linkages to priority sectors, Grow sectoral diversity and increase localisation, Environmentally sustainable growth.

Additional services offered is the IDC's business support programme which offers non-financial support to entrepreneurs.

The support is available during pre and post approval stages, including assistance to distressed clients.

The IDC funds start-up and existing businesses with a minimum funding requirement of R1 million and a maximum of R1 billion. The funding will be structured in the most appropriate manner to meet the business needs, and structuring options include:

- **Funding term:** short, medium and long-term loans are available
- **Payment holidays:** this can be negotiated where applicable, allowing for periods where no payments need to be made on either capital or interest.

The IDC's mandate requires a detailed due diligence investigation, the starting point of which is the applicant's business plan. IDC does not offer standard application forms, but guidelines for the content of a business plan are outlined in this document.

However, these guidelines may be expanded to address the specific circumstances and risks of the project under consideration.



THE IDC'S SMALL BUSINESS FINANCE AND REGIONS (SBF) STRATEGIC BUSINESS UNIT HOUSES ALL REGIONAL OFFICES THROUGHOUT THE COUNTRY INCLUDING THE OFFICE IN GQEBERHA.

Eastern Cape (West) -

Gqeberha:

Southern Life Gardens,
Block A (Ground),
70 2nd Avenue,
Newton Park,
Gqeberha, 6000

Tel: 041 3631640

Email: ecwest@idc.co.za

THE LATEST BUSINESS PLAN GUIDELINES CAN BE DOWNLOADED FROM IDC'S WEBSITE: [HTTPS://WWW.IDC.CO.ZA/DOCUMENTS-AND-POLICIES/](https://www.idc.co.za/documents-and-policies/)



FUNDING ON-LENDING

The Enterprise Finance sub-unit manages ECDC's loan finance product offerings and assists micro, small and Medium Enterprises (MSMEs) gain access to affordable

finance and related business development support to enable long term growth and sustainability. Through provision of short-term and long-term product offerings

ECDC OFFERING

1. CONTRACT BASED BRIDGING LOANS AS FOLLOWS:

1.1 Government contracts or Purchase Orders of duration 1 – 6 months

- Supply & Delivery once off
- Revolving services (provision of cleaning, security, groceries, etc.)
- Small Construction (renovations, maintenance, etc.)

1.2 Construction projects or contracts of duration 3 – 36 months

- Purchase of construction materials
- Payment of salaries and wages
- General working capital requirements

2. TERM LOANS AS FOLLOWS:

2.1 Small Term Loans of up to R500 000:

- Purchase of small assets and working capital
- Business Acquisitions
- Prime linked interest rate

2.2 Medium Term Loan of up to R10 Million :

- Purchase of assets and equipment
- Business Expansion
- Commercial property development
- Business Acquisitions
- Prime Linked interest rate

BUSINESS SUPPORT

Business Support sub-unit forms the backbone of enterprise development ecosystems which ensures sustainability of businesses. Pre- investment support ensures that businesses are ready for finance and post investment provides aftercare support. The sub-unit also supports and drives businesses towards market readiness.

A range of non-financial services which are sector-specific and demand-led

- Business advisory services and business counselling
- Business plan development
- Feasibility studies
- Due diligence
- Business valuation
- Marketing support – provision of marketing collateral such as brochures, flyers, signage, websites, digital marketing assistance.
- Mentorship and coaching
- Quality management support Intellectual property registration support and management
- Training and capacity building

INCENTIVES

IMVABA CO-OPERATIVE up to 400K

- Primary Co-operatives
- Purchase of Assets, Equipment and Raw Material
- Working Capital

Jobs stimulus and protection fund of R10K per

- Companies in distress
- Minimum 2 years in operation
- Maximum 250 jobs

Small township and rural entrepreneurship up to R75K

- Businesses operating in Small Towns, Townships and Rural areas
- Purchase of Assets and Equipment
- Working Capital
- Have been in existence for at least 12 months

FOR MORE INFORMATION:

Tel: 041 373 8260

Visit Us

329 Cape Road, Newton Park, Gqeberha, 6045

Website

www.ecdc.co.za

Opening Hours

Mon - Fri: 08h00 - 16h30

OUR CONSULTANTS DETAIL

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Board Members: V Jarana (Chairperson) • S Somdyala (Deputy Chairperson)
N Pietersen • S Siko • M Makamba • P Bono • T Cumming • B Mhlubulwana • X Titus • A Wakaba (CEO)

SUPPORTING SMALL ENTERPRISES

NON-FINANCIAL SUPPORT

SEDA VISION:

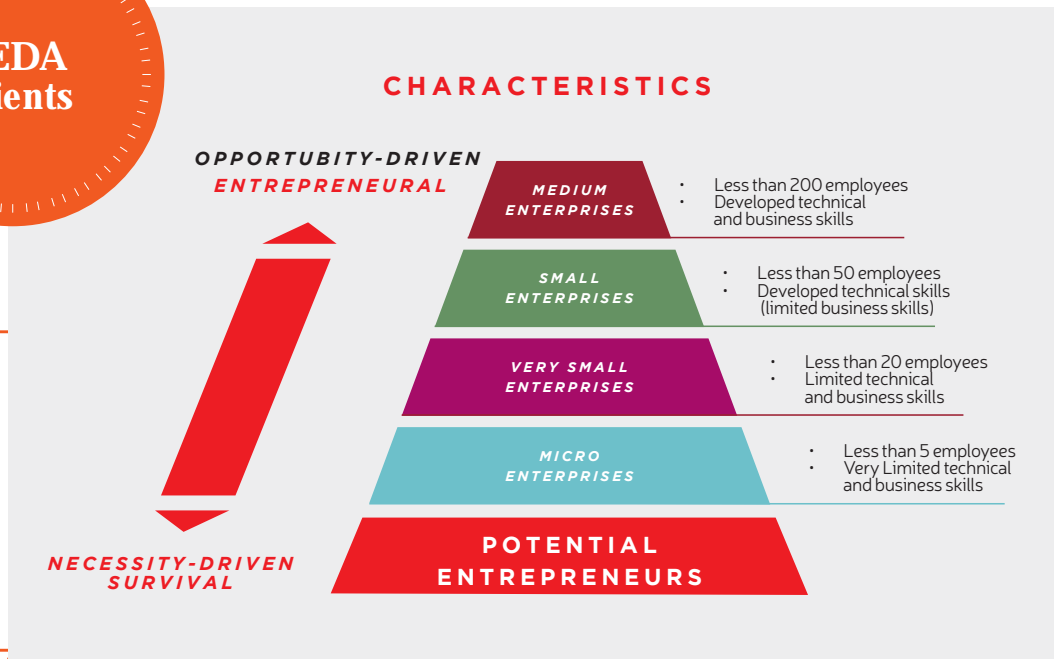
To be the Centre of Excellence for small enterprise development in South Africa.

SEDA GOAL:

To ensure that the small enterprise sector grows and increases its contribution to sustainable and equitable social and economic development, employment and wealth creation.

SEDA MISSION:

To develop, support and promote small enterprises to ensure their growth and sustainability in co-ordination and partnership with other role players.



SEDA OFFERINGS

SEDA BRANCHES PROVIDE OFFERINGS THAT ASSIST BUSINESSES IN VARIOUS PHASES OF THEIR LIFE CYCLE.



SEDA BUSINESS TALK

Offerings focusing on clients who want information on starting a business.

Assistance Provided:

- Business Advice and Information
- Small Enterprise Training
- Business Registration

SEDA BUSINESS START

Provides tools and techniques for clients who are ready to start a business and want assistance and direction.

Assistance Provided:

- Business Planning
- Business Counselling
- Facilitation of Access to Finance
- Business Support

SEDA BUSINESS BUILD

Offerings focusing on clients who want skills to sustain and strengthen their businesses.

Assistance Provided:

- Capacity Building Systems
- Mentorship
- Tender Advice / Procurement
- Export Readiness
- Franchising

SEDA BUSINESS GROW

Offerings focusing on clients who want to grow their businesses and expand nationally and internationally.

Assistance Provided:

- Business Systems Development
- Cooperative Support
- Growth Strategies

SEDA TECHNOLOGY PROGRAMME (STP)

The Seda Technology Programme was created as a special programme to manage different business incubators, facilitate technology transfer and quality interventions.

Incubation

The Incubation unit is designed to strengthen technology commercialisation and harness the entrepreneurship of the technology community in South Africa. This support directly helps inventors and new enterprises to use technology optimally in improving the competitiveness of their products and services. Furthermore, it facilitates access to business infrastructure, strategic guidance,

financial and legal advice, and creates an environment of learning and sharing in which information, experience and ideas are freely exchanged. Through Incubation, enterprises develop skills, knowledge and markets. These improvements are intended to lead to increased profitability and growth. Enterprises will be able to employ more people and enter new markets with cutting-edge products and services.

Process of Recruiting Incubatees:

Each incubator has its own incubatee recruitment/selection process that is unique to their sector. Applicants must contact the relevant incubator for the recruitment criteria.

Technology Transfer

The Objective of the Technology Transfer Unit is to promote and facilitate the transfer of technology which is appropriate, effective and competitive to small enterprises.

The Unit offers the following services:

- Grant funding for the acquisition of technology, such as equipment and machinery, to facilitate technology transfer;
- Improving access to technology information by small enterprises;
- Improving access to technology transfer funding through structured referrals to funding institutions;
- Linking inventors / universities or science councils with small enterprises or entrepreneurs with matching needs; and
- Facilitating technology partnerships between businesses locally and internationally. Applications for funding are facilitated through Seda branches and Incubators country wide.

Quality and Standards

The Quality and Standards unit ensures that small businesses have access to quality control and assessment processes, and provides training and access to accreditation and certifications.

Objectives of the Unit:

- To promote the importance of Quality and Standards as key drivers of South Africa's competitiveness;
- To enhance the quality and standard of products and services produced by South African entrepreneurs for national and export markets through providing advice and technical support;
- To develop technical skills needed to create a broader understanding of national and international compliance standards;
- To provide systems support to South African firms to upgrade their industrial capabilities through standards and quality assurance with a key focus on Small, Medium & Micro enterprises; and
- To provide Conformity Assessment support to Small Businesses in South Africa, helping them to overcome technical barriers to trade.



SEDA COURSES SUPPORT ENTREPRENEURIAL SUCCESS

Seda's five day entrepreneurial training courses empower small business owners with the necessary skills to enable them to take their businesses to greater heights.

Entrepreneurs learn to:

Market their business effectively;

- Understand the importance of building a reputable business profile as a marketing tool;
- Maintain financial records and develop their business plans.

The training courses also cover financial management, customer care, report writing and business writing skills, whilst helping entrepreneurs to identify areas of improvement for their businesses.



COOPERATIVES PUBLIC AND PRIVATE PARTNERSHIPS PROGRAMME

Mission: to promote the establishment of rural and collectively-owned enterprises and ensure their growth and sustainability by facilitating public and private partnerships.

The programme aims to identify markets, resources, technical assistance and capacity-building opportunities that will enhance competitiveness and sustainability of enterprises.

It focuses on four key sectors, namely

- Agro-processing,
- Community Tourism and Protected Areas,
- Mining and Mineral Beneficiation, and
- Trading and Auxiliary enterprises.

THE PUBLIC SECTOR MSME PAYMENT ASSISTANCE HOTLINE

The Public Sector MSME Payment Assistance Hotline helps facilitate payments for MSMEs who have been waiting for payment from the public sector institutions or government departments for longer than thirty days.

Public Sector MSME Payment Assistance Hotline: 0860 7663 729 or 0860 MSME PAY

Office location	Address	Tel/fax
Alfred Nzo Branch	Disaster Management Centre, Ayreni Street	039 254 6500/19 (T) 039 254 0599 (F)
Amathole Branch	49B Balfour Road, Vincent, East London	043 709 6200 (T) 043 726 9403 (T) 043 722 1976 (F)
Chris Hani Branch	Sasol Complex, Cathcart Road, Queenstown	045 808 6600 (T) 045 838 5078 (F)
Nelson Mandela Branch	68 Cape Road, Mill Park, Port Elizabeth	041 390 8500 (T) 041 373 3754 (F)
OR Tambo Branch	26 Sprigg, Street Theobrook - Centre, Mthatha	047 531 5075 (T) 047 532 3688 (T) 017 631 3703 48)

CONTACT DETAILS:

Small Enterprise Development Agency,
Eastern Cape Provincial Office,
4 Schewitz Road Berea, East London



Seda.dsbd



@Seda_dsbd



@Seda_dsbd

Tel: (043) 706 7600,

Fax: (043) 7711652

Information Centre: 0860 103 703

Email: info@seda.org.za

Website: www.seda.org.za



BUSINESS COMPLIANCE

MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES)

The aim of this article is to provide essential guidance to MSMEs to ensure that they have the necessary information to navigate their tax affairs and effectively interact with SARS, as well as empower them with the knowledge and tools required to meet their tax compliance obligations.

Companies are required to submit and pay Provisional Tax every six months from the start of their financial year, and to submit a Company Income Tax Return every 12 months after the end of their financial year.

The Small Business Essential Tax Guide contains more details on these and other taxes that companies may be required to comply with.

Companies must submit a return even if they are not trading, and/or immediately apply for deregistration if they do not intend to trade in the future. If you wish to deregister your company, please send an email to contactus@sars.gov.za and deregister with the Companies and Intellectual Property Commission.



TAX RETURN SUBMISSION PERIODS PER TAX TYPE

Types of business	Description	Tax Responsibilities
Sole Trader/ Owner	Operates on a small scale and run by Register for Personal Income Tax (PIT) self-employed individuals. Includes the and annually declare your business informal businesses. No requirement to register with Company and Intellectual Property Commission (CIPC	income on the Income Tax Return for Individuals (ITR12). Where you need to pay SARS, you must do so before the payment deadline reflected on your Notice of AssesMSMEnt (ITA34).
Partnership	Two or more people with common interest who join to run a business. No and annually declare your business requirement to register with CIPC. Each income on the Income Tax Return for partner will be taxed separately according to their share in the business.	Register for Personal Income Tax (PIT) Individuals (ITR12). Where you need to pay SARS, you must do so before the payment deadline reflected on your Notice of AssesMSMEnt (ITA34).
Private/Public Companies or Close Corporation	Formal business that is required to register with CIPC and obtain a company registration number. The company is separate from the owner and the owner is required to submit their Personal Income Tax.	<ul style="list-style-type: none"> • Automatic registration for Corporate Income Tax (CIT) when registering with CIPC and declare CIT annually on ITR14 • Register for VAT - if you qualify • Register for PAYE - if you qualify and special Small Business taxes: Turnover Tax, SBC or ETI • Payment of taxes
Co-operative	A Co-operative is formed when a group of people, with common interests, joins to achieve a certain economic, social or cultural goal, such as a stokvel, community agricultural venture, etc. A Co-operative is required to register with CIPC. Co-operative are taxed as companies	See Private/Public Companies or Close Corporation

All MSMEs must register, file a tax return, and make timely payments for all registered tax types. Failure for a company to comply with its tax obligations will result in penalties.

DETAILS MATTER, ESPECIALLY IN TAX. WHO IS A SARS-REGISTERED REPRESENTATIVE?

A registered representative is a person who is appointed with full rights to act on behalf of another legal entity (e.g., companies, trusts, etc.), often a public officer, accounting officer, an administrator, etc.

If a legal entity has more than one registered representative, one must be nominated as the official "representative" and registered with SARS.

HOW TO REGISTER A SARS-REGISTERED REPRESENTATIVE

There are two ways to register to be a SARS-registered representative:

- Online, via eFiling at www.sarsefiling.co.za; and
- Via the SARS Online Query System (SOQS) by clicking on the "Online Services" option on the SARS website.

MSME INCENTIVES

Being a small business can be rewarding in so many ways. All you need to do is be a qualifying MSME to register for the MSME Incentives and enjoy the benefits of reduced administration, tax rates or cost of hiring young job seekers.

We encourage qualifying small businesses to take advantage of SARS's tax incentives, which include:

- Turnover Tax for micro businesses that have a turnover of R1 million or less.
- Small Business Corporation status for small businesses with an annual turnover of up to R20 million. These businesses may qualify to pay less Income Tax.
- Employment Tax Incentive to incentivise employers to hire young job seekers.

PREFERRED COMMUNICATION CHANNELS – DIGITAL OFFERINGS

SARS's digital channels are available 24/7 to enable you to comply with your tax obligations.



eFiling: Most of your transactions with SARS will happen online via SARS eFiling. To register for eFiling, visit: www.sarsefiling.co.za.

Taxpayers who are registered for eFiling can engage with SARS online to submit tax returns, pay taxes, and register other taxes such as Value-Added Tax and Pay-As-You-Earn.

For more information and guidance on how to use our online service offerings, please visit our SARS TV channel on YouTube.

SARS Digital Self-service Terminals

At the Pepper Grove Mall in Grahamstown, you can find SARS Digital Self-service Terminals.

FOR MORE INFORMATION, PLEASE VISIT OUR PAGES AS LISTED BELOW.

Digital platform	Description and purpose	Website link
1. Small business webpage	This page is dedicated to MSMEs to share current and upcoming work being done.	https://www.sars.gov.za/businesses-and-employers/small-businesses-traders-and-travellers/
2. SOQS	The SOQS enables taxpayers to raise queries with SARS without having to go to a branch.	SARS Online Query (1.0.0.0 (Prod))

3. SARS branch and virtual appointment booking

Virtual Appointments:

- You can select any SARS branch or region when making a virtual booking. It does not have to be within the area in which you reside. If you get a message stating that the selected province or branch does not have available appointment slots, please choose another province or branch.

Branch Appointments

- You can now book a branch walk-in appointment via the eBooking system. Previously, you could only book this type of appointment through the SARS Contact Centre. We will display available timeslots and automatically cancel booked slots if you don't upload supporting documents within 24 hours.



South African Revenue Service (SARS)



South African Revenue Service (SARS)



SA Revenue Service (@sarstax)



SARS TV

Leveraging BDO Entrepreneurial

In the fast-paced and ever-evolving business landscape, small and medium-sized enterprises (SMEs) face unique challenges. To thrive and ensure longevity, SMEs must adopt robust strategies and tools that safeguard their operations and position them for future growth. BDO, Outsourcing Services which includes legal, secretarial, independent reviews, payroll and cloud accounting, offers a suite of services designed to help you navigate these challenges.



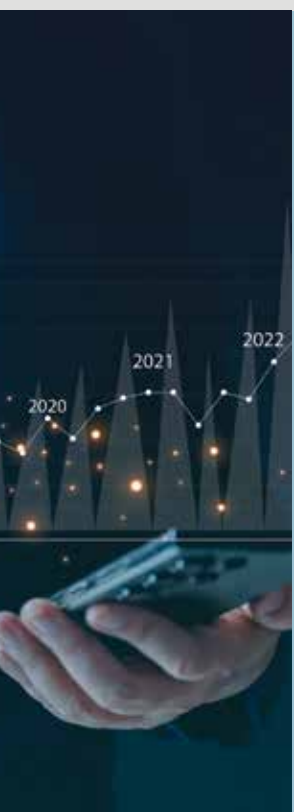
1. BDO Cloud Services: Comprehensive Business Support

BDO Drive is a holistic business support solution tailored to the needs of SMEs. It combines cloud-based technology with expert advice to deliver a range of services, including bookkeeping, payroll, taxes, financial reporting, and compliance. Here's how BDO Entrepreneurial can future proof SMEs:

▶ **Automation and Efficiency:** By automating routine tasks such as bookkeeping and payroll, BDO frees up valuable time for business owners to focus on strategic growth initiatives. Automation also reduces the risk of human error, ensuring more accurate financial records. We plug in automated

bank feeds as well as secure file transfers via our BDO portal and DEXT system.

- ▶ **Real-Time Financial Insights:** BDO Drive provides real-time access to financial data, enabling business owners to make informed decisions quickly. This immediacy is crucial in responding to market changes and seizing new opportunities.
- ▶ **Scalability:** As SMEs grow, their needs evolve. BDO Drive is scalable, offering additional features and services that can be tailored to the business's changing requirements, ensuring continued support through different growth stages.



2. Business Restructuring: Peace of mind during tough times

▶ **Restructuring and Business Recovery:** We provide business restructuring services, debt restructuring, business turnaround, insolvency advice and services to all stakeholders, including banks, private equity and other funds as well as government organisations. Our team works with our international network to operate seamlessly across borders.

▶ **Business Rescue:** Financial distress requires quick action and whether it requires a restructuring or the intervention of the business rescue provisions in terms of the Companies Act, 71 of 2008 we are able to assist. Our experienced professionals and support staff will assist you to navigate through the rough waters of a liquidation or the restructuring of the financial affairs of your business in a swift and professional manner.


▶ **Independent Business Reviews:** Our specialists are able to conduct a review on the viability of a company identifying financial, strategic and operational issues that are critical to stakeholders such as management, lenders and investors. Our

primary aim is to develop practical and appropriate commercial solutions and recommendations for the benefit of all stakeholders which may include an injection of funds from one or all stakeholders of new sources, the development of a turnaround plan or/ and the restructuring of the company.

- ▶ **Turnaround Management:** Our professional team has extensive experience in reviewing and critiquing a company, operationally and financially, and to then establish an appropriate strategy and implement the necessary changes.
- ▶ **Liquidations and Insolvencies:** It is often inevitable that formal liquidation or personal insolvency will be the most beneficial outcome for all stakeholders and for this we have a team of experienced insolvency practitioners with the ability to deal with any matter, no matter how small or large. We are also able to turn a formal liquidation process into a subsequent restructuring in terms of the Companies Act, 71 of 2008.



3. BDO Strategic Advisor: Navigating Complex Challenges



BDO's strategic advisory services offer SMEs access to seasoned experts who provide guidance on a wide range of business issues. Here's how strategic advisors can future-proof your business:

- ▶ **Market Analysis and Strategy:** BDO strategic advisors conduct thorough market analyses to help you understand your competitive landscape and identify growth opportunities. This information is crucial for developing effective market entry or expansion strategies.
- ▶ **Operational Efficiency:** Advisors work with businesses to streamline operations, reduce costs, and improve efficiency. This might involve process reengineering, supply chain optimisation, or adopting new technologies.
- ▶ **Digital Transformation:** Embracing digital transformation is essential for staying competitive. Strategic advisors guide you in adopting digital tools and platforms that enhance productivity, customer engagement, and operational agility.
- ▶ **Succession Planning:** For long-term sustainability, you need robust succession plans. Strategic advisors assist in developing these plans, ensuring a smooth transition of leadership and continuity of business operations.

Integrating BDO Services for Comprehensive Support

The true power of BDO's offerings lies in their integration. By combining BDO Entrepreneurial services, Business Restructuring, and Strategic Advisory services, you receive comprehensive support that covers all critical aspects of their business. This integrated approach ensures that all elements of the business work in harmony towards common goals.

For instance, real-time financial insights from us can inform the strategic planning conducted, while the strategic advisor's market analysis can guide both financial strategies and operational improvements. This synergy creates a robust framework that not only protects the business from immediate threats but also positions it for future growth and success.

Conclusion

In today's competitive environment, SMEs must be proactive in protecting their business and planning for the future. BDO's suite of services we can offer a comprehensive solution to these needs. By leveraging these tools and strategies, you can enhance efficiency, gain strategic financial insights, and navigate complex market challenges, ensuring they are well-equipped to thrive both now and in the future.

For more information contact:

Siyabonga Mthembu
BDO Audit Partner
smthembu@bdo.co.za
+27 81 246 6868

Scan this code



www.bdo.co.za

AUDIT • ADVISORY • TAX



**ZANDILE
SILO**

Propella Business Incubator

**MARKETING
& COMMUNICATIONS
OFFICER**

SOCIAL MEDIA 101:

BUILDING A STRONG ONLINE PRESENCE

Building a social media presence is like navigating a busy street filled with people from all walks of life. Imagine you're walking down this street, which is filled with commuters, families, other business owners, and even bystanders who notice your presence but may not yet know you. Some are walking with purpose, while others are just browsing around.

Your goal, as a business, is to make your way through this crowd, creating connections and relationships with those who may eventually become your loyal customers.

Just as you wouldn't stop in one place indefinitely, you keep moving, engaging, and adapting to those around you—this is the consistency required for social media success.

It's important to note the potential reach and accessibility that social media offers businesses. In 2024, South Africa has around 26 million social media users, representing approximately 42.8% of the country's population. This means that, as a business, you have the opportunity to reach nearly half of South Africa's population, introducing them to your brand and offerings using social media as a tool.

**Master
Social
Media**

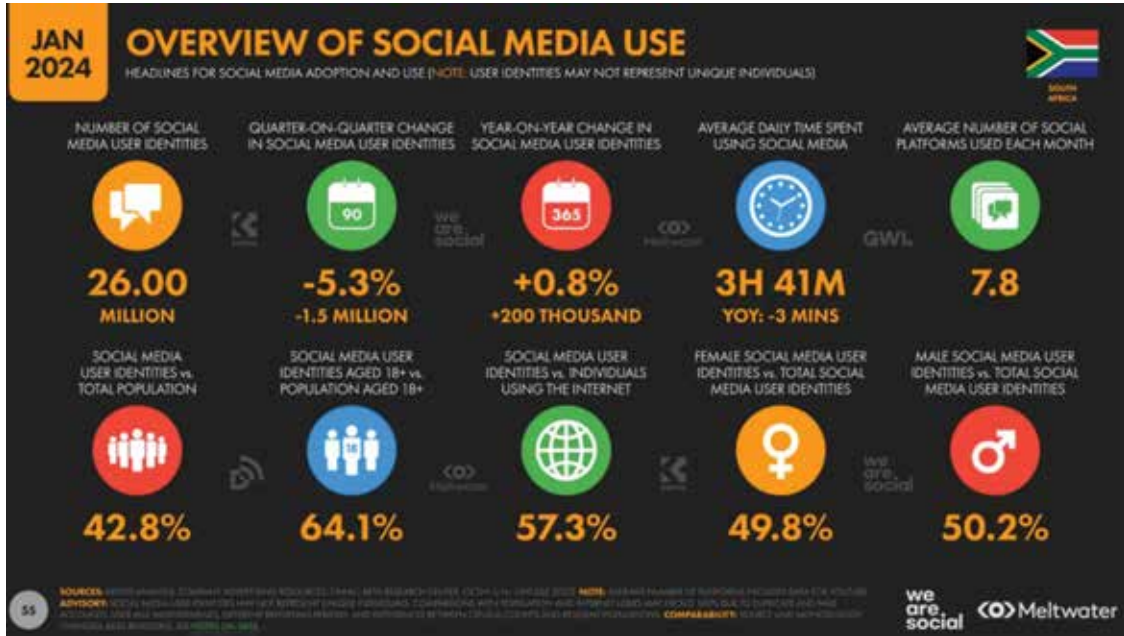
**IN 2024, SOUTH
AFRICA HAS AROUND
26 MILLION SOCIAL
MEDIA USERS.**

**TO
DRIVE
BUSINESS
SUCCESS**

IN THIS SECTION OF THE HOW-TO GUIDE

We share effective strategies for building a strong online presence that helps MSMEs create a sustainable brand on social media.

We will cover ways to engage with your target audience and how to develop a robust content plan.



HOW TO ENGAGE WITH YOUR TARGET AUDIENCE

Just as you might choose who to approach on a busy street, identify your ideal audience on social media. Who are they, and where do they “walk”?

Consider which platforms your target audience is most likely to use, such as Instagram for lifestyle content or LinkedIn for business-related content. Spend some time observing where they spend time online to help guide your presence on these platforms. Being specific about your target audience will directly impact how well you engage with them.

A practical way to define this is by asking yourself these five key questions:

- Who does my business primarily speak to?
- What problem is my business aiming to solve?
- Where are my customers located?
- When are my customers most active or available?
- Why would my customer want to engage with my business?

Lastly, once you have identified and got to understand your audience it is time to engage with them. Be personal. Building relationships online is like striking up conversations with people you meet. Reply to comments, answer questions, and engage with followers’ content. This is how people start to trust you and view your business as approachable.

Give your audience a distinct name that reflects what you offer and the value they gain from your business. If your brand promotes confidence or security, choose a name that reinforces these qualities, helping to build a relatable and reassuring connection with your audience.



DEVELOP A STRONG CONTENT PLAN

Think of content planning as the map that guides you through that busy street full of people. Imagine walking down this street regularly, you want to be noticed, remembered, and even approached by the right people. Content planning is how you ensure each step you take adds value, stays relevant, and speaks to the people you want to engage with. A strong content plan keeps your social media presence consistent, impactful, and engaging.

HERE ARE SOME USEFUL WAYS THAT CAN HELP YOU PUT TOGETHER A STRONG CONTENT PLAN THAT YOU CAN REVIEW ON A MONTHLY BASIS:

- Clearly define your goals – what are you aiming to achieve this month? Outline your goals and be as specific as possible. Whether you are hoping to grow your following by 10 followers or 100 followers, or you want to get at least 5 bookings, or get users to subscribe to your email list via the link in your bio. Setting these goals helps you track your progress and identify ways to achieve them more effectively.
- Categorise your content goals – You have already established what you are aiming to achieve with your platforms, now categorise the content you want to share



with your audience. For example, if you run an online food delivery app and you are creating a content plan, you might include categories such as How to Order, Shops Available, Customer Feedback, and Product Reviews. These categories guide your posting strategy and keep your audience informed about your business.

- Schedule your content – Create a posting schedule that fits your capacity—whether it's daily, a few times a week, or weekly. Consistency is key, so start with what's manageable and adjust over time. It is important to outline what kind of post you want on specific days. To manage your content effectively across various platforms, consider using content management tools. For example, if you're using Facebook, Instagram, and WhatsApp Business, you can download Meta Business Suite to streamline the management of your Meta platforms.

- Identify your content form – It's important to use different forms of content tailored to the specific platforms you've identified. While most social media platforms support similar content types such as images, text, video, audio, graphics, or animations, select the format that best conveys the message you want to share. For instance, if you're running an online food delivery app, an effective way to create a How to Order guide could be a screen recording of someone placing an order, accompanied by a voice-over explaining the process. Alternatively, you could create visual graphics that demonstrate the steps using text. Choose your content formats thoughtfully and mix and match them to effectively communicate your message.

CONCLUSION

Creating a solid content plan revolves around highlighting the best qualities of your business. Focus on establishing a unique voice for your content through effective branding and consistency. The more visible you are, the better your chances of connecting with your audience.

As part of the work we do, Propella Business Incubator provides entrepreneurs in the ICT and Industrial sectors with marketing support (include other business development support) and assists them in developing effective marketing strategies within a structured

business incubation program. Propella's focus areas are energy efficiency and related technologies, processes and services; renewable energy generation and related technologies advanced manufacturing (products, processes and methodologies), maritime, agriculture, healthcare, ICT and Internet of Things.

We hope this section of the How-to Guide helps you establish a strong online presence for your business and navigate social media effectively. Our aim is to empower you to not only survive but thrive in this competitive digital landscape.



INNOVATION AND DIGITISATION

A SPOTLIGHT ON MTN'S INITIATIVES

In the dynamic world of micro, small and medium sized enterprises (MSMEs), technological advancements are crucial for enhancing efficiency, growth, and resilience. MTN Business, a leading telecommunications company, is at the forefront of this transformation, empowering MSMEs in South Africa with innovative tech solutions.

MTN Business provides a comprehensive suite of solutions tailored to address MSMEs' unique challenges. Songezo Masiso, MTN's GM for MSME and Indirect Channel, highlights the impact of their offerings: "Through Microsoft 365 and cloud-based services, MTN Business equips MSMEs with tools to streamline operations, collaborate effectively, and maintain a competitive edge. Cloud migration offers MSMEs enhanced flexibility, scalability, and cost-efficiency, allowing them to concentrate on core business activities and drive growth."

Cybersecurity is a critical concern for MSMEs due to the rise in cyber threats. MTN Business addresses this with a range of cybersecurity services to protect digital assets and prevent cyber-attacks. These services include threat detection, data encryption, and secure communication channels, providing MSMEs with the security they need to operate confidently in the digital realm. In South Africa, load shedding poses significant challenges for MSMEs, disrupting operations and growth. To mitigate this, MTN Business has partnered with Huawei to offer solar power solutions tailored for MSMEs. Masiso explains, "These solutions provide a reliable energy source, helping MSMEs counter the effects of load shedding and maintain uninterrupted operations. MTN also offers flexible financing for these solar solutions, ensuring affordability and accessibility for all businesses."

Beyond technological solutions, MTN Business is committed to MSME empowerment through education and support. The MTN MSME HUB platform provides access to valuable

resources, including educational content, business tools, and networking opportunities. Additionally, MTN offers training programs and collaborations to equip MSMEs with essential knowledge and skills for success in today's competitive market.

One notable initiative is the MTN Momo app, this app enables MSMEs to access digital financial services. Masiso elaborates, "Besides facilitating online payments and transactions, the Momo app will soon offer MSME loans, providing necessary capital for growth. Its flexibility and scalability allow MSMEs to customize the app according to their specific needs."

Accessibility is a key aspect of MTN's approach, offering multiple channels for engagement and support, including physical stores, online platforms, and personalized outreach. This ensures MSMEs have continuous access to the resources and assistance they need.

Looking forward, Masiso identifies several trends shaping the MSME landscape in South Africa. These include the ongoing growth of cloud solutions due to increased demand for online services and enhanced connectivity solutions like affordable fibre networks driving digital transformation. Additionally, the rise in cybersecurity measures and IoT integration helps MSMEs protect digital assets and leverage new technologies to optimize operations and drive growth.

For MTN Business, success is measured not just by financial metrics but by the tangible value and impact delivered to MSMEs. By focusing on customer satisfaction and feedback, MTN Business continually assesses the effectiveness of its solutions in meeting MSMEs' needs and expectations. "Our ultimate goal is to empower MSMEs with the tools, resources, and support they need to thrive in today's competitive business environment, thereby driving economic growth and prosperity across South Africa," concludes Masiso.

FOR MORE INFORMATION:

Call: 083 123 1800

Click: www.mtnbusiness.co.za

MTN MSME HUB: <https://mtnMSMEhub.co.za/>

Visit: MTN Stores

Gershwin Williams

E-mail: Gershwin.williams@mtn.com

Call: 083 212 9866

Or

Beverly Strydom

E-mail: Bervely.strydom@mtn.com

Call: 083 200 7707



**LUPHUMLO
JOKA**

*Nelson Mandela Bay
Business Chamber*

**DIRECTOR OF GLOBAL LEADERSHIP
CONSULTANTS (PTY) LTD**

UNLOCKING SALES SUCCESS:

PROVEN STRATEGIES FOR MSMEs

At Global Leadership Consultants (GLC), we believe in the transformative power of effective leadership, personalised strategies, and a robust organisational culture.

Our mission is to develop authentic leaders capable of driving significant societal changes. We offer an extensive range of services, including executive leadership development, business consultancy, skills development, business coaching, team building, online learning, project management, enterprise and supplier development, keynote speaking, and social media management. Over the past nine years, we have had the privilege of collaborating with numerous esteemed public and private organisations across South Africa. These include Nelson Mandela University, SAICA Enterprise Development, the Small Enterprise

Development Agency, the Eastern Cape Development Corporation, Inxuba Yethemba Municipality, and many others.

Our goal is to support organisations in achieving excellence, innovation, and purpose.

As a business coach working with hundreds of MSMEs across the Eastern Cape and beyond, I have witnessed firsthand the unique challenges and triumphs of small and medium-sized enterprises. Many entrepreneurs, despite their remarkable talents and dedication, often overlook the crucial aspects of having a robust sales process and systems. This article aims to guide you through enhancing your sales strategies to achieve better results.



UNDERSTANDING SALES PROCESSES AND SYSTEMS

A well-defined sales process is the backbone of any successful sales operation. It ensures consistency, efficiency, and effectiveness in converting leads into loyal customers. The sales process we advocate for comprises several critical stages, each requiring specific strategies and tools to maximize success. Many business owners I have worked with, even those turning over millions annually, do not have documented sales processes and systems. I want to take you through seven essential steps in the sales process we teach our clients: prospecting, approach and contact, delivering compelling presentations, follow-ups, mastering closing and delivery, obtaining referrals, and maintaining relationships with existing clients.

The first stage is Prospecting, where identifying potential leads and qualifying them is essential. Start by defining your Ideal Customer Profile (ICP), identifying the characteristics of your best-fit customers. Utilise multiple lead sources such as networking events, social media, referrals, and online directories. Conduct thorough research to understand the business, pain points, and decision-makers of potential leads. Qualify your leads to determine if there is a genuine fit and potential for a sale. Prioritise hot leads that show high interest and alignment with your offerings and nurture warm leads not yet ready to buy.

The next stage, Approach & Contact, involves establishing trust and building rapport with potential clients. People do not buy from businesses they don't trust. Focus on active listening to understand their needs, challenges, and goals. Position your product or service as a solution to their problems through solution-oriented communication.

Tailor your approach to each lead and maintain consistent follow-up through various channels, such as email and phone calls. Utilise Customer Relationship Management (CRM) tools to track interactions, notes, and set reminders for follow-ups.

Presentation is where you showcase the value of your product or service. Craft a compelling narrative that engages your audience and highlights the benefits and return on investment (ROI) your offerings provide. Be prepared to handle objections and use visuals, such as charts, graphs, demos, and testimonials, to support your presentation. Encourage audience participation and project a positive and knowledgeable demeanor.

Following the presentation, the Follow Up stage is crucial. Respond promptly after initial contact or a presentation, utilising multiple touchpoints such as email, phone, and social media to stay in touch with leads. Provide additional information, address concerns, and offer solutions.

Track and prioritise follow-ups, maintaining a system for managing them efficiently. Be persistent but respectful, and set clear next steps and deadlines after each follow-up.

The Close & Delivery stage involves handling objections, negotiating terms, and ensuring a smooth transition for the customer into product or service use. Address final concerns and reiterate the value proposition. Aim for a win-win outcome through effective negotiation skills. Ensure all terms are understood and mutually agreed upon, creating urgency with time-sensitive offers or incentives where appropriate. Provide seamless onboarding and exceed expectations during delivery to build a lasting relationship.

Once a sale is closed, focus on Referrals. Exceptional customer service fosters loyalty and advocacy. Proactively ask satisfied customers for referrals and incentivise them with rewards programs or discounts. Collect and share success stories through testimonials and case studies. Make it easy for customers to refer others by providing ready-made referral materials and online forms. Monitor referral sources and success rates to optimise your referral program.

Maintaining Relationships is an ongoing effort. Regular communication through newsletters, updates, and personalised messages helps keep clients engaged. Regularly seek and act on customer feedback to improve your offerings. Reward loyal customers with exclusive offers and early access to new products or services. Acknowledge and celebrate significant milestones with your customers to further strengthen your relationships.

PSYCHOLOGICAL GAME CHANGERS

To truly excel in sales, it is essential to understand the psychological aspects that drive purchasing decisions. Over the past decade, I have had several pivotal insights that have significantly enhanced sales outcomes for



organisations. One of the most impactful realisations is the importance of focusing on demonstrating value before discussing pricing with prospects. When engaging with new clients, emphasising the value of our offerings before mentioning the cost has transformed our interactions and enabled our team to build more meaningful relationships with numerous clients.

Another crucial game changer is the ability to tailor the sales process to your specific business and customer base. Every business and market is unique, and having the flexibility to adjust your sales approach accordingly is vital. This adaptability can lead to more effective engagements and better results.

Investing in building strong, lasting relationships is also paramount. The quality of your relationships directly influences the quality of your sales. By fostering genuine connections and maintaining ongoing communication, you can create a loyal customer base that supports your business's long-term success.

BUILDING THE RIGHT SALES CULTURE

Creating a positive sales culture is pivotal for long-term success. It encompasses how your sales team operates and what your organisation values and tolerates. To build the right sales culture that attracts talent, several key elements must be considered. Firstly, hiring for cultural fit is essential to ensure new hires align with your company values and culture. For instance, our organisation is filled with young, vibrant individuals who emphasize outcomes over inputs. This leadership style and philosophy extend to our sales approach.



We provide targets (outcomes), and the team figures out how to achieve them (inputs). When hiring, we often look beyond qualifications and experience to determine if the candidate will fit this culture.

Secondly, it is crucial to set and communicate clear goals and expectations. A lack of functional clarity can be frustrating and hinder a sales team's success. Ensuring that every team member understands their objectives and what is expected of them is fundamental to achieving maximum effectiveness.

Thirdly, promoting collaboration and knowledge sharing within your team is a game changer. While healthy competition is beneficial, it should not become toxic or breed selfishness. Encourage your salespeople to share leads and client information and promote continuous learning. Investing in ongoing training and development is essential for maintaining a high-performing team.

Finally, offering a fair and transparent compensation plan is vital for motivating your team. Regularly acknowledging and celebrating achievements also plays a significant role in maintaining morale and motivation. Recognising successes, both big and small, helps create a positive and supportive sales environment that drives sustained success. At Global Leadership Consultants, we are committed to supporting MSMEs through customized sales training programs, sales process optimization, CRM implementation, lead generation strategies, and sales coaching. Our team is dedicated to helping you achieve sustainable growth and success.

FOR MORE INFORMATION, PLEASE CONTACT US AT:

Email: joka@globalleadership.co.za

Cell: 041 404 2435

Address: 134 Kempston Road, Port Elizabeth

Website: www.globalleadership.co.za

BY REFINING YOUR SALES PROCESSES AND SYSTEMS AND ADOPTING A PROACTIVE APPROACH TO SALES CULTURE, YOUR MSME CAN ACHIEVE SUSTAINABLE GROWTH AND SUCCESS. LET GLOBAL LEADERSHIP CONSULTANTS BE YOUR PARTNER IN THIS JOURNEY.



**CANDICE
PEARCE**

*Nelson Mandela Bay
Business Chamber*

EVENTS CO-ORDINATOR

LEVERAGING EVENTS

FOR MSME GROWTH

Micro, Small, and Medium Enterprises (MSMEs) face unique challenges in expanding their networks and maintaining healthy relationships with customers and stakeholders. One effective strategy to address these

challenges is through hosting and attending events. This guide provides actionable insights on how MSMEs can capitalise events to foster growth, network expansion, and relationship management.

HOSTING EVENTS

1. TYPES OF EVENTS MSMEs CAN HOST

a. Product Launches:

Organising a product launch event can create buzz around new offerings. Invite local media, influencers, and loyal customers to generate word-of-mouth marketing.

b. Workshops and Seminars:

Educational events where experts share knowledge on relevant topics can position the MSME as a thought leader in its industry. These events attract potential customers interested in the subject matter.

c. Networking Mixers:

Host informal gatherings where local business owners and professionals can meet and exchange ideas. This facilitates valuable connections and potential collaborations.

d. Customer Appreciation Events:

Show appreciation to loyal customers through exclusive events. This fosters customer loyalty and provides opportunities for feedback.

e. Community Engagement Events:

Participate in or sponsor local community events. This enhances the MSME's visibility and reputation within the community.



2. BENEFITS OF HOSTING EVENTS

a. Increased Brand Awareness:

Events provide a platform to showcase the MSME's brand, products, and values. Engaging with attendees in person can leave a lasting impression.

b. Direct Customer Feedback:

Hosting events offers a unique opportunity to interact directly with customers, gaining insights into their preferences and areas for improvement.

c. Strengthened Relationships:

Personal interactions at events can deepen relationships with customers and stakeholders, fostering trust and loyalty.

d. Content Creation:

Events generate content that can be used for marketing purposes, such as social media posts, blog articles, and video testimonials.

b. Networking Opportunities:

Events provide a platform to meet potential clients, partners, and investors. Building a robust network can lead to business growth and collaboration opportunities.

c. Brand Exposure:

Presence at events increases brand visibility and credibility. It shows that the MSME is active and engaged in its industry.

d. Inspiration and Innovation:

Exposure to new ideas and innovations at events can inspire MSMEs to implement fresh strategies and technologies in their own business.

e. Skill Development:

Workshops and seminars offer valuable learning experiences that can enhance the skills and competencies of the MSME's team.

ATTENDING EVENTS

1. TYPES OF EVENTS TO ATTEND

a. Industry Conferences:

Participating in industry-specific conferences helps MSMEs stay updated on trends, network with peers, and learn from industry leaders.

b. Trade Shows:

Exhibiting at trade shows provides exposure to a broader audience and potential customers. It's also an excellent opportunity to showcase products and services.

c. Networking Events:

Regularly attending networking events can lead to valuable connections and partnerships. It's essential for expanding professional networks.

d. Training and Development Workshops:

These events help MSMEs and their employees acquire new skills and knowledge, which can be applied to improve business operations and strategies.

e. Community Events:

Participating in community events enhances the MSME's local presence and builds goodwill within the community.

2. BENEFITS OF ATTENDING EVENTS

a. Market Intelligence:

Attending events allows MSMEs to gather information on market trends, competitor activities, and customer needs. This knowledge is crucial for strategic planning.

BEST PRACTICES FOR MAXIMISING EVENT IMPACT

1. PRE-EVENT PLANNING:

Set clear objectives for what you aim to achieve from the event, whether it's brand awareness, lead generation, or customer engagement. Promote the event through social media, email newsletters, and partnerships to maximize attendance.

2. ENGAGEMENT DURING THE EVENT:

Ensure active participation by engaging with attendees through interactive presentations, Q&A sessions, and live demonstrations. Collect contact information and feedback from participants.

3. POST-EVENT FOLLOW-UP:

After the event, follow up with attendees to thank them for their participation and share any promised content or resources. Use this opportunity to nurture leads and maintain the relationships initiated during the event.

For MSMEs, hosting and attending events can be powerful tools for growth and relationship management.

By strategically planning and leveraging various types of events, MSMEs can enhance their brand visibility, build strong networks, and maintain healthy relationships with customers and stakeholders.

Implementing these strategies can significantly contribute to the overall success and sustainability of an MSME.

STIMULATING LOCAL INNOVATION THROUGH SUPPLIER DEVELOPMENT INITIATIVES

ABOUT ENTSA

eNtsa is acknowledged internationally as an innovation hub that supports R&D, testing and technology diffusion for the engineering and manufacturing sectors, with a focus on the automotive, power generation and petrochemical industries. eNtsa is a registered engagement institute of Nelson Mandela University and hosts several programmes and projects to advance engineering support for technology and human resource development within South Africa.

eNtsa contributes to industry with a vast range of specialised services which are aimed to support and stimulate local innovation through supplier development initiatives. eNtsa is able to make much needed engineering skills, services and training more readily available to MSMEs operating in the local manufacturing and automotive sector through our Technology Station Programme (TSP), supported by the Technology Innovation Agency (TIA) and the Department of Science and Innovation.

MSME SUPPORT PROGRAMMES

Qualifying MSMEs are able to access eNtsa's services at subsidised rates, assisting in the competitiveness of

local industry. Below are two of eNtsa's MSME support Programmes.

Technology Station Programme (TSP)

This programme facilitates limited free technology demonstrations to investigate solutions to your technical challenges and provides access to partially subsidised testing and engineering services for MSMEs in any industry sector. The goal of this programme is to foster and promote local engineering innovation and enhance the competitiveness of local manufacturers. This helps access new markets, boost localisation efforts, drives industry transformation, and supports growth.



Automotive Localisation Testing Programme (ALT)

The eNtsa ALT programme is a regional initiative which provides product and material testing support specifically to automotive component manufacturers linked to the Eastern Cape. The programme focuses on supporting MSME, Tier 2/3 suppliers involved in localisation of a component for supply to an OEM or Tier 1 supplier. Limited support may be provided to qualifying suppliers and localisation projects at no cost for various stages of localisation, including product development testing and expansion of production testing to improve quality control.





Training Opportunities

ENTSA'S TRAINING ACADEMY

Provides knowledge transfer opportunities through short-format solution-driven training workshops. Our training is presented in various formats to suit your needs. The eNtsa Training Academy can assist MSMEs and manufacturers with skill upliftment interventions to bridge skill needs in technical concepts and skills for youth, technology awareness, material understanding, and niche engineering fields.

Training opportunities are circulated on our website and social media platforms. MSMEs may qualify for subsidised rates through eNtsa's MSME support Programmes.

FOR MORE INFORMATION, PLEASE CONTACT US AT:

eNtsa Reception: 041 – 504 3608

Testing Service Enquiries: eNtsatesting@mandela.ac.za

Training Enquiries: eNtsaTA@mandela.ac.za

Julien De Klerk - Engineering Engagement Director

Julien.deklerk@mandela.ac.za

Lethario Ganess - Senior Engineer: Supplier Development

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THE ABOVE MSME SUPPORT INITIATIVES ARE POSSIBLE THROUGH THE SUPPORT OF OUR STRATEGIC PARTNERS



CONNECTING EMPLOYERS TO ENGAGED AND TALENTED WORK-SEEKERS FOR FREE



PRESIDENTIAL
YOUTH
EMPLOYMENT
INTERVENTION



SA Youth is part of the **Presidential Youth Employment Intervention (PYEI)**, a comprehensive response to the challenge of youth unemployment in South Africa.

SA Youth is managed by Harambee Youth Employment Accelerator and uses innovative zero-rated technology to connect young people to jobs and learning opportunities and allows employers to reach millions of young entry-level work-seekers nationally.

WE OFFER EMPLOYERS:

- » A platform that is user-friendly and efficient, and makes it easy to identify and screen applicants
- » Ability to list multiple types of opportunities: jobs, learnerships, apprenticeships, internships, volunteering, entrepreneurial and social programmes
- » Free of charge

WE OFFER YOUNG WORK-SEEKERS:

- » Access learning and earning opportunities at no cost
- » Get work-seeker support to make themselves more employable
- » Get support via multiple channels: zero-rated mobi-site, WhatsApp, e-mail, toll free line, social media



Access 3.5 million+ engaged youth nationally (60% female) for entry-level roles



Easy to use online platform - reduces admin and streamlines your recruitment process



Matches work-seekers to your vacancies based on geography, education and your customised requirements



List unlimited vacancies, pull reports, track applications



A team of people ready to support you to register, load opportunities and use SA Youth



No cost to you. Just your commitment to provide feedback on who you have hired within 20 days

Join the growing SA Youth network for your entry-level recruitment needs!
Contact us on info@sayouth.org.za | **Register** on partners.sayouth.org.za



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