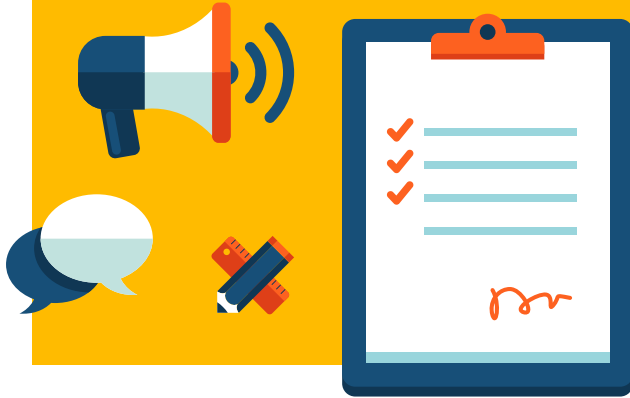




2018 NATIONAL SMALL BUSINESS SURVEY

A National Small Business Chamber (NSBC) Initiative



Highlighting the challenges and needs of Small Business South Africa

OVERVIEW

In the 4th quarter of every year, the National Small Business Survey, the largest survey of its kind, is conducted by the NSBC. The aim of the survey is to understand the challenges and needs of this all-important community. The survey findings then allow the NSBC and its select array of National Partners to use these findings in their own organisations for the sole purpose of addressing the challenges and needs, to make a meaningful difference to the thousands of small to medium size businesses throughout South Africa - the mainstay of our economy.

Who did we survey

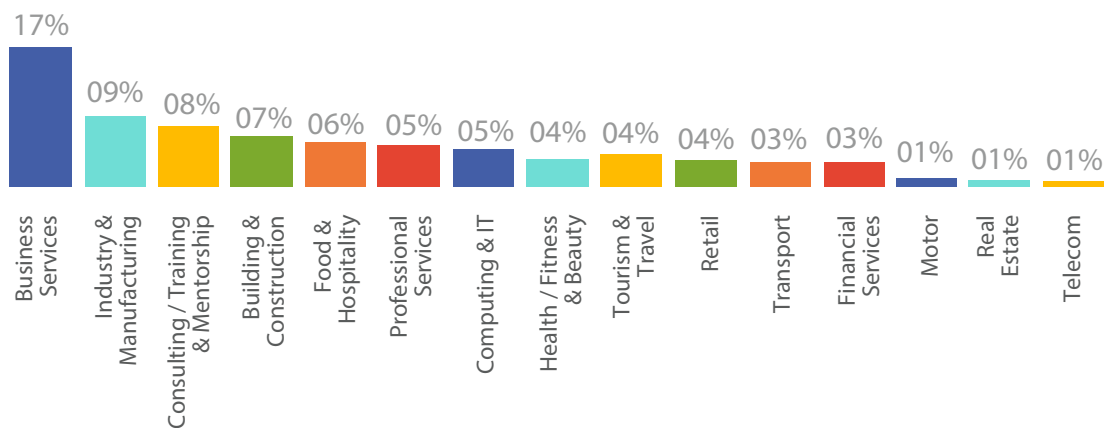
The survey is aimed at small businesses across all industry sectors from all nine provinces in South Africa, and is targeted to all businesses with a staff compliment of under 250 employees.

Who is the NSBC?

The NSBC is where small business is big business, it's South Africa's largest organisation representing the small to medium size enterprise sector (SME).

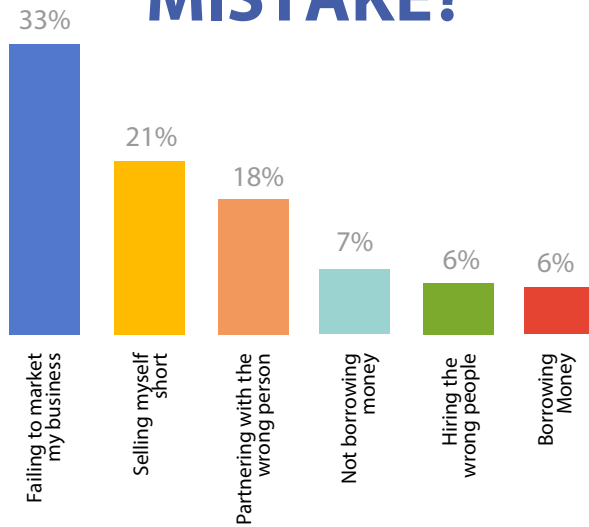
2018 SURVEY FINDINGS

IN WHICH INDUSTRY DO YOU OPERATE?



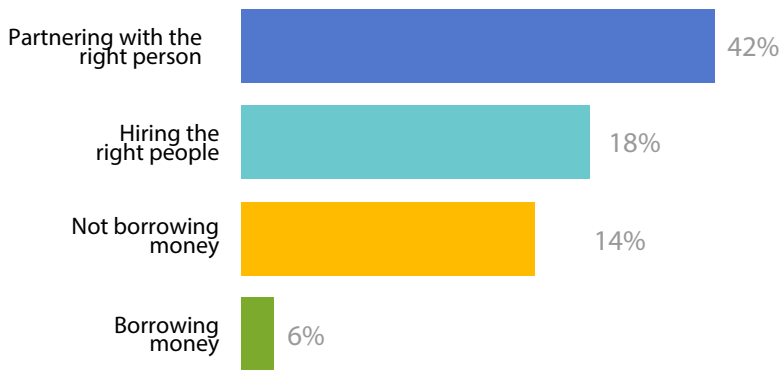
22% of respondents selected "Other"

WHAT IS YOUR BIGGEST BUSINESS MISTAKE?



9% of respondents selected "Other"

WHAT IS YOUR BIGGEST BUSINESS SUCCESS?



20% of respondents selected "Other"



WHAT IS THE **BIGGEST OBSTACLE** HOLDING YOUR BUSINESS BACK FROM GROWING?

Poor Sales

WHAT ARE THE **NEXT THREE BIGGEST OBSTACLES** HOLDING YOUR BUSINESS BACK FROM GROWING?



Lack of funding and/or insufficient cash flow



Competition from large businesses



Not having the right technology

WHICH CLIENTS GIVE YOU YOUR BIGGEST PROFIT?



IF YOU SUDDENLY GOT AN EXTRA R100K TO SPEND IN YOUR BUSINESS, WHAT WOULD YOU SPEND IT ON?



- 22% - Hire a consultant to grow your business
- 17% - New office equipment, computers, etc.
- 8% - New website or upgrade existing
- 5% - More staff
- 2% - Bigger & better offices

15% of respondents selected "Other"

WHAT IS THE **MOST IMPORTANT** AREA WHERE YOU REQUIRE ASSISTANCE?

1 Sales & Marketing

WHAT ARE THE **NEXT THREE** IMPORTANT AREAS WHERE YOU REQUIRE ASSISTANCE?

2 Business & Strategic Management

3 Financial Management

4 Digital & Social Media

WHAT AREAS DO YOU BELIEVE THE **NSBC & ITS PARTNERS** CAN FOCUS MORE ON TO ASSIST YOU TO SUCCEED & PROSPER?

MOST IMPORTANT

NEXT THREE IMPORTANT

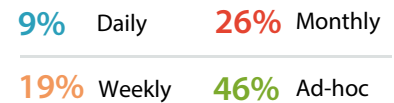


DO YOU PRESENTLY MAKE USE OF **COURIER SERVICES?**

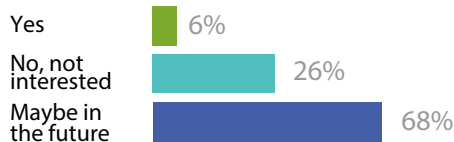
NO
56%

YES
44%

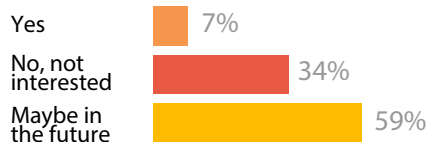
IF YES, HOW FREQUENT DO YOU USE COURIER SERVICES?



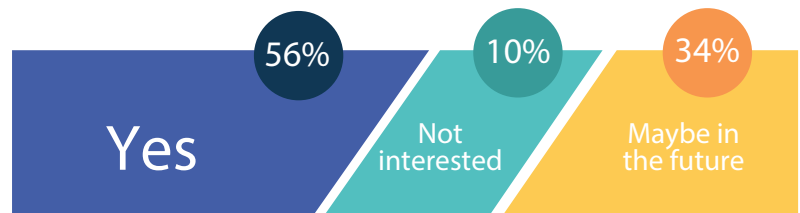
DO YOU CURRENTLY EXPORT?



DO YOU CURRENTLY IMPORT?



HAVE YOU CONSIDERED TAKING YOUR BUSINESS INTO **AFRICA AND BEYOND?**



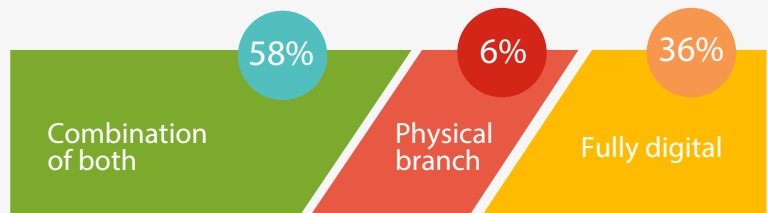
IF YOU HAVE CONSIDERED TRADING IN AFRICA & BEYOND, WHAT IS YOUR **BIGGEST CONCERN** WITH REGARDS TO INVESTING ACROSS BORDERS?

SECURITY PAYMENT TAX LEGAL COMPLIANCE MARKET STABILITY KNOWLEDGE

DOES YOUR **BANK** SUPPORT YOU AS AN SME?

YES **NO**
49% 51%

WOULD YOU PREFER YOUR BANKING RELATIONSHIP TO BE FULLY DIGITAL, OR DO YOU PREFER TO VISIT A PHYSICAL BRANCH?

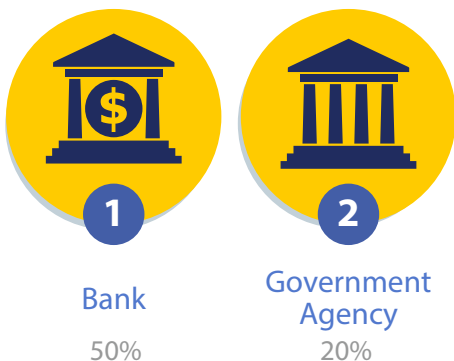


IN THE PAST 12 MONTHS, **DID YOU APPLY FOR A LOAN, OR ANY TYPE OF FINANCE** FOR YOUR BUSINESS OPERATIONS?

YES **NO**
26% 74%

WHAT TYPE OF FINANCE WILL YOU MOST LIKELY USE IN YOUR BUSINESS?

IF **YES**, WHAT TYPE OF INSTITUTIONS DID YOU APPROACH FOR FINANCE?



IF YES, WHAT TYPE OF FINANCE DID YOU APPLY FOR?



- 1 Equipment Finance
- 2 Growth Finance
- 3 Working Capital

IF YOU COULD HAVE ONE THING (PRODUCT OR SERVICE) FROM YOUR BANK, WHAT WOULD IT BE?

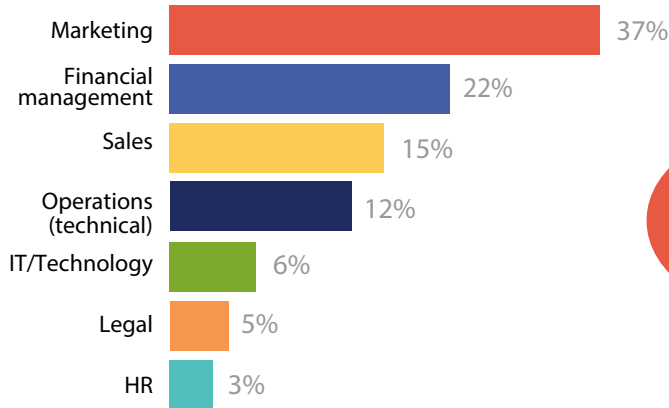
FUNDING / OVERDRAFT SUPPORT & ADVICE

HOW OFTEN DO YOU CHECK YOUR BUSINESS AND/OR PERSONAL CREDIT SCORE?



9% 2 - 5 times a year
8% More than 5 times a year

IN WHAT AREA DO YOU MOST REQUIRE SKILLS TRAINING/DEVELOPMENT?



HAVE YOU EVER HAD TO ENGAGE AN ATTORNEY FOR SOME OR OTHER LEGAL ASSISTANCE?

NO
71%

YES
29%

WHAT ARE THE BIGGEST INFORMATION TECHNOLOGY (IT) CHALLENGES FACING YOUR BUSINESS?

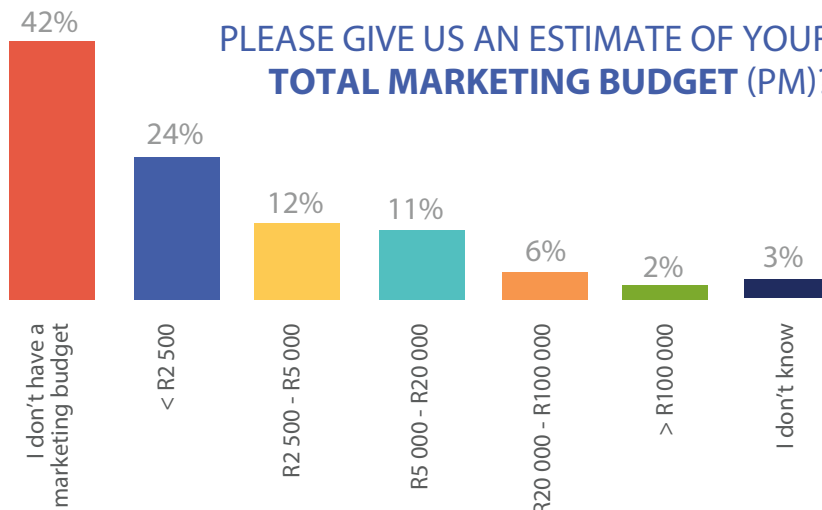
- 1 Lack of understanding of new technologies
- 2 IT capacity limitations (Servers, storage, network)
- 3 Limited IT Budget



DOES YOUR BUSINESS HAVE A SOCIAL MEDIA PRESENCE?



PLEASE GIVE US AN ESTIMATE OF YOUR TOTAL MARKETING BUDGET (PM)?

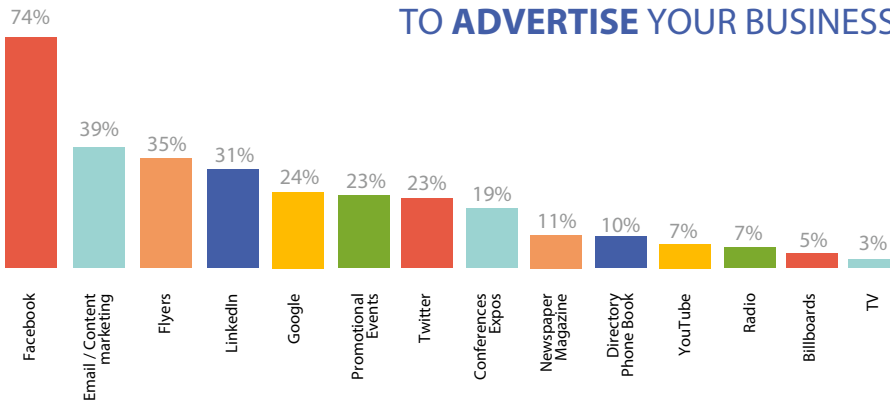


DO YOU USE A DEDICATED BUSINESS EMAIL ACCOUNT?

E.g. name@companyname.co.za



WHICH CHANNELS DO YOU USE MOST OFTEN TO ADVERTISE YOUR BUSINESS?



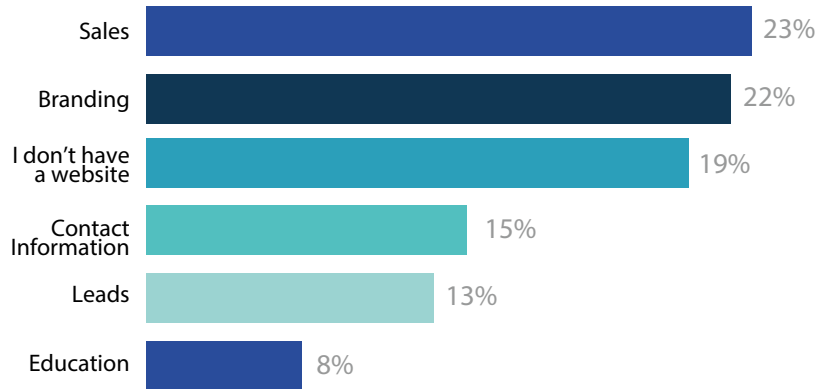
IF YOU DO NOT USE ANY DIGITAL CHANNELS, CAN YOU EXPLAIN WHY NOT?

- 1 Lack of understanding
- 2 Not enough time
- 3 Limited budget

DOES YOUR BUSINESS HAVE A WEBSITE?



WHAT IS THE PRIMARY FUNCTION OF YOUR WEBSITE?



HOW DO YOU MEASURE SUCCESS OF YOUR MARKETING CAMPAIGNS?

- 1 SALES
- 2 LEADS
- 3 NEW CLIENTS

DO YOU HAVE **SHORT TERM INSURANCE** FOR YOUR BUSINESS I.E. ARE YOUR BUSINESS ASSETS INSURED?

YES
32%

NO
68%

IF NOT, WHAT IS THE PRIMARY REASON?

Don't have a relationship in place