

SME Survey 2018 focus on digital transformation

Digital transformation is having a massive impact on small and medium enterprises (SMEs) in South Africa - but many are not even aware of it. This sector remains vitally important to the SA economy, so it is critical to understand how digitally prepared these entities are, and whether they are keeping pace with change, or whether many are being left behind.



Galina Peshkova - 123RF.com

One of the key aims of SME Survey 2018, in partnership with Intuit QuickBooks, is to establish the digital readiness of SMEs. SME Survey is the original and largest representative survey of SMEs in South Africa and has contributed groundbreaking research into the forces shaping SME competitiveness since 2003.

Wendy Walker, from global expansion, Intuit QuickBooks, says being digitally astute has the power to transform business life and encourages small business and self-employed to make the transition now so they have a head start into the new year.

Smarter, more informed business decisions

“Technology brings new opportunity to the business world – especially when it comes to online accounting. Successful businesses are driven by owners who really know their numbers, and the power of digitally based resources makes this more accessible for all businesses. With the ability to view business data anytime, anywhere and on any device, owners can make smarter, more informed business decisions based on real-time insights.”



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Arthur Goldstuck, MD of World Wide Worx and principal researcher for SME Survey, explains that for the purposes of the survey, digitalisation is defined as the integration of digital technology into all systems and processes in the business.

“Businesses across all industries are beginning to see the massive competitive advantage to be gained from digital processes,” he says. “This goes far beyond simply electronic scans of documents, encompassing everything from online accounting to digital sales processes. We aim to find out whether SMEs have also realised the benefits of such an

approach and are preparing to digitalise their businesses, or whether 'digital transformation' remains a term that mystifies, rather than simplifies.

The rise of online accounting functionality

"Naturally, SME Survey will look not just at how ready these businesses are for digital transformation, but also at the tools and services SMEs currently use that can be defined as being digital, and whether it is viewed by them as a threat or an opportunity."

He adds that the survey will also take an in-depth look at the future of the accounting function and the role the accountant plays for these businesses. Goldstuck suggests that this is a role that is evolving rapidly, driven by the rise of online accounting functionality, which enables SMEs to produce for themselves many of the financial documents for which they previously relied on their accountant.

"Online accounting through the cloud is designed to increase efficiencies for accountants and SMEs," says Wendy Walker. "It enables easy collaboration between all parties involved in managing the financial health of a business. With the access to free trials, online resources and training it's never been easier to work together."

"We will also pay close attention to some of the latest technology trends, such as artificial intelligence (AI), Big Data, Blockchain and the Internet of Things (IoT), in order to discover whether this sector understands these advanced technologies and whether it is making plans to begin adopting some of these. Naturally, this ties back to the main focus, as the adoption of any of these technologies would be a clear indicator that these businesses are preparing to transform."

Impact of cloud on SME

The 2018 survey will also focus on those issues that keep SME owners awake at night. In the past, this has encompassed issues ranging from crime to load shedding to road conditions. "This year, we are interested in assessing the impact that fraud, corruption and state capture are having on this sector."

Goldstuck says that the previous few surveys have kept tabs on the impact of cloud on the SME segment, and the expectation is that, this year, cloud adoption will have passed the 50% mark. There is also the anticipation of significant growth in fibre as the connectivity solution of choice.

"Since fibre and cloud are both key factors in effective digital transformation, significant increases in the former two will suggest a good foundation has been laid for the latter to take place. Therefore, while the new survey will only be investigating the early stages of such transformation in the SME space, we hope that we will be able to report that the digital shift in this market has begun."

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