

How entrepreneurs can unlock a winning scenario for SA's future

By [Pieter Bensch](#)

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We live in ambiguous times, and it can sometimes be difficult to make solid plans or forecasts for the future. In this era, scenario planning is one of the most valuable tools at an entrepreneur's disposal. While we can't predict future events, scenario planning enables leaders to anticipate different potential outcomes that can arise from volatile market conditions and prepare for them.



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We have seen and experienced several recent events that upset the apple cart for small and medium business (SME) owners, such as the onset of the pandemic a year and a few weeks ago and the July unrest in Gauteng and KwaZulu-Natal. Now, as a nation and as SME business owners, we need to recalibrate our expectations for future growth and think about which new scenarios might emerge in the next 18 months.

Although these two events seem like the most significant ruptures of recent years, we live in times of accelerated change. Over the past 20 years, we have seen 9/11, the global financial crisis, state capture, the rise of mobile and cloud technology, the #MeToo movement and much more. The world we operate in is shifting at high speed, and the fundamental structure of the economy is changing.

As South Africa's scenario planning guru, Clem Sunter, said in a recent [talk](#), big business was the primary creator of jobs in the last century, creating hundreds of thousands of jobs in mining, manufacturing and other industries. However, with the advent of automation and robotics, big business is no longer the engine room of job creation.

This is certainly a reality the government should be considering in its scenario planning for the next 20 years. While the massive industrialisation programmes that spurred economic development in most of the global north might not be viable for South Africa, new technologies and business models offer some exciting prospects for growth and entrepreneurship.

Choose the road to success

At Sage, we have advocated that South Africa's big businesses, government and other stakeholders get behind the mission of driving entrepreneurship at scale. In so doing, we could create the jobs our country needs and drive a more inclusive economy. Our young population, wonderful climate, and sound tech skills base could significantly compete in the global economy.

While the idea of driving growth by nuclear power builds or massive factories may seem quaint, we could be a significant player in areas as diverse as agriculture, software, tourism, and professional services. But to get there, we need to take unemployment and the relatively low rate of entrepreneurship as an emergency.

From addressing the ongoing power crisis and developing a tech-savvy skills base to reducing red-tape for small and start-up businesses, there is no shortage of short to medium and long-term interventions the government could stage to boost entrepreneurship. As COVID has demonstrated, government and big companies can move fast when they need to. With our unemployment crisis, now is the time to act.

Scenario planning for entrepreneurs

For entrepreneurs, the biggest takeaway of the past 18 months is that upfront financial forecasts aren't always going to be enough to prepare your business for unexpected shocks. Scenario planning can assist you in envisioning the black swan and gold rush events that might change the course of your business in months and years to come.

The technique doesn't depend on expensive software or complex methodologies. Any entrepreneur can develop scenarios for strategic planning using little more than the internet and competitive research, their accounting software and some team brainstorming sessions.

Here are some ways to plan in uncertain times:

- **Identify the driving forces:** Pinpoint the social, economic, political, and technological changes affecting your business. Examples include regulation, social unrest, exchange rates and consumer confidence.
- **Pick up on the most significant uncertainties:** If you're an importer or exporter, the rand/dollar exchange rate and supply chain performance will matter to you.
- **Draw up four scenarios:** You can do more or less, but four seems to be the sweet spot. Focus on a range of optimistic and pessimistic scenarios and compare them to today's baseline. Use storytelling to bring them to life. Examples for an importer might include:
 1. Rampant rand – A strong rand leads to a boom in demand.
 2. Currency crunch – A collapse in the rand makes your product too expensive for customers.
 3. Supply chain snap – Further global Covid lockdowns or port disruptions cause shortages of your product.
 4. Local is lekker – Localisation of manufacturing offers you access to new product ranges and sources or introduces new competition.

- **Craft strategic responses to each scenario:** Think about how to mitigate damage from negative scenarios and maximise opportunities from optimistic future plans.

As an everyday entrepreneur, your ability to influence government policy towards the best possible scenario may feel limited. However, your unrelenting determination to survive and thrive under turbulent market conditions is helping to nudge South Africa towards that positive outcome. Now is the time to look beyond Covid and the unrest towards the next wave of growth.

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