

# 41% of SMEs want to invest in sales, marketing in next year - survey

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26 Sep 2011

At least 41% of small and medium businesses in South Africa have made investing in sales and marketing one of their top priorities in the next year, according to a Sage Softline Business Index 2011 survey released today, 26 September. The survey also found out that all over the world SMEs are worried about lack of government support and rising costs.

Diversifying into new markets has been found to be the second top priority with 37%, while investing in more training (32%), launching innovative products and services (32%), and increasing efficiency through investment in technology (27%) completed the list of SA priorities.

The research, which polled 10 006 small businesses across Europe, North America, SA and Asia, including 2026 in SA, was carried out in July and August this year by Populus, a UK-based opinion and research consultancy firm.

In SA, maintaining or growing revenue (49%), rising costs of energy, fuel and raw materials (49%), gaining new customers or accessing new markets (46%), managing cashflow (37%) and political instability (19%) remain SMEs' biggest challenges for the next six months, according to the survey.

Globally, however, these challenges' figures are lesser, with maintaining or growing revenue scooping 46%, rising costs of energy, fuel and raw materials (43%), gaining new customers or accessing new markets (43%), managing cashflow (27%) and political instability (15%), presenting interesting comparisons between SA and the rest of the world.

Globally, respondents cited the following as the most favourable aspects about your country as a place to do business: business culture and the entrepreneurial spirit (45%), followed by skilled workforce (33%) and access to domestic markets (33%).

## Breeding ground for success

In SA, however, business culture and entrepreneurial spirit was 49%, domestic market 35% and access to international markets 34%.

"Looking at the results against an international backdrop, South Africa scored the second highest index rating of all the countries polled in terms of individual business confidence," Ivan Epstein, CEO and co-founder of Softline and Sage Asia, Australia, Middle East and Africa, said, speaking at the Melrose Arch Hotel in Johannesburg.

When entrepreneurial spirit and business culture is identified by businesses as one of the most important aspects for doing business successfully in SA, this endorses a strong belief that the country is a breeding ground for successful entrepreneurs and small businesses, Epstein emphasised.

## Government an issue

Furthermore, the top three least favourable aspects in SA include government bureaucracy and legislation (53%), government handling of the current economic situation (48%) and government attitude towards business (40%).

The survey names the three top most burdensome areas in terms of government bureaucracy and legislation in SA as employee and labour law (62%), procurement and tender procedures for public sector contracts (53%), and tax law (24%).

Commenting on the skills issue, which in the survey looks more serious in SA compared to other parts of the world, Epstein said: "Skills shortage in this country is the big issue and a major concern for most businesses."

Perhaps, Epstein's remarks on the skills issue may have been influenced by a higher number of SA respondents (48%) who said government could assist and support SMEs by investing more in skills development and education.

The other two important things the SA government can do to help SMEs are reducing business bureaucracy and legislation (40%) and reducing business tax (37%).

## ABOUT ISSA SIKITI DA SILVA: @SIKITIMEDIA

Issa Sikiti da Silva is a winner of the 2010 SADC Media Awards (print category). He freelances for various media outlets, local and foreign, and has travelled extensively across Africa. His work has been published both in French and English. He used to contribute to Bizcommunity.com as a senior news writer.

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