

Technology can help SMEs get paid faster - here's how

For small businesses, late payments can be the difference between surviving or failing. This is something that local small and medium enterprises (SMEs) have been grappling with for years prior to Covid-19. However, the ongoing pandemic has only exacerbated this challenge as many consumers continue to be strapped for cash.



Source: www.pexels.com

This is reflected in the 2019 Xero State of Late Payments [survey](#) conducted prior to the pandemic which found that 91% of SMEs polled were owed money outside their terms of payment. A TransUnion [report](#) released in November 2020, during the first year the country was battling Covid-19, showed that half of small businesses were concerned about their ability to meet their payment obligations.

The TransUnion research also showed, however, that businesses that were managing to operate normally all had an innovative approach to technology and marketing. This is exactly the strategic approach that furniture retailer MC Ghoor Furnishers took in early 2021 and is now seeing positive results.

Outlining the local family-run business' story, Ismail Ghoor, head of marketing, product and business development at MC Ghoor Furnishers, says that the business was started by his great grandfather in Vryburg, in the North West province, 118 years ago.

According to Ghoor, the company had until recently been sending its statements via the Post Office which resulted in customers not receiving statements timeously. "As we sell mostly on account, our credit lines are a critical part of our business offering, and we knew that it was now more important than ever to pivot our business operations."

To do this, Ghoor engaged mobile marketing platform Mobiz in early 2021. “Following three months of prototyping the solution, we developed personalised statements that are now sent to customers via SMS.”

“We had to ensure, however, that all communications via SMS were executed safely, especially as we were dealing with personal information,” explained Ghoor. “Through this platform, we could give our customers an added level of security via two-step verification before statements could be opened.”

Going digital

Since the adoption of this technology, the company has improved its rate of payments and increased sales. It also improved its competitiveness as larger retailers use similar types of technology. “This elevated our status and the customers’ perception of our brand immeasurably,” he added. “Furthermore, data charges are reversed, which means that our customers can view their statements as well as our marketing material through the Mobiz platform at no cost to themselves as they are not using their own data,” said Ghoor.

Providing advice for other small businesses, Ghoor says that they should experiment with technology and see what works best for them. “We used Google My Business, Facebook and Mobiz to see what marketing mix was the most effective. It’s critical that your business remains visible to your customers. Hence business owners should never stop their marketing campaigns, irrespective of economic conditions. However, as many businesses are struggling to stay afloat during this time, you need to be creative in working out what mix is the most cost-effective and delivers the best results.”

Creative use of technology has enabled MC Ghoor to open up a two-way communication channel with its customers as well as improving its marketing, sales and account collections. That’s a win for any small business that is navigating the challenging economic conditions caused by the Covid-19 pandemic.

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