Festive season tips for SMEs

By Jason Mellow

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After the year we've had, SMEs need to make sure they are positioned to maximise their profits and build their customer base over the coming holiday season.

Source: www.pexels.com

As the world continues coming to terms with Covid and with the economy slowly starting to turn over, SMEs need to take stock of the new business landscape. The festive season, traditionally one of the highest spending times of the year for retailers and other businesses as well, is a good time to get that realignment process underway.

In addition, after a year or two in which sales could have been under pressure, it makes every kind of business sense to use the coming "season of spending" to begin putting in place some changes aimed at making the SME more profitable.

Here are some of the points SMEs should consider as they plan for the coming festive season and the future more generally:

Learn from past successes

Take time to look at what has worked in the past, and how it can be updated for the present.

Research the trends in your industry

In today's digital economy, industries change incredibly fast. Bookmark useful sites and subscribe to newsletters that will help you spot trends as they emerge.

Train your staff

Customers have always been the backbone of any business, but they have become much more demanding – hence the latest buzzword of "customer experience" (CX). Make sure your staff understand what the desired CX is and how they can contribute to it. This will involve removing bottlenecks in the sales and payment processes, and ensuring staff are highly proficient at any technology you have installed.

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Digitalise

The overarching consideration to ensure a profitable future is to understand the impact of technology and how it can help your business. Technology is particularly important for SMEs because it enables them to compete more effectively with larger competitors. Digitalisation will underpin anything you might consider doing under the previous points; more generally, it holds the key to the business's future.

One pressing issue is payments generally, and specifically point of sale. A Visa South Africa survey indicates that 48% of surveyed consumers prefer not to shop in stores using payment methods that require contact. In general, a majority (59%) of respondents prefer contactless payments. Contactless payment is a no-brainer for any retail business, and affordable options are legion.

At the same time, every business needs a Web presence and, once that is achieved, it makes good business sense to enable online shopping – the ultimate contactless payment and shopping experience, and one that will enable you to reach a bigger market.

In the corporate world, data has emerged as the new gold: those who can analyse their data to gain insights into customer trends and then adjust the business accordingly have an edge on purely reactive companies. Powerful programmes to undertake the necessary data crunching are now available via the cloud without the need for upfront investments. SMEs can profit hugely from insights that enable them to tweak what they are doing or meet new customer expectations or needs.

The cloud with its attractive subscription pricing model also makes it possible for even a small SME to access excellent bookkeeping, inventory management, HR and other services. Used correctly, these services will not only make the business much more efficient and effective, they will also generate the data needed (as well as the analysis) to take the company forward.

One of the big advantages of cloud is quick implementation, so it is still possible to get services like, for example, contactless payments and inventory management implemented in time.

Market yourself

Engage with current and former customers where possible to remind them about your business and what it offers. But also, don't neglect potential customers. Social media offers inexpensive avenues to reach the market. Don't forget to update your website and social media offerings in respect of search-engine optimisation: update keywords and content with holiday themes and use hashtags effectively.

Allying yourself with a popular charity is one way to build visibility in the holiday period and position the company as a community player and, of course, festive competitions and promotions are tried-and-tested ways of gaining consumer attention.

Make sure you are covered

Business is all about risk. An integral part of running a successful, sustainable business is to understand what your risks are, and then put mitigation processes in place as needed. An important part of risk mitigation is to ensure that you have the right kind and level of business insurance. Your insurer is well placed to act as an advisor in this area.

Technology underpins most of these ideas for reinventing an SME for today and tomorrow, but the technology will only deliver results if it complements a well-thought-out business strategy.

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