

A four-point festive season survival plan for small businesses

According to the *Economics of Christmas* report by Stats SA, consumer spending habits change over the festive season. Here are four ways to holiday-proof your business.



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When comparing stats, the report shows that a book store tends to flourish during the festive season, whereas a hardware store will often experience slow business. Similarly, hotels tend to be quieter over this period, while camp sites thrive.

If business owners plan in advance and are aware of the potentially challenges they could face, they can be creative and use the season to their advantage.

1. Plan for less or more income over the period

Both over-trading and under-trading can put a business under pressure. For example, offering discounts can be beneficial to businesses in terms of generating interest, increasing foot traffic and moving products but business owners need to be aware that these “retail discount holidays” can result in stock shortages for late December or January, and should take these specials into consideration when planning their buying strategies. With this in mind, businesses should also take into consideration that their suppliers may close over the festive season, so they may need to place their orders earlier than usual.

Apart from ensuring enough stock to support the business through the festive season, seasonal business owners should ensure they have enough staff to assist with the expected higher demand.

While non-seasonal businesses should ensure debts have been paid before the season begins and manage their budgets to cover a period of potentially slower business over December and January.

2. Communicate effectively with customers and generate excitement

As businesses are competing for customers with different needs, they should either communicate any seasonal specials they are offering or communicate the dates that the business will be closed, as well as advertise the reopening of the business and perhaps offer reopening specials.

3. Look after staff

A business' staff can be one of its biggest assets. When it comes to the festive season, it is imperative for business owners to make their staff feel valued by thanking them for their hard work throughout the year and perhaps throw a party or offer a bonus.

If the business is seasonal and busier over the festive season, business owners should consider offering their staff shift work if possible, hiring temps to help carry the added workload, as well as offer to buy meals and supply transport if they are working later hours. Seasonal businesses should also increase security during this time

4. Plan for downtime

Both seasonal and non-seasonal businesses experience downtime within the year and it is crucial for businesses to plan for this and make the most of it. Seasonal businesses can use extra profits made during the "high" season to pay back debts and reinvest in the business going into the new year, whereas non-seasonal business owners should use the downtime over the festive season to review their business plan, implement new strategies, catch up with admin, and manage any repairs or renovations which may need to take place.

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