

# Key lessons for starting a business post Covid-19

Although the Covid-19 pandemic has created tough challenges for SMEs, it has also presented opportunities as some entrepreneurs are looking to diversify or start new innovative businesses.



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Lauren Deva, Sales Head for Transactional Product House at FNB Business, shares key guidelines that entrepreneurs should consider when starting a business during or post Covid-19.

## **Open a business bank account**

Much of the reticence by smaller businesses to run their financial transactions through a bank account stems from the belief that this is more expensive than running a low radar cash business; however, this perception is misguided.

“Apart from the fact that holding cash in a business is very risky, there are many business transactional accounts - like the FNB Business Zero account with no account monthly fees - that make it easy and inexpensive to handle payments,” she explains, “and helps businesses build up a solid and verifiable track record in the process.”

## **Formalise your business**

Deva emphasises the importance of formalising your business structure and, preferably, separating it from your personal

account. She says that while it is understandable why a small startup may initially run through the founder's bank account, this approach needs to be revisited.

"Our experience with clients during Covid-19 was that businesses owners who refrained from separating their business from personal typically found it much harder to overcome the challenges raised by the pandemic," she explains, "and those challenges weren't just felt by the business, but also by the owner, since their personal finances were so closely intertwined with those of their company."

### **Use what is available to you**

There are a number of SME owners who aren't using, or aren't even aware of, the free tools and services they have at their disposal to help run and grow their businesses.

For example, FNB offers its business clients a host of valuable business building tools, from point of sale devices, business registration services, integrated free business coaching for new entrepreneurs and integrated cash investment accounts that can grow excess cashflow," she explains, "all of which are incredibly valuable to any business, whether it is just starting out, or it is preparing for growth."

### **Leverage what you have, and know, to diversify now**

Deva says that some of the most heartening attributes of South African business owners that have been revealed as we deal with Covid-19 are their resilience, determination and innovation. This was clearly evidenced by the efforts made by many business owners to diversify their business offerings when they were faced with the challenges of the lockdown.

"In our experience, the businesses that have been most successful in rolling out this strategy are the ones that used the knowledge and infrastructure they already had to effectively create new offerings," Deva explains, "rather than trying to come up with completely new business ideas during a time of crisis."

She says this ability to diversify in a highly focused manner is a valuable attribute that all SMEs should build into their business plans at the outset, with the support of their bank if necessary.

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