

Business Partners Limited SME Confidence Index

Fourth Quarter of 2017: October – December

Issued February 2018

BUSINESS/PARTNERS
Investing in entrepreneurs

RATIONALE FOR THE BUSINESS PARTNERS LIMITED SME CONFIDENCE INDEX



- SMEs are often touted as economic growth generators that will help solve the country's unemployment, poverty and inequality problems.
- Whilst we all view SMEs as the engines of economic development and job creation, we have in the past not had credible information on the sector and confidence levels within the sector.
- In July 2012, Business Partners launched its quarterly *Business Partners Limited SME Confidence Index* to obtain the views of SME sector entrepreneurs with the view to:
 - Gauge the current buoyancy of the SME sector;
 - Understand the key social and economic issues affecting SMEs in South Africa.
- The index and survey results are made available to stakeholders so that they may create and shape an environment which is conducive to SME growth.



BUSINESS/PARTNERS
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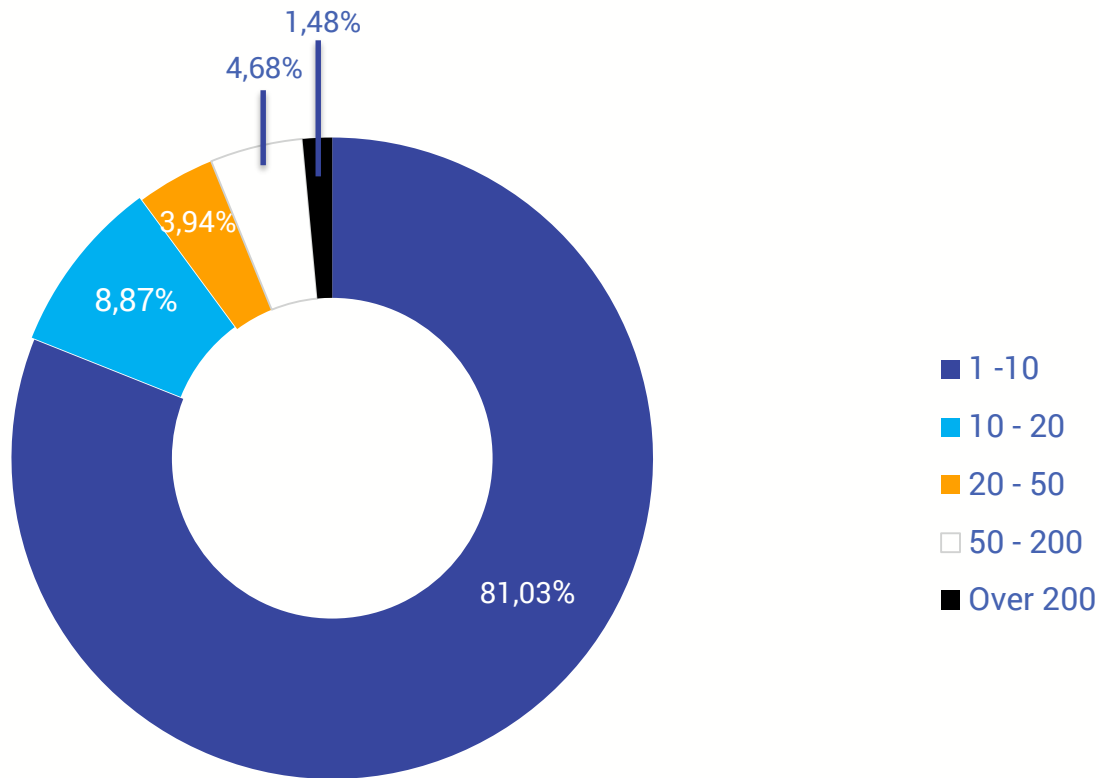
01 BPL SME CONFIDENCE INDEX

SURVEY SAMPLE

BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: SURVEY SAMPLE



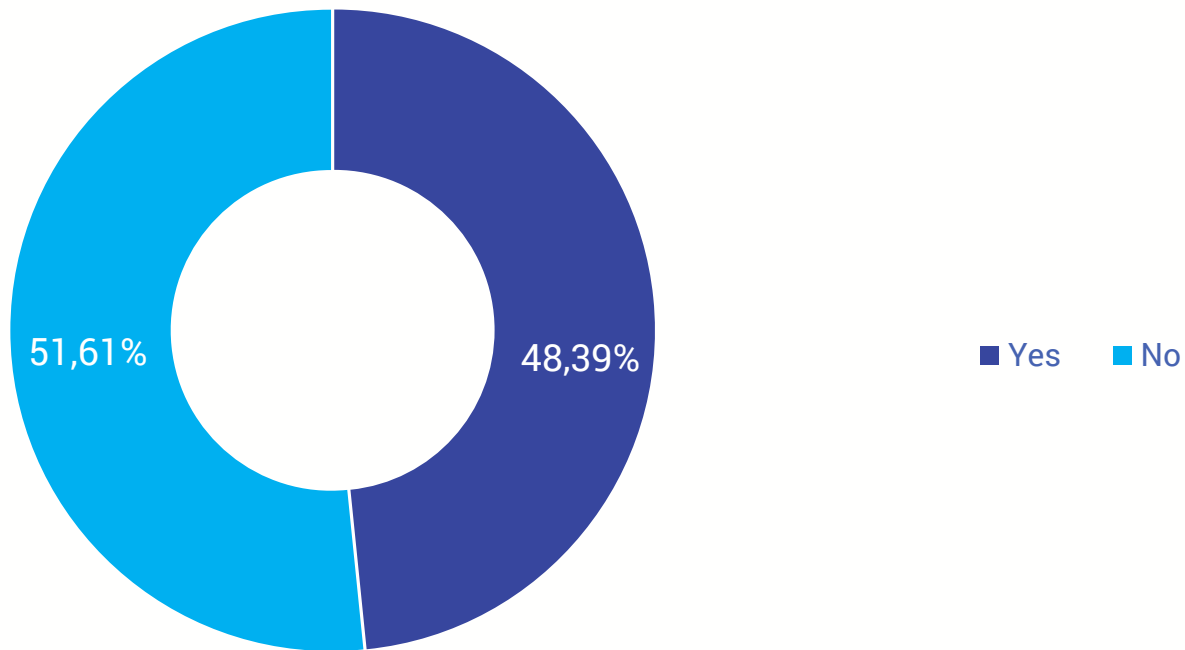
How large, in terms of full-time employees, is your business?



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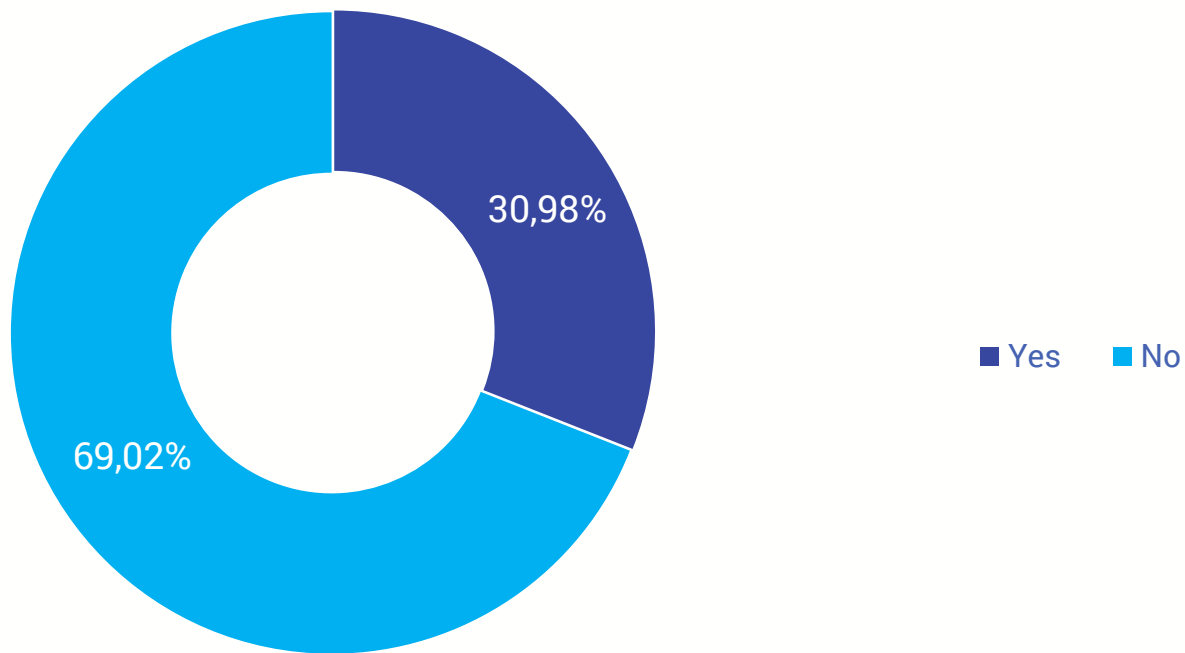
Have you appointed new employees in the last year?



BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: SURVEY SAMPLE



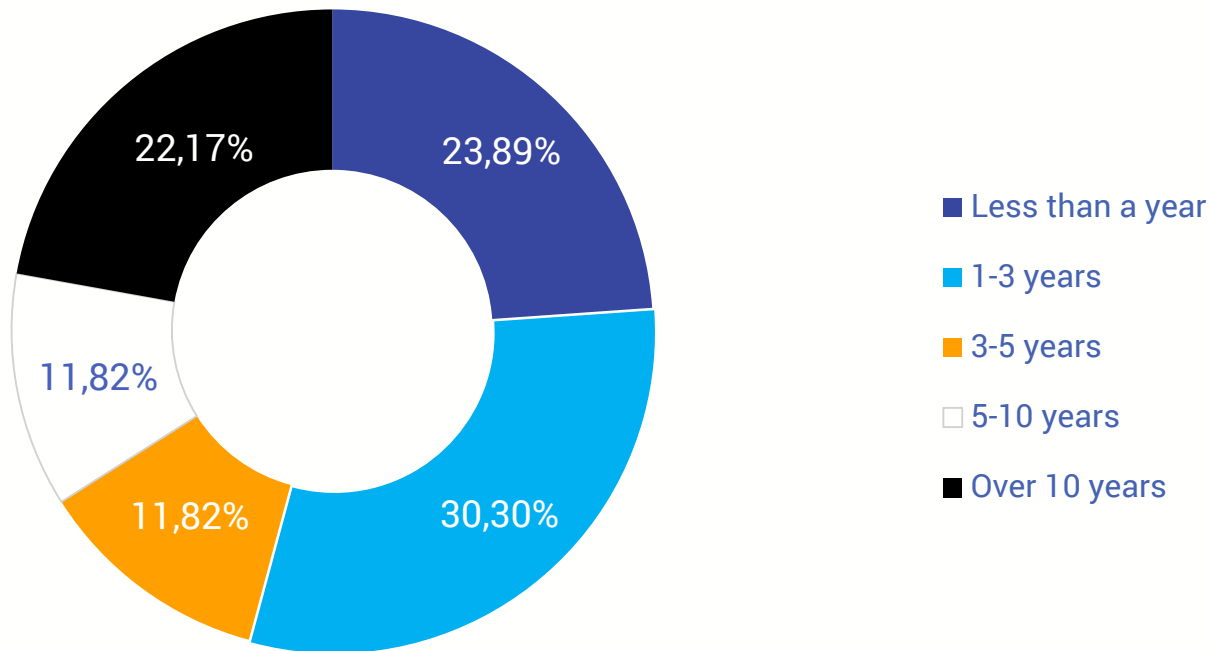
Have you appointed new employees in the last quarter?



BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: SURVEY SAMPLE



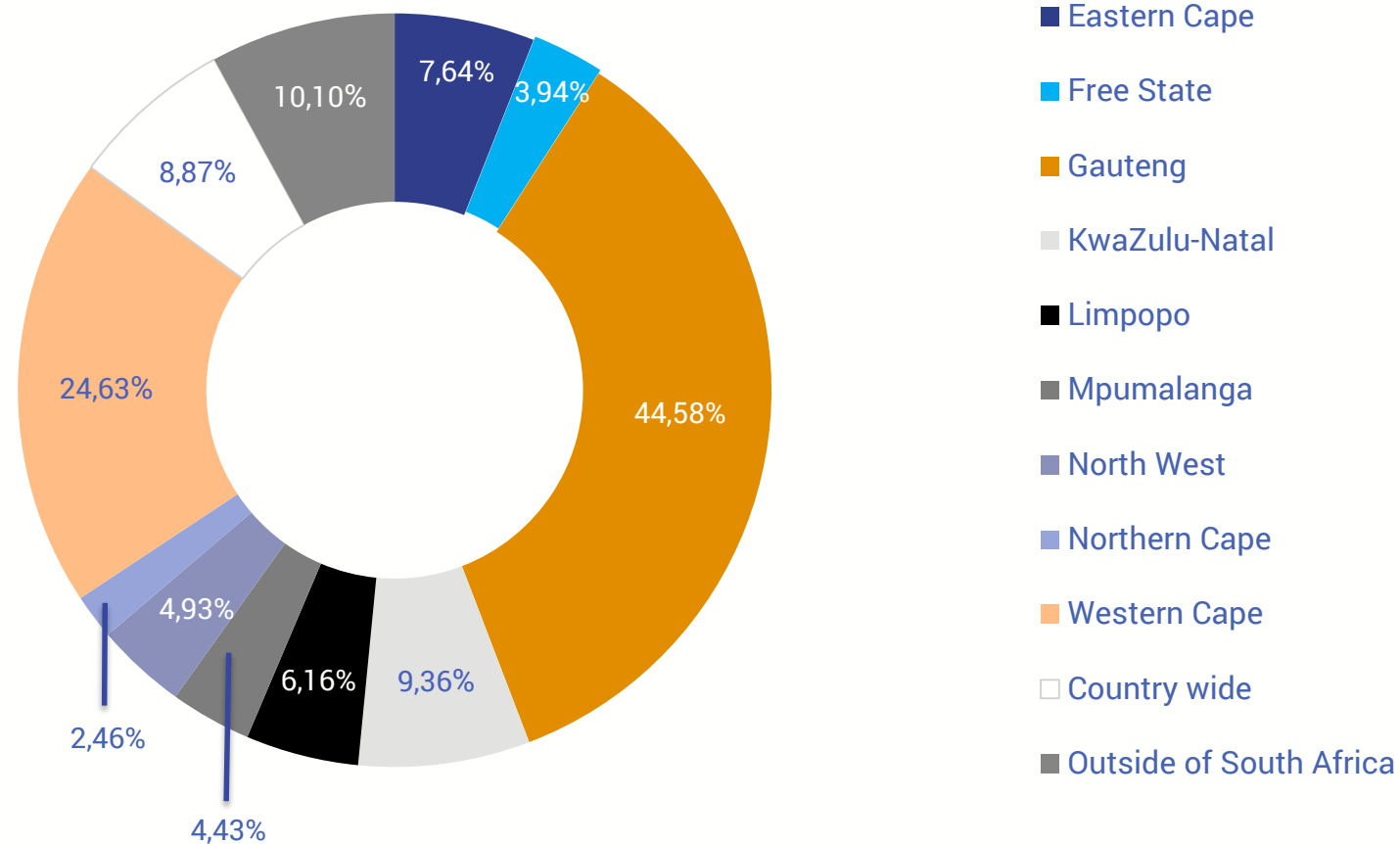
How long has your business been in operation?



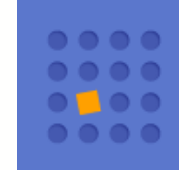
BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: SURVEY SAMPLE



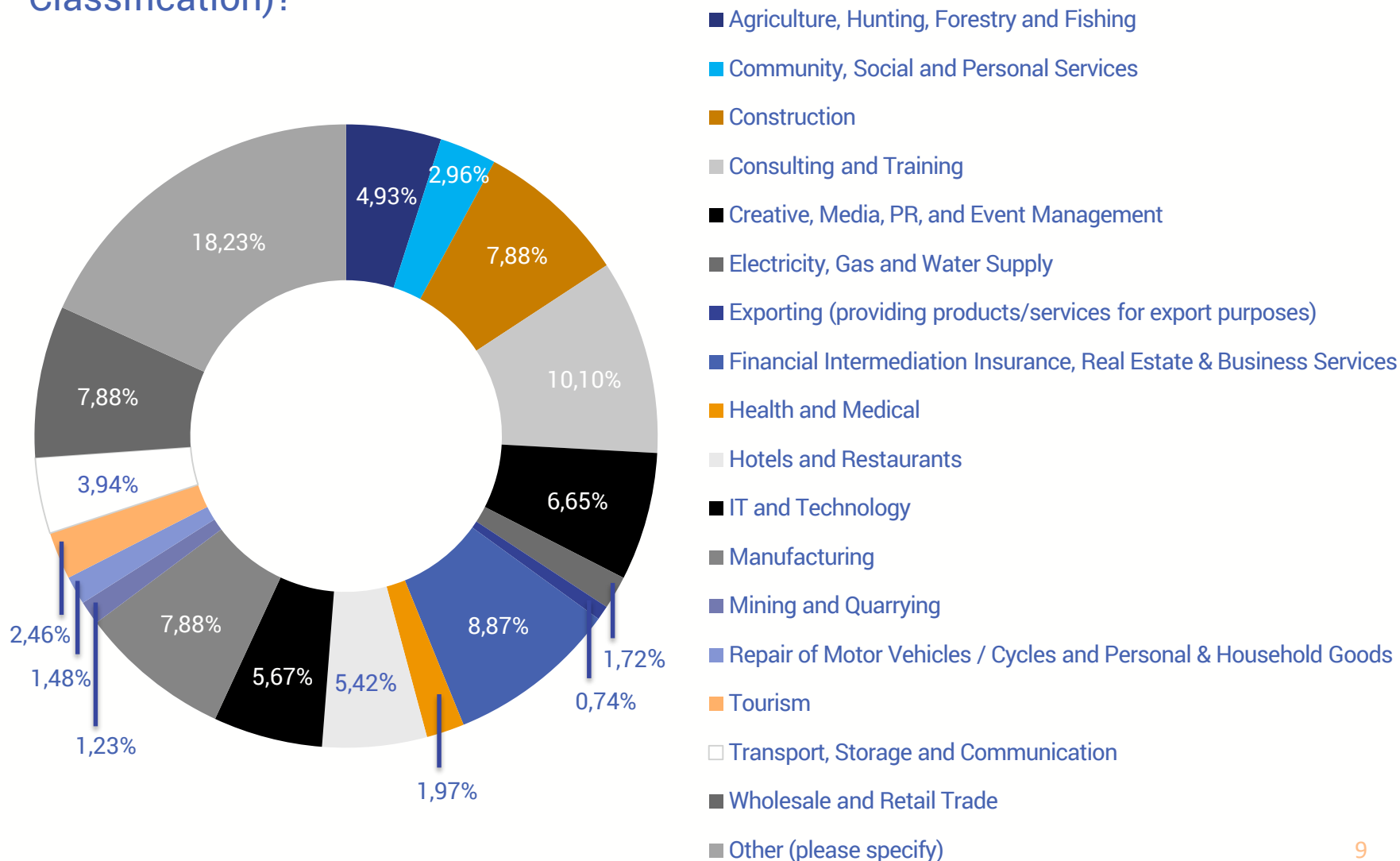
In which province do you operate?



BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: SURVEY SAMPLE



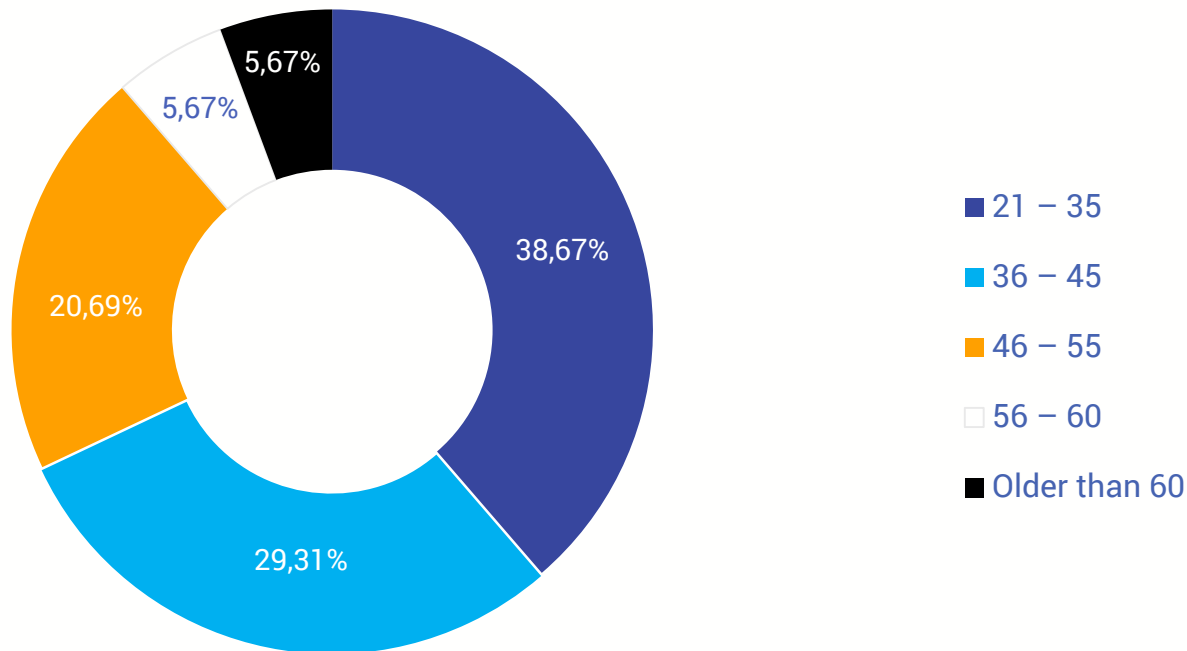
In which industry do you operate (Based on the Standard Industrial Classification)?



BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: SURVEY SAMPLE



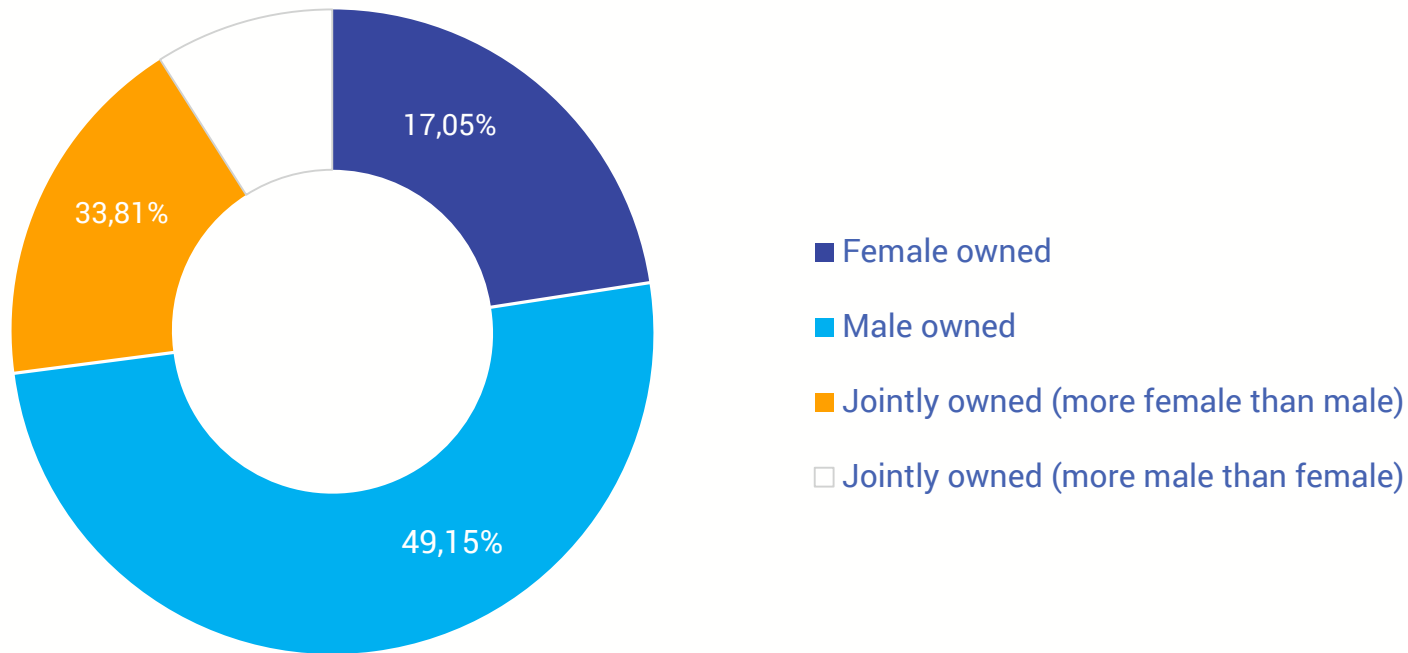
What is the average age group of the business owners?



BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: SURVEY SAMPLE



Is your business female, male or jointly owned?





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02 BPL SME CONFIDENCE INDEX

SURVEY RESULTS

CONFIDENCE LEVELS

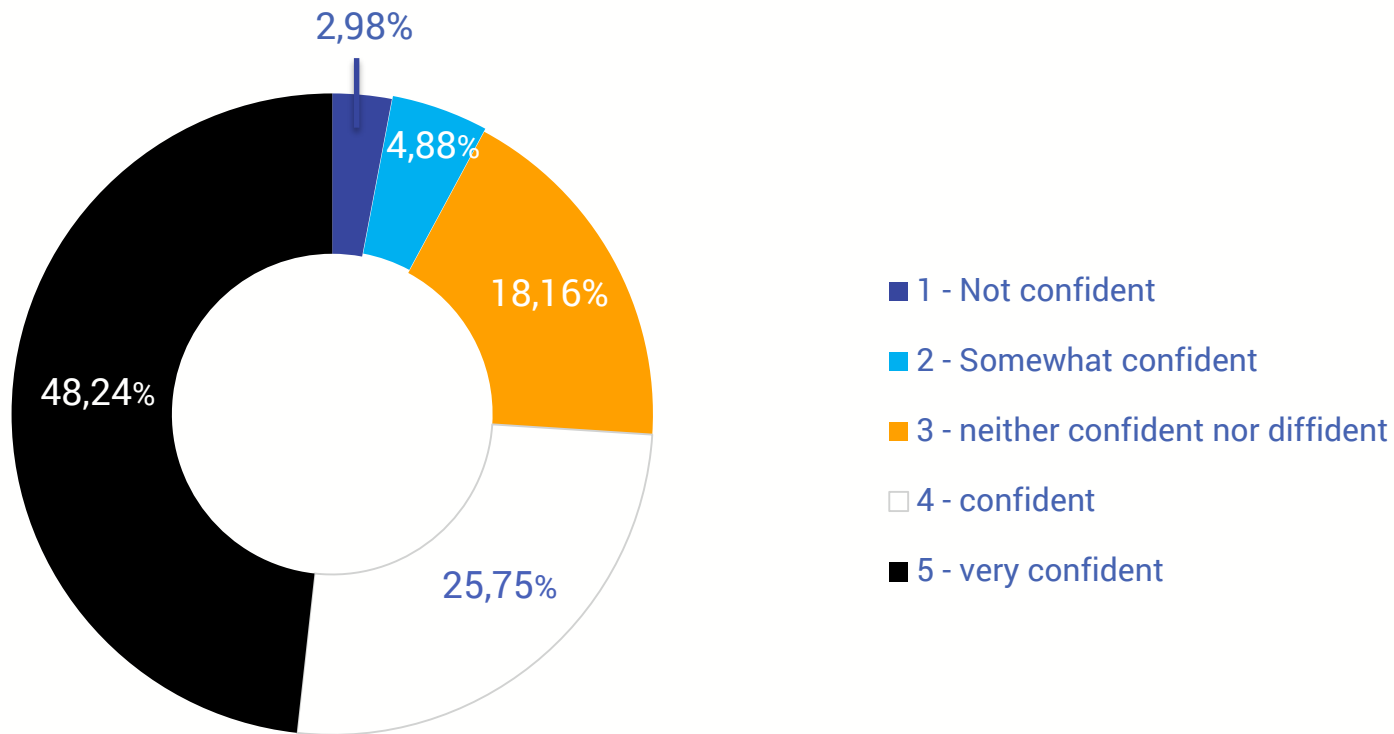


On a scale of 1 to 5, SME owners were asked to rate their level of confidence on a range of topics from economic growth, business outlook and ease of doing business.

BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: CONFIDENCE LEVELS



How confident are you that your business will grow in the next 12 months?

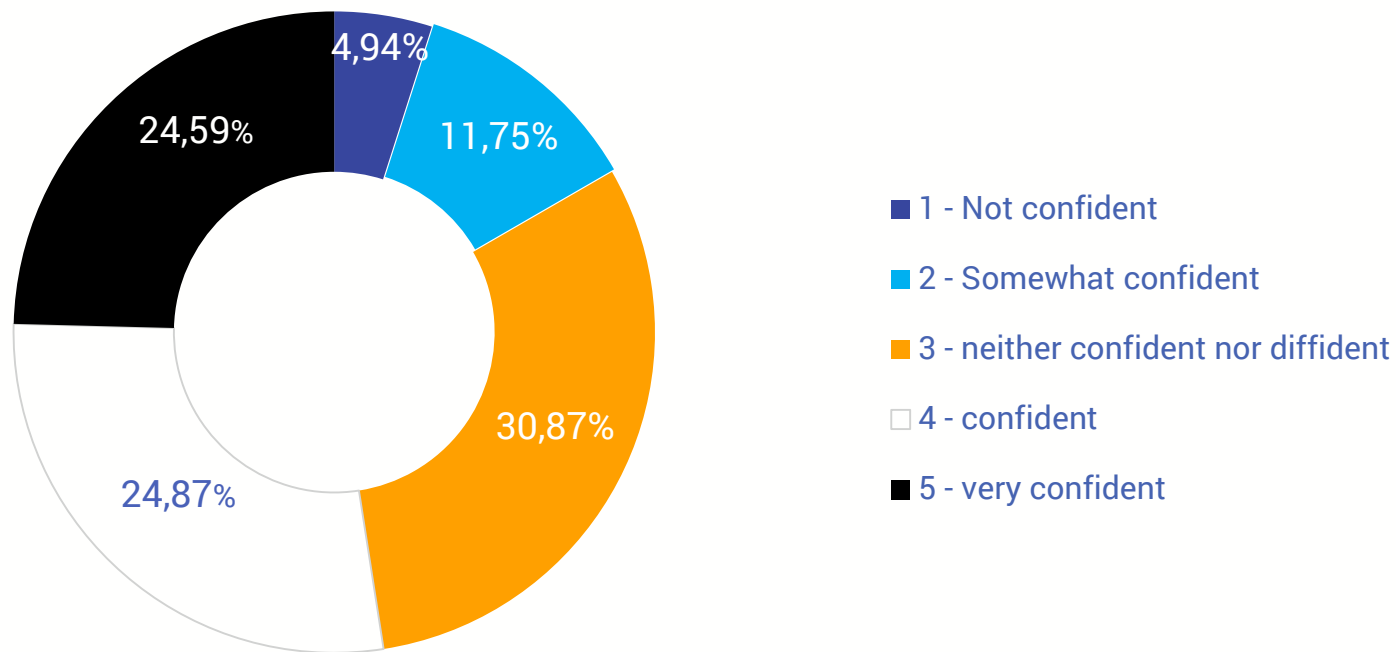


SMEs expressed average confidence levels of 78% (up by 6% from Q3 of 2017).

BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: CONFIDENCE LEVELS

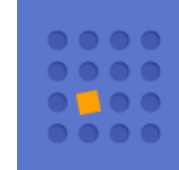


How confident are you that the SA economy will be conducive for business growth in the next 12 months?

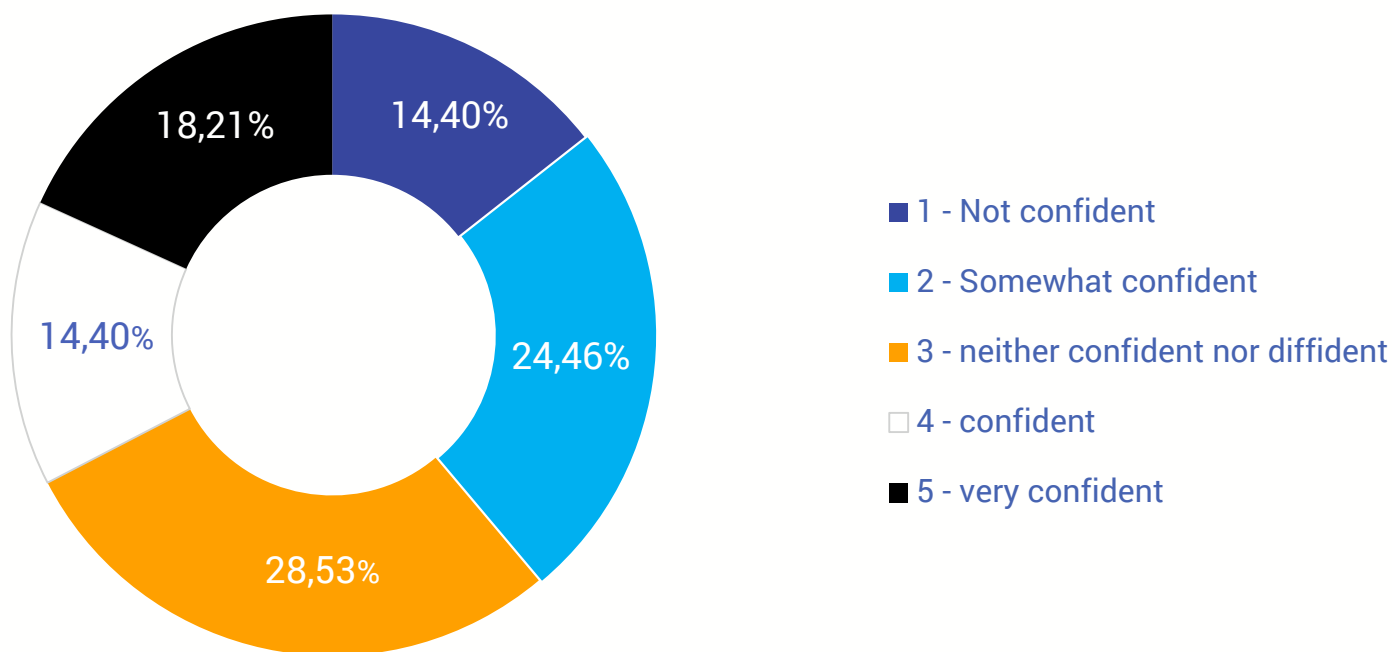


SMEs expressed average confidence levels of 64% (up by 11% from Q3 of 2017).

BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: CONFIDENCE LEVELS



How confident are you that ease of access to business finance will improve in the next 12 months?

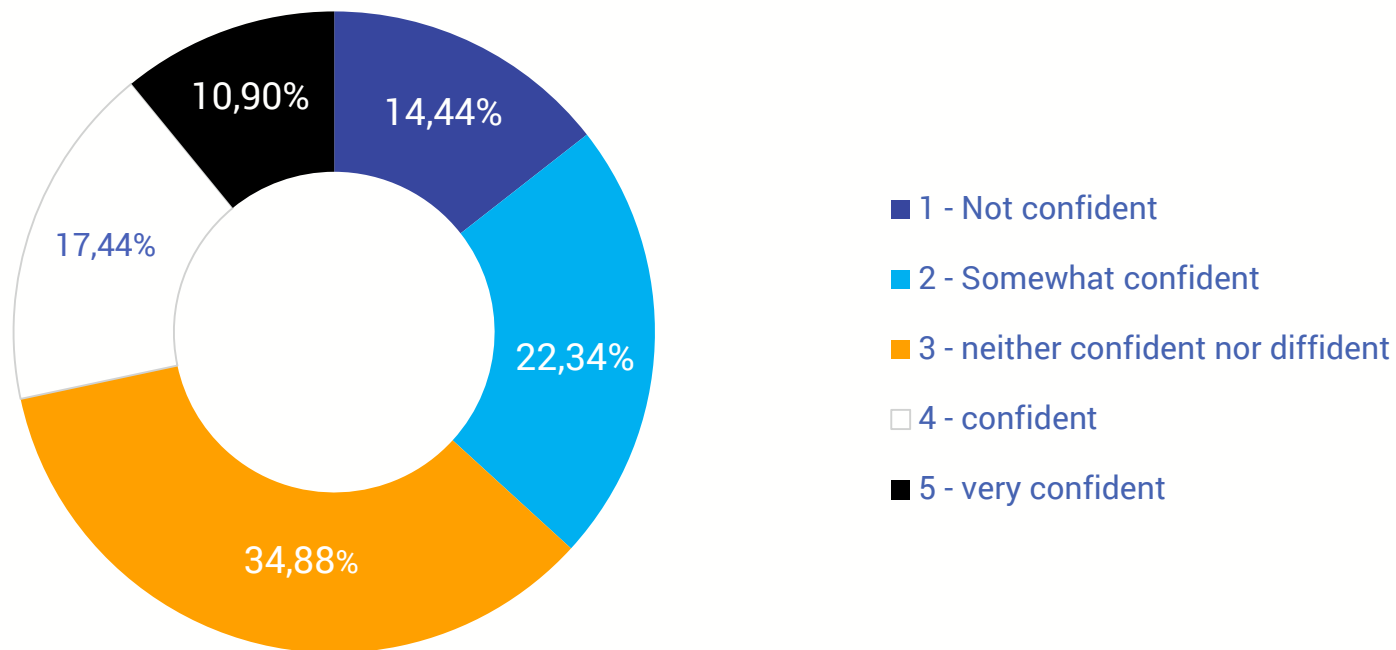


SMEs expressed average confidence levels of 49% (up by 1% from Q3 of 2017).

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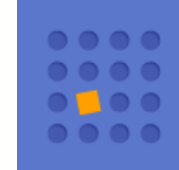


How confident are you that current labour laws are conducive to the growth of SA businesses?

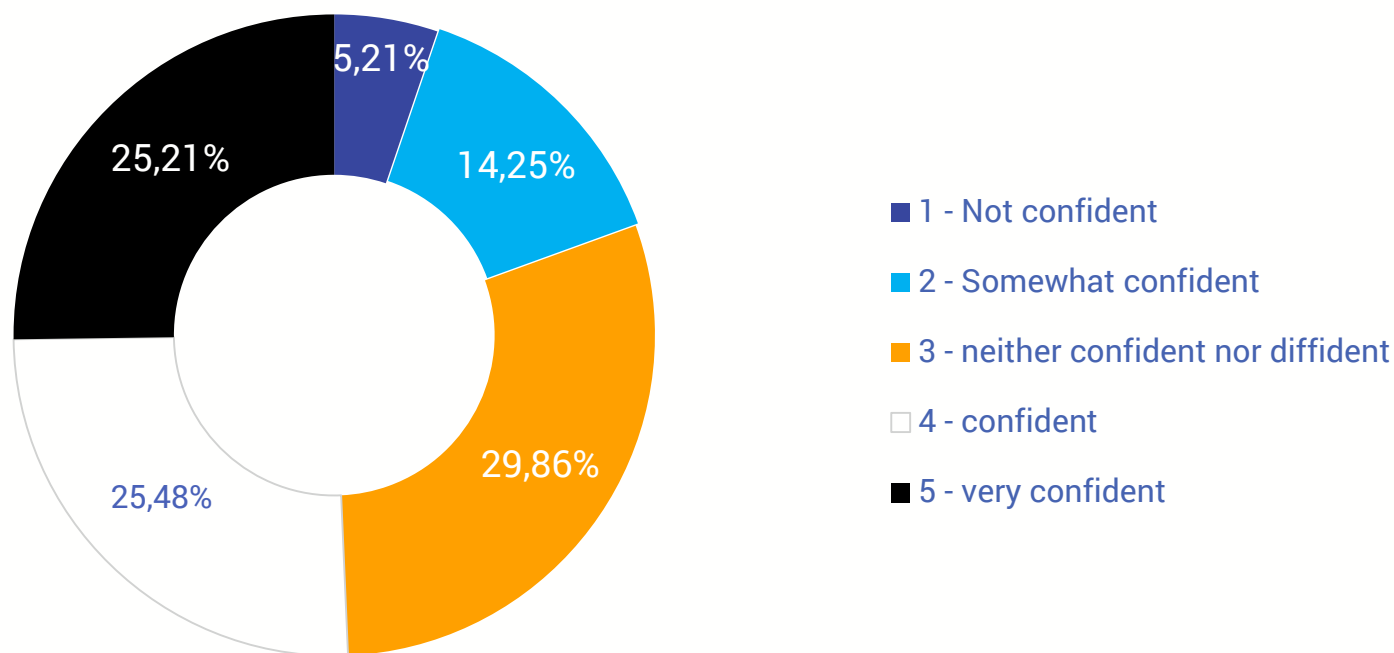


SMEs expressed average confidence levels of 47% (up by 3% from Q3 of 2017).

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How confident are you of finding staff with the right skills set and experience to facilitate the growth of your business?

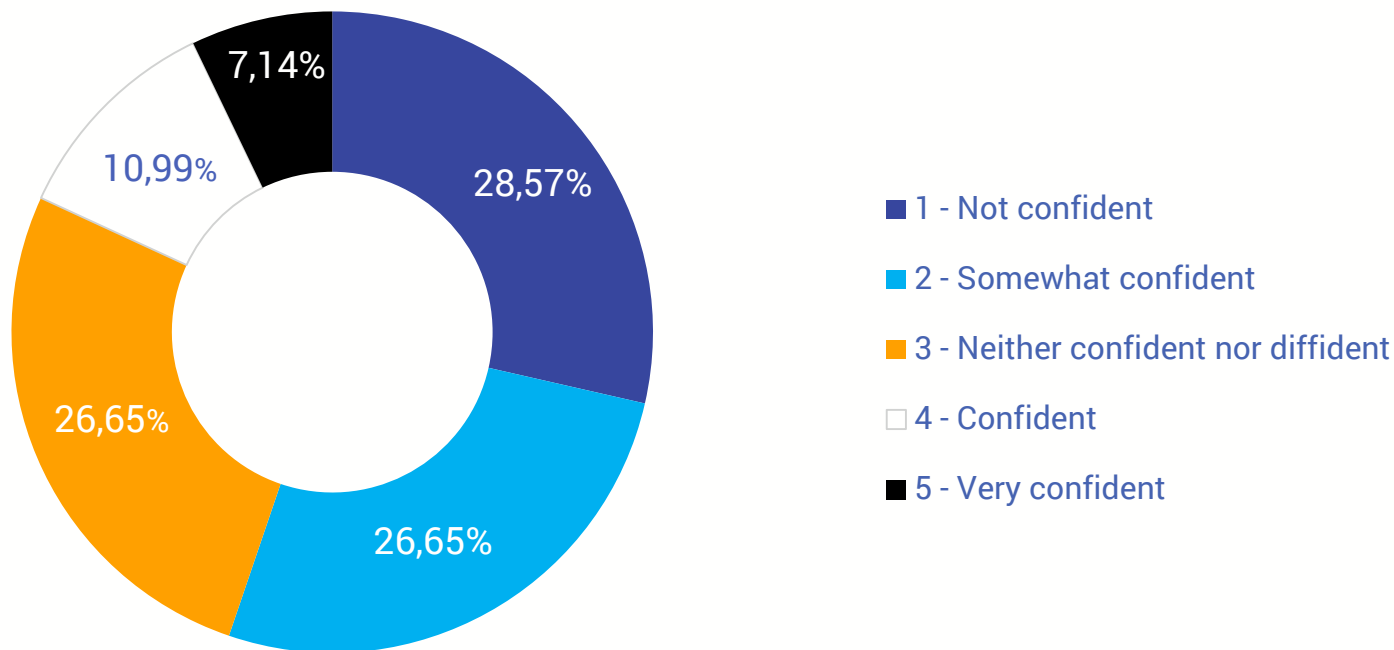


SMEs expressed average confidence levels of 63% (up by 1% from Q3 of 2017).

BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: CONFIDENCE LEVELS



How confident are you that the government is doing enough to foster SME development in SA?

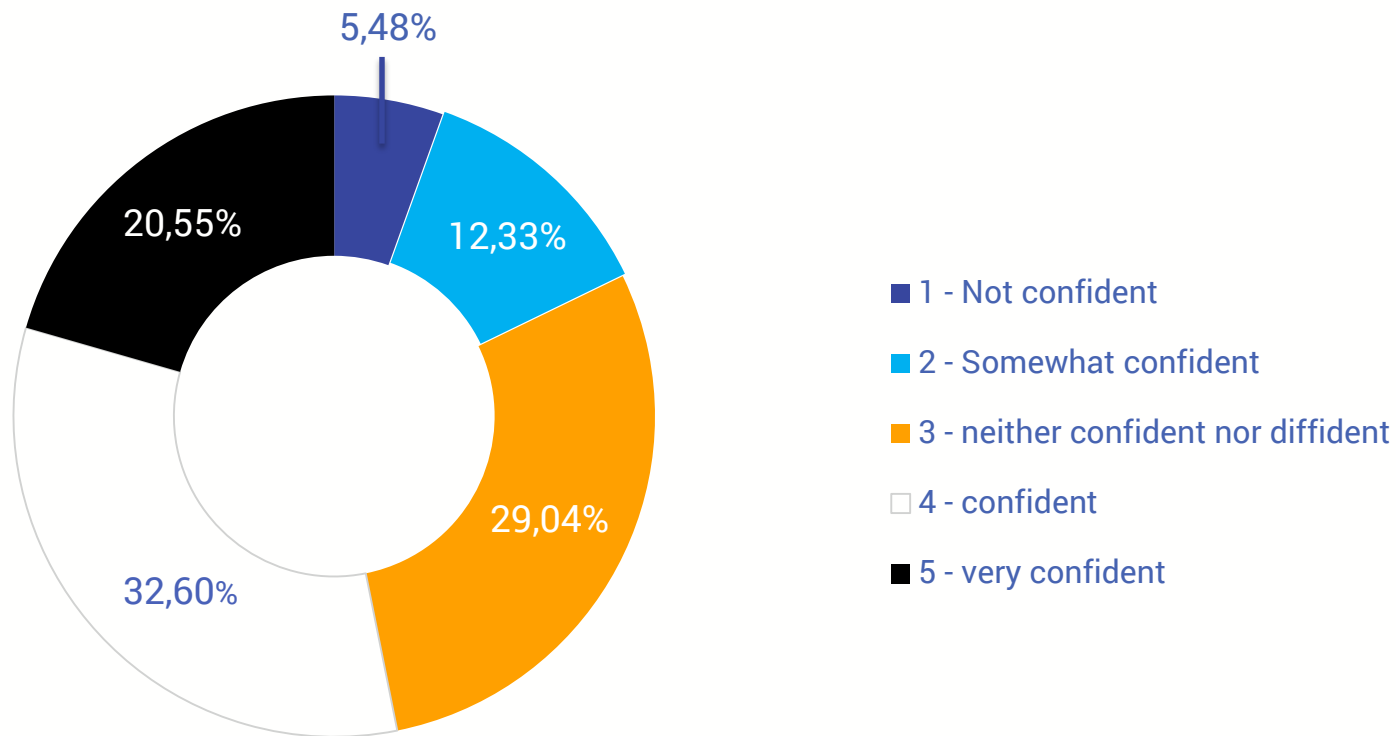


SMEs expressed average confidence levels of 33% (down by 1% from Q3 of 2017).

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How confident are you that your clients will pay you within the stipulated time?

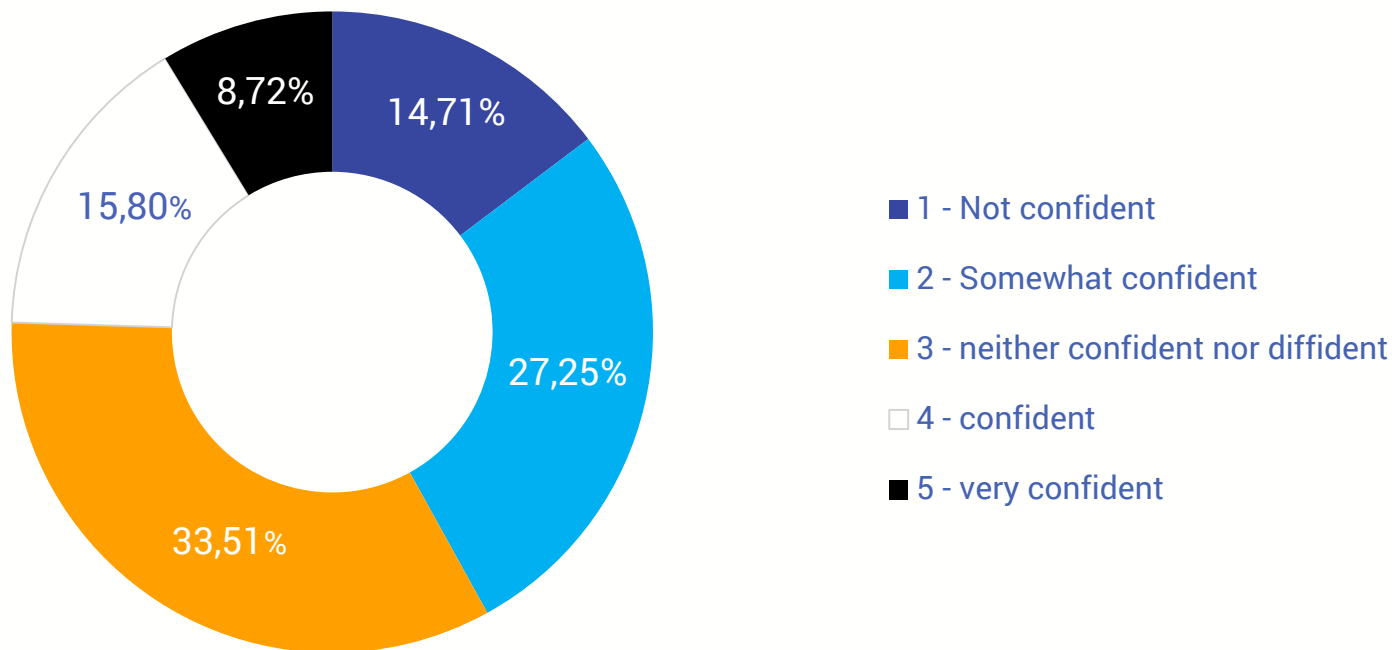


SMEs expressed average confidence levels of 63% (up by 2% from Q3 of 2017).

BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: CONFIDENCE LEVELS



How confident are you that the private sector is doing enough to support SMEs in SA?



SMEs expressed average confidence levels of 44% (down by 2% from Q3 of 2017).



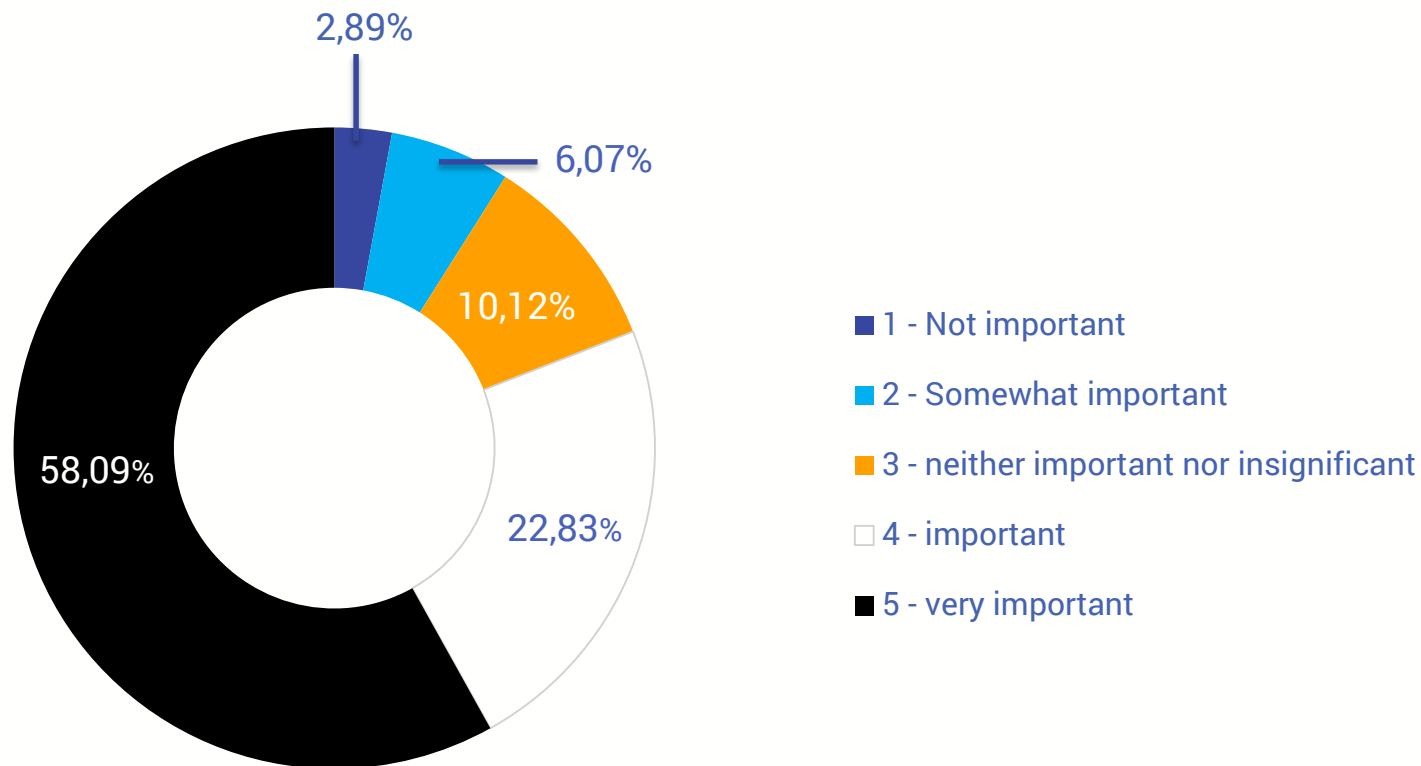
IMPORTANCE LEVELS

On a scale of 1 to 5, SME owners were asked to rate the level of importance placed on issues such as mentorship, access to finance and SME specific information, resources and support.

BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: IMPORTANCE LEVELS



How important is access to finance to the growth and sustainability of your business?

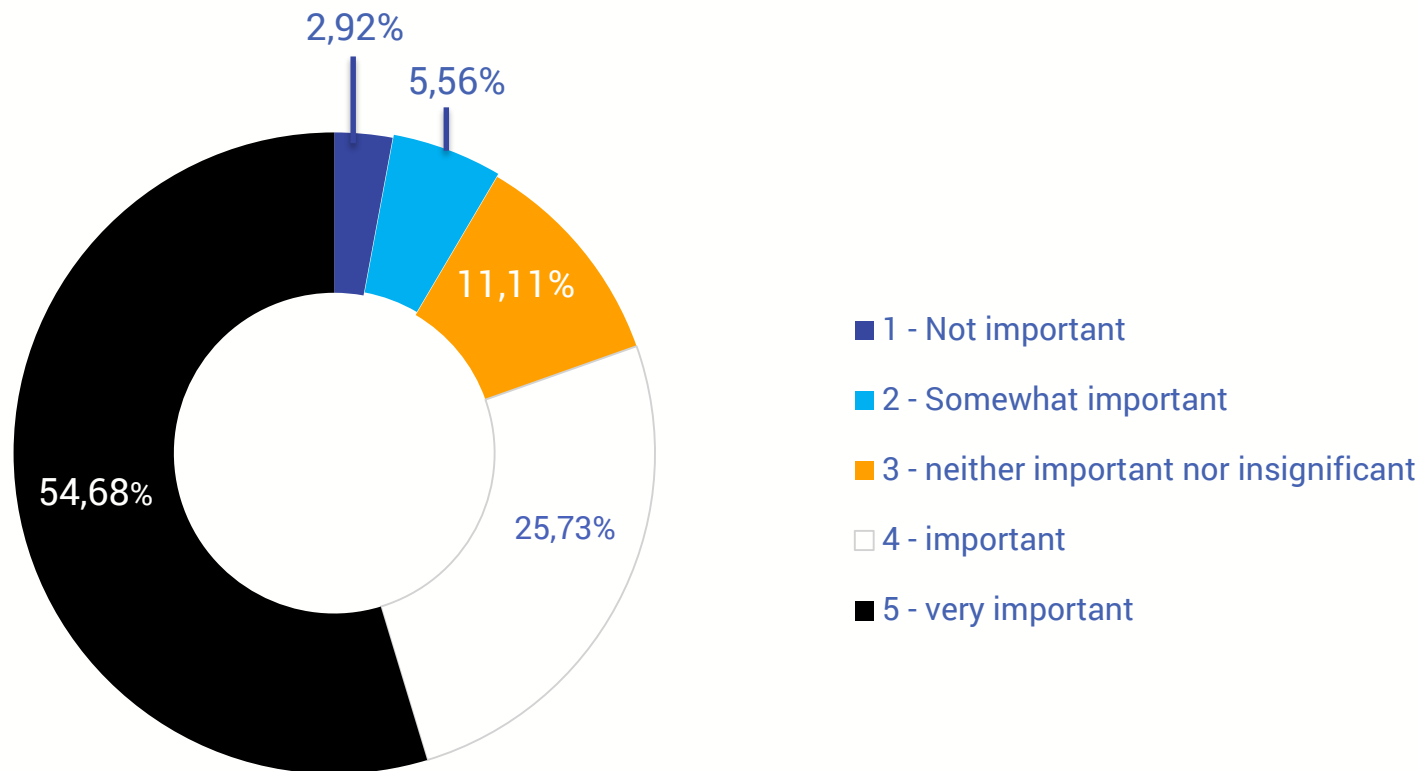


SMEs expressed average importance levels of 82% (up by 1% from Q3 of 2017).

BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: IMPORTANCE LEVELS



Please rate how important you believe having access to SME specific information, resources and support is the development and growth of your business.

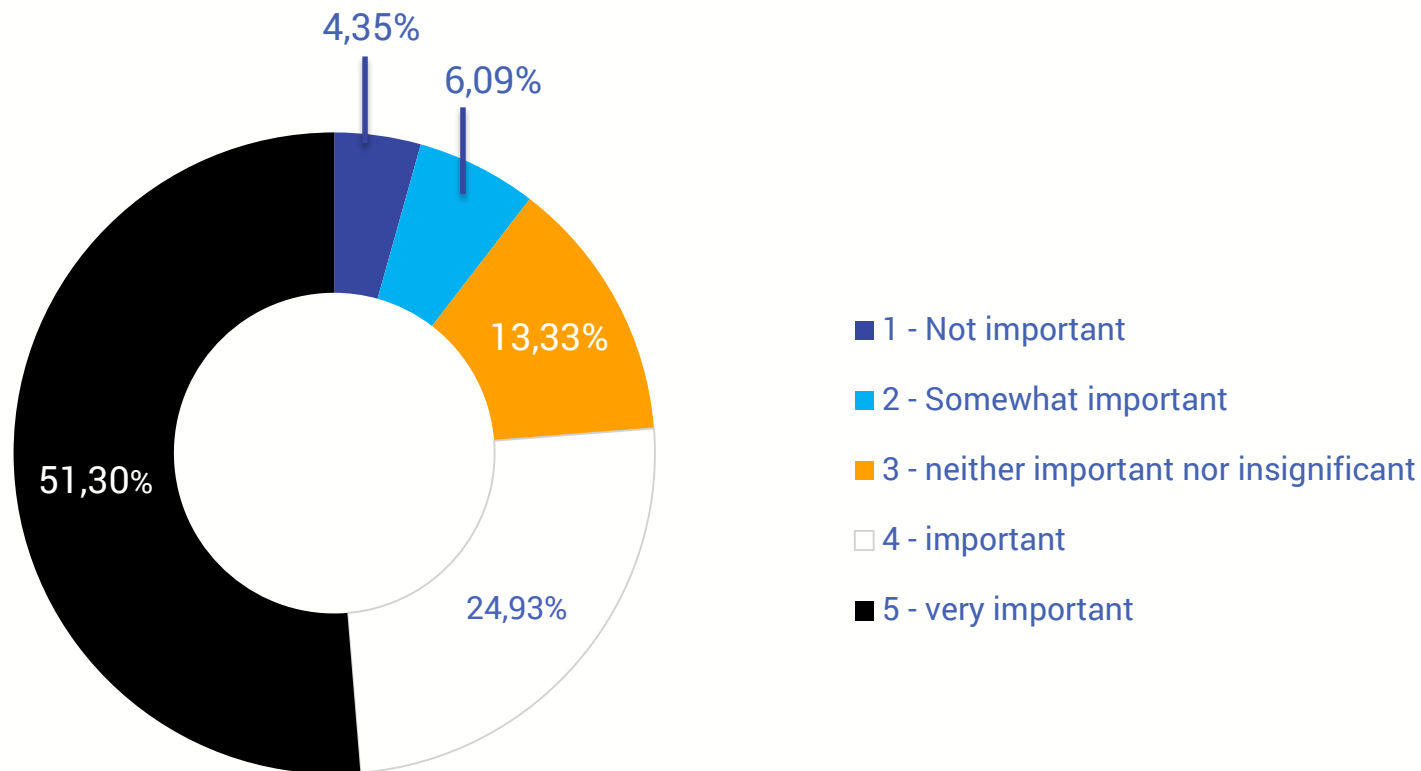


SMEs expressed average importance levels of 81% (no change from Q3 of 2017).

BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: IMPORTANCE LEVELS



Please rate how important you believe having a mentor is when it comes to the development and growth of your business.

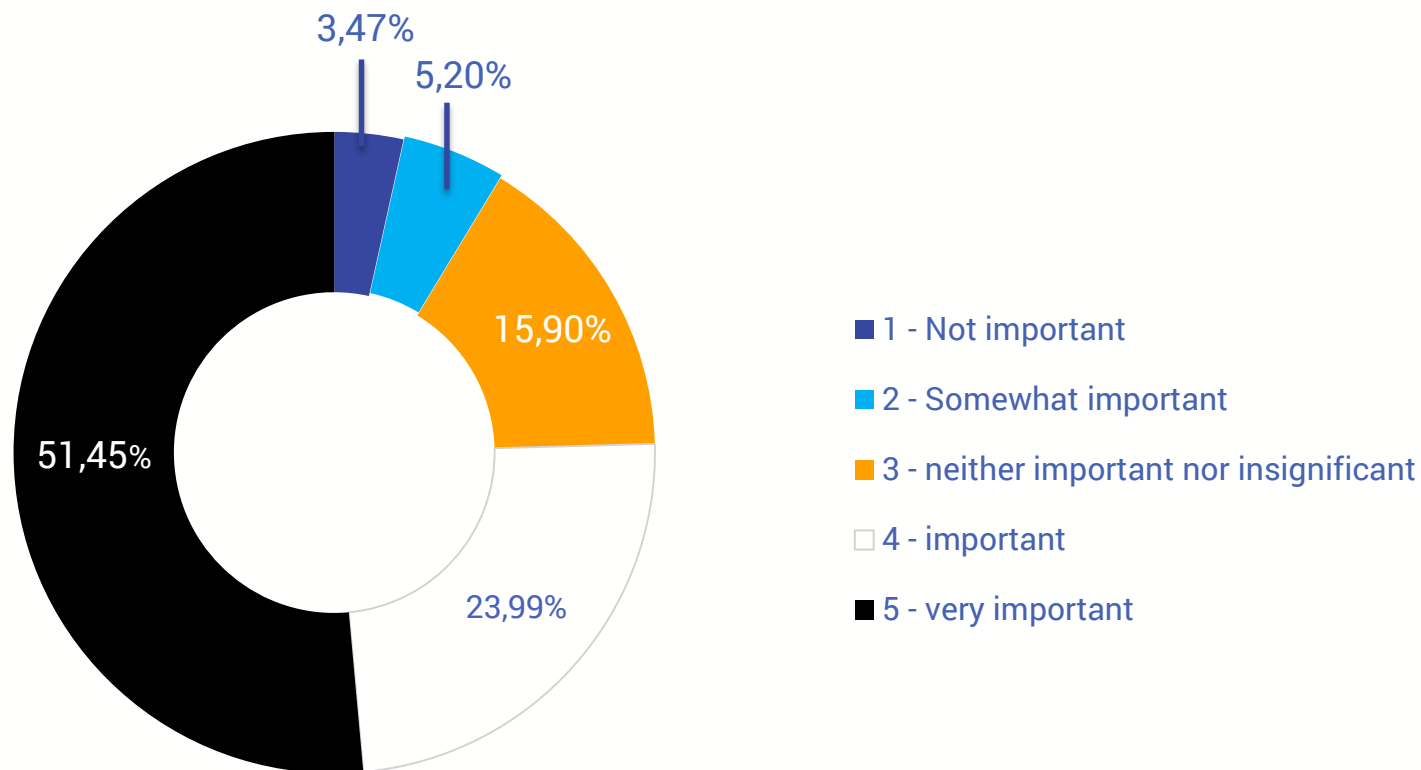


SMEs expressed average importance levels of 78% (up by 8% from Q3 of 2017).

BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: IMPORTANCE LEVELS



Please rate how important you believe social media is to market your business effectively?



SMEs expressed average importance levels of 79% (up by 1% from Q3 of 2017).



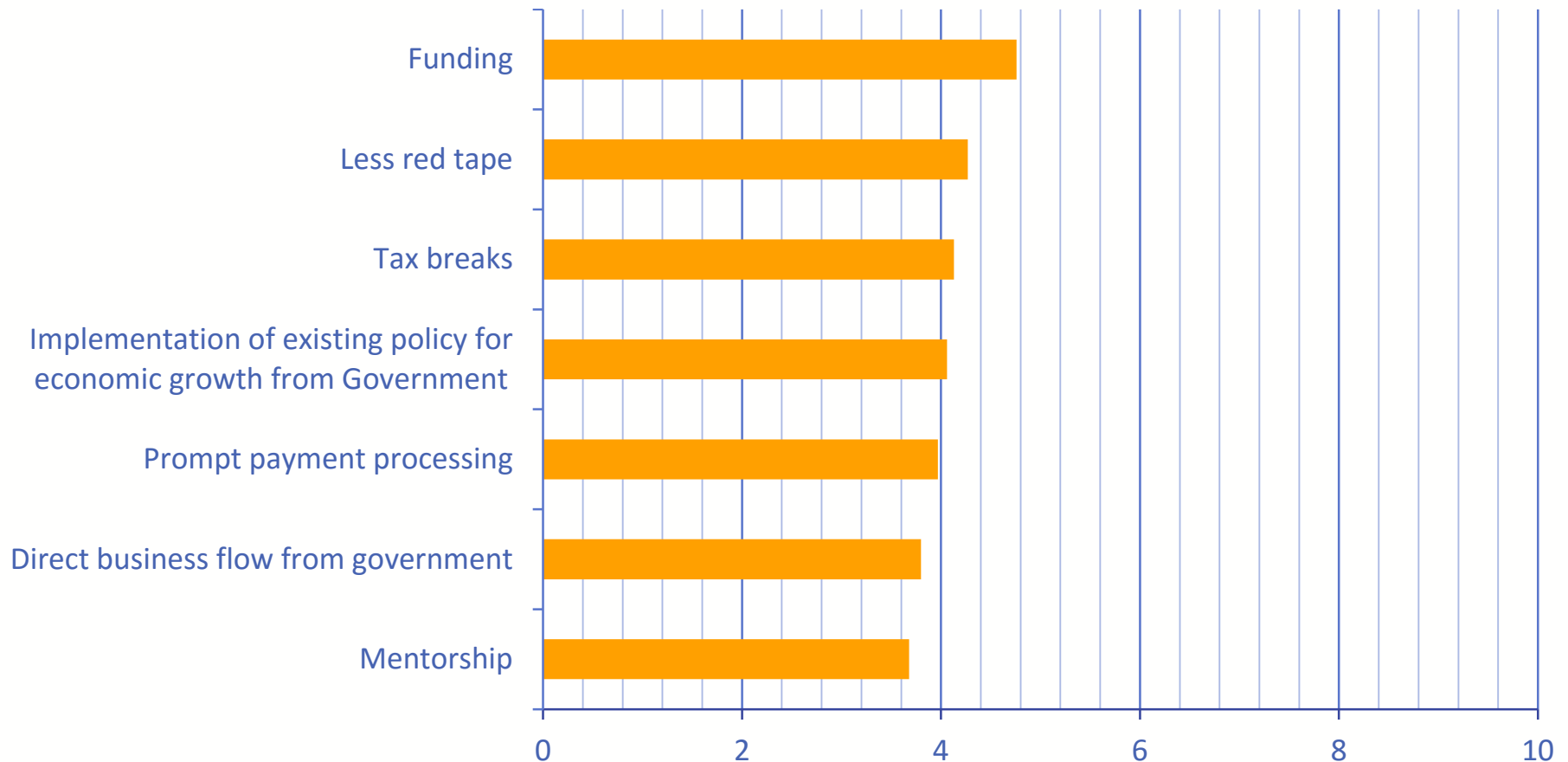
ASSISTANCE REQUIRED TO OVERCOME CHALLENGES

SME owners were asked to rate assistance required to overcome challenges. The list of challenges was provided.

BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: ASSISTANCE REQUIRED TO OVERCOME CHALLENGES



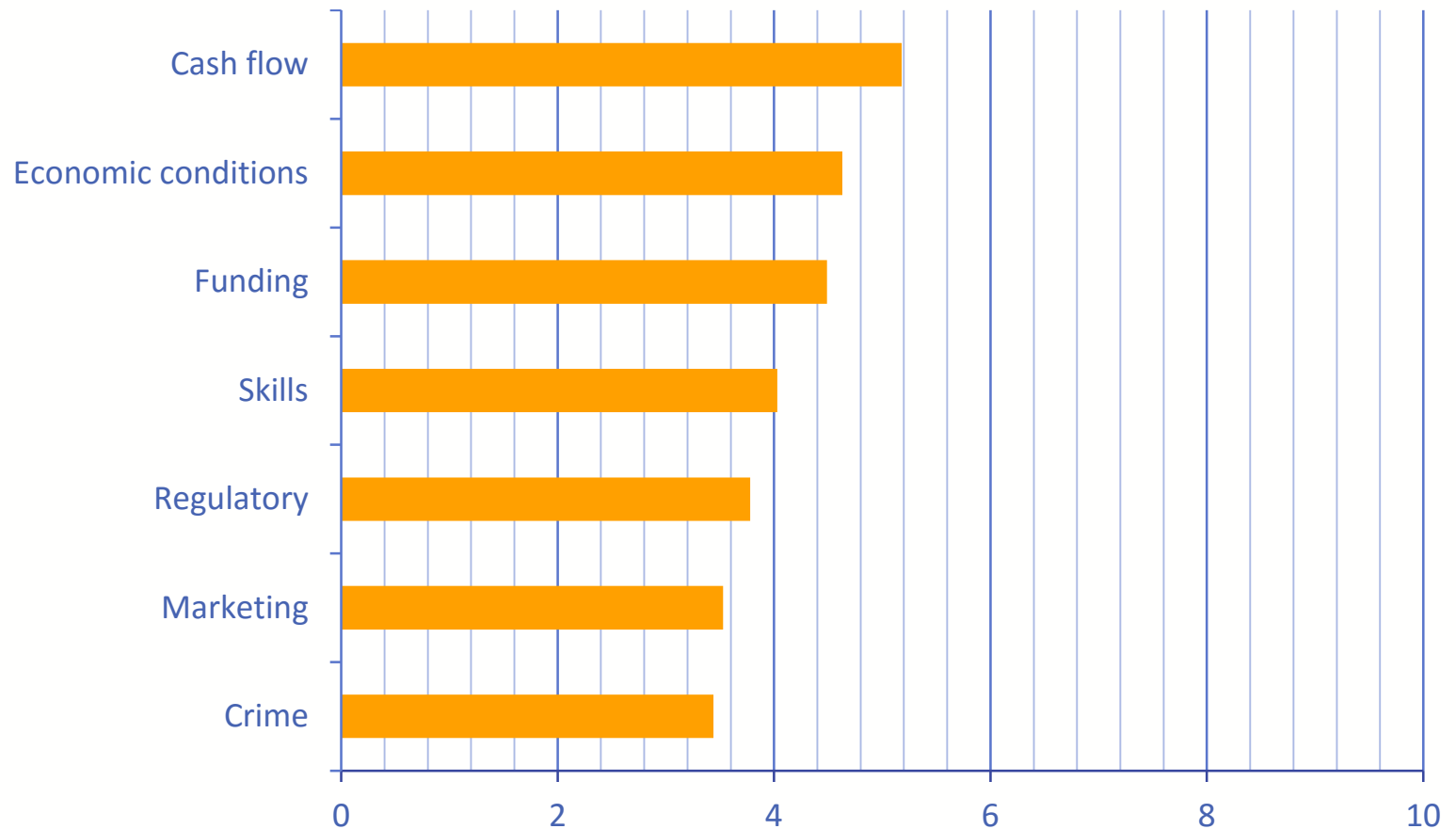
What form of assistance from government would benefit you most as an entrepreneur/aid the growth of your business?



BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: ASSISTANCE REQUIRED TO OVERCOME CHALLENGES



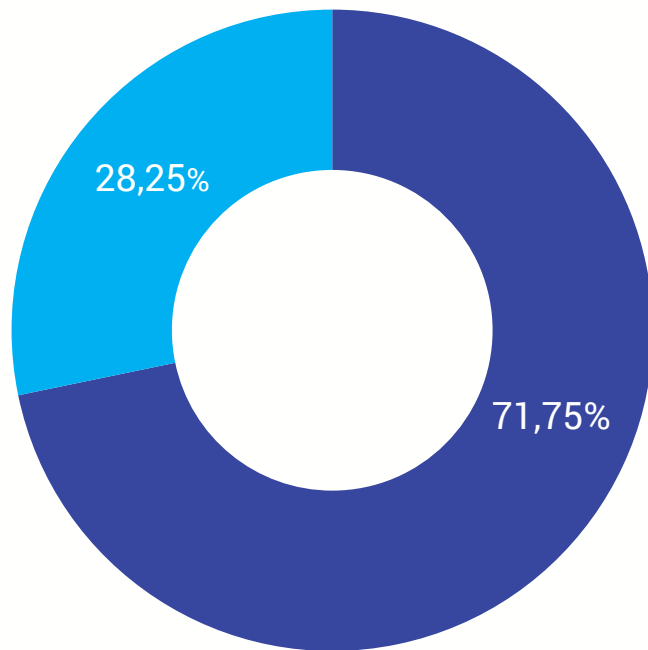
What is the main challenge that SMEs will face in the next six months?



BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: IMPORTANCE LEVELS



Following the ANC elective conference 2017, do you believe the outcome will have a positive impact on SMEs in 2018?

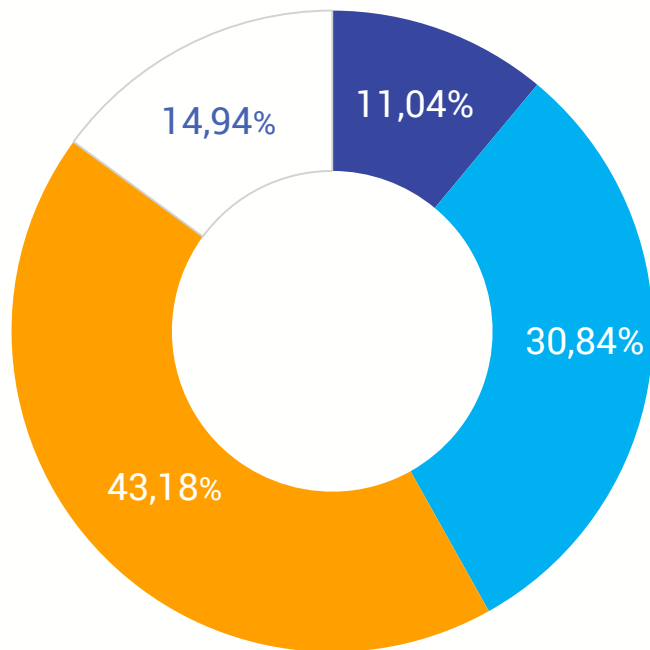


- Yes, I have confidence that this will be conducive to the economic environment for small businesses.
- No, I don't believe this will make a difference for my small business going forward.

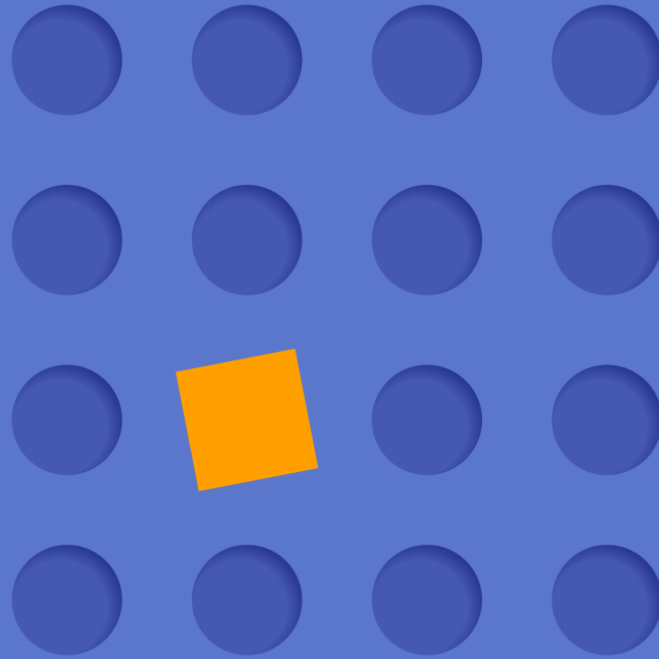
BUSINESS PARTNERS LIMITED SME INDEX Q4 OF 2017: IMPORTANCE LEVELS



Have you expanded your small business to operate in other parts of Africa?



- Yes, doing business in other parts of Africa has resulted in growth for my business.
- No, I don't have the capacity to expand my business beyond South African borders.
- No, however, I'm planning to explore this opportunity.
- This doesn't apply to my business.



THANK YOU