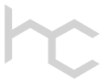


#COMBATCOVID SMME SURVEY

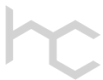
APRIL 2020

BROUGHT TO YOU BY HEAVY CHEF IN COLLABORATION WITH
RETAIL CAPITAL, PAYFAST, XERO, YOCO, WHIPPING THE CAT & WORKSHOP 17



In April 2020 a collective of stakeholders servicing small businesses in South Africa surveyed small business owners to assess the impact COVID-19 interventions have had to date on their livelihoods. The survey was conducted among 2,280 small business owners using a convenience sampling methodology. We have summarised the results into 4 categories - Money, Support, People & Adaptability - that shine a light on the state of their businesses during this pandemic.

MONEY

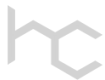


No business is safe from the negative financial impact of COVID-19 interventions. Even though 2/3 of small businesses surveyed are 'mature' business (meaning, older than 3 years with healthy monthly revenue streams), 89% of them indicated a sharp decrease in monthly income. 33% of them estimated a monthly decline of between 75%-100%. 3 out of 4 small business owners, across industries, sadly indicate that their business will not survive prolonged lockdown restrictions beyond 1 July 2020.

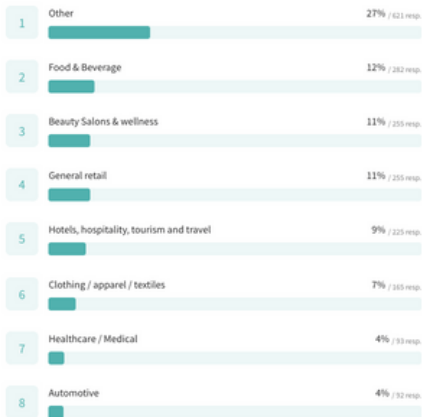


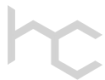
3 OUT OF 4

**SMMES WILL NOT SURVIVE BEYOND 1 JULY 2020
UNDER STRICT LOCKDOWN CONDITIONS**

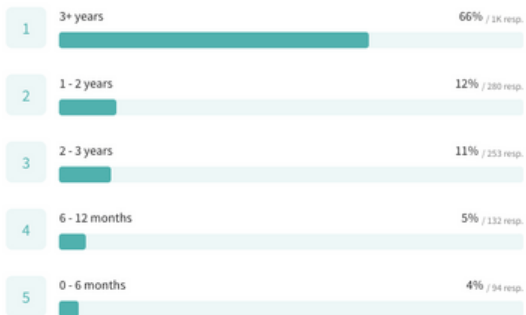


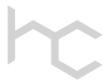
WHAT INDUSTRY DOES YOUR BUSINESS OPERATE IN?





HOW LONG HAS YOUR BUSINESS BEEN OPERATING?

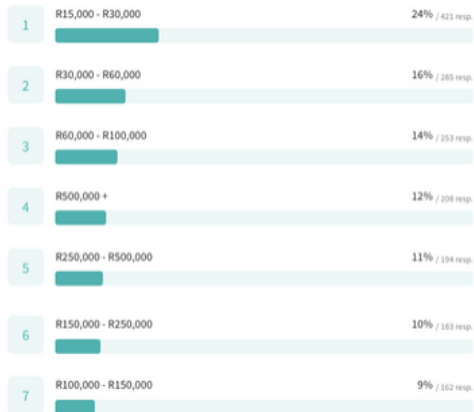


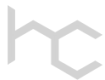


IS YOUR BUSINESS CURRENTLY TRADING?

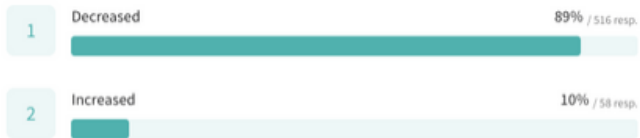


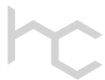
WHAT WAS YOUR AVERAGE MONTHLY TURNOVER BEFORE LOCKDOWN?



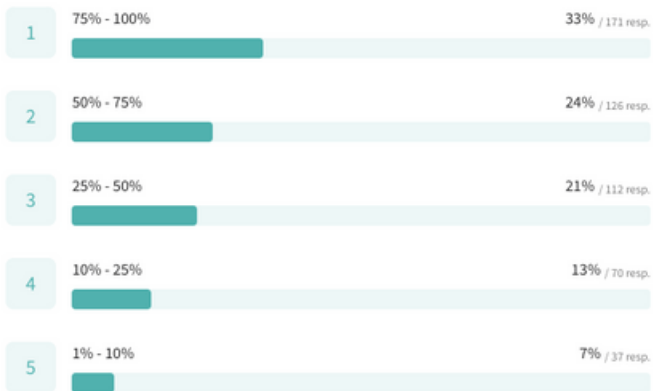


HAS YOUR TURNOVER INCREASED OR DECREASED?



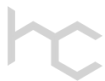


HOW MUCH HAS YOUR TURNOVER DECREASED?

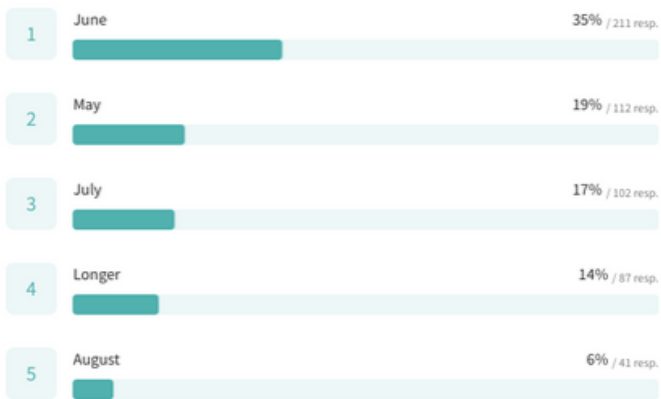


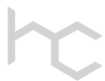
WOULD YOUR BUSINESS SURVIVE ANOTHER EXTENSION TO THE LOCKDOWN?



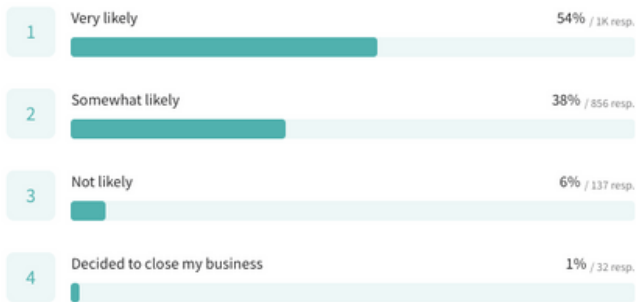


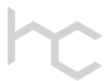
WHAT IS THE LONGEST EXTENSION YOU COULD SURVIVE? OPENING THE MONTH OF...



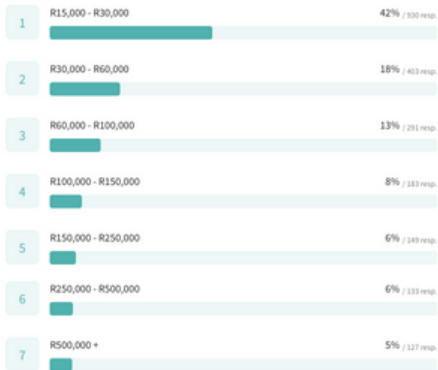


WHAT IS THE LIKELIHOOD OF YOU RE-OPENING YOUR BUSINESS AFTER LOCKDOWN?

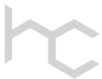




WHAT DO YOU EXPECT YOUR FIRST MONTH'S TURNOVER TO BE WHEN YOU GET BACK TO BUSINESS?



SUPPORT



Small businesses seem to be cynical about the COVID-19 relief options available to them. Less than half surveyed have applied for relief from government, banks or other financial institutions. Of those that have applied 68% were unsuccessful in their applications. Some of the relief options that were able to support them include the South Africa Future Trust, Debt Relief Fund and SMME Relief Finance Facility. 71% expect that they will require business funding when COVID-19 restrictions are relaxed; more than half indicate they will need less than R100, 000 of funding.



68%

**SMMES WERE UNSUCCESSFUL IN THEIR
APPLICATION FOR COVID-19 RELIEF FUNDING**

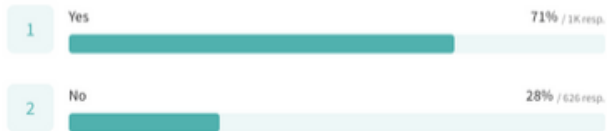
HAVE YOU APPLIED FOR RELIEF FROM BANKS, GOVERNMENT OR OTHER FINANCIAL INSTITUTIONS?



WERE YOU SUCCESSFUL IN RECEIVING ANY FINANCIAL RELIEF FROM BANKS, GOVERNMENT OR OTHER FINANCIAL INSTITUTIONS?



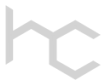
WOULD YOU REQUIRE BUSINESS FUNDING TO RE-START AFTER THE LOCKDOWN?



HOW MUCH FUNDING DO YOU BELIEVE YOU WOULD NEED?



PEOPLE

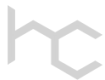


Small businesses are trying their best to avoid their precarious position to not impact their staff. 1/3 of those surveyed indicated that they are paying their employees as usual even if they are not working currently. 81% have indicated that they have not retrenched staff as yet. Unfortunately, the current financial reality cannot stop the collateral damage in its entirety. 71% said that a prolonged state of lockdown will make it likely that they will need to start retrenchment processes. 66% had to reduce staff salaries due to COVID-19 interventions already. 1/3 of which reduced salaries between 75%-100%.

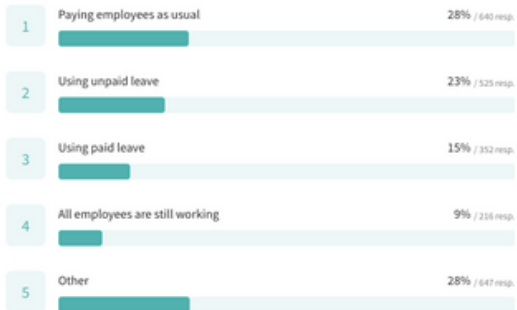


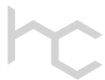
75%-100%

SALARIES REDUCED BY ONE THIRD OF SMMEs



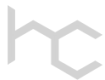
FOR EMPLOYEES WHO ARE NOT WORKING, ARE YOU...



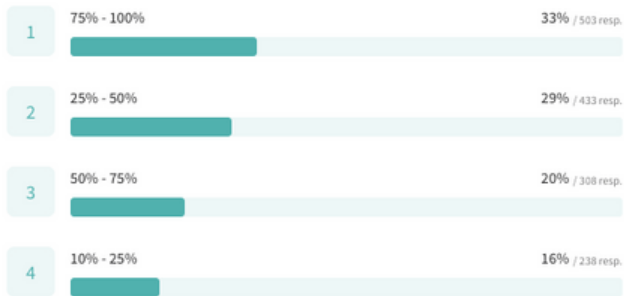


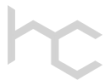
HAVE YOU HAD TO REDUCE SALARIES DUE TO THE LOCKDOWN?





HOW MUCH HAVE YOU NEEDED TO REDUCE SALARIES BY?

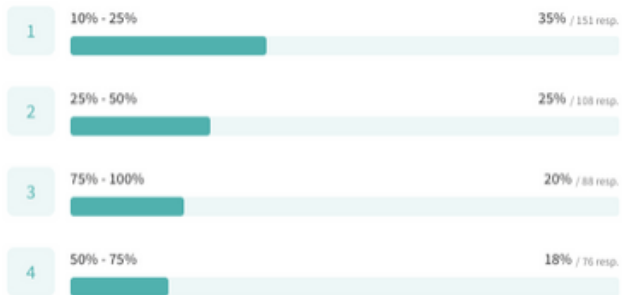




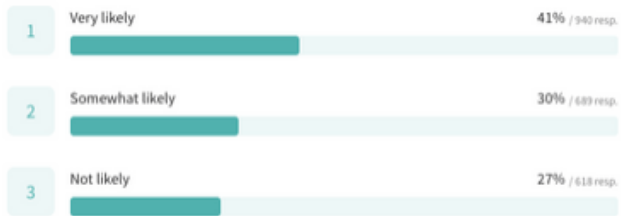
HAVE YOU HAD TO RETRENCH STAFF DUE TO THE LOCKDOWN?



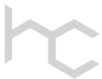
WHAT PERCENTAGE OF STAFF HAVE YOU NEEDED TO RETRENCH?



HOW LIKELY IS RETRENCHMENT OF STAFF IN THE NEXT 3 MONTHS?



ADAPTABILITY



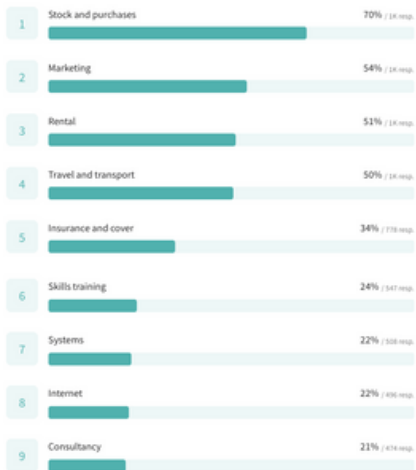
Small businesses had to adapt quickly and decisively. 1/4 of them indicated that they are attempting to trade in some way or form. 54% work remotely and are using technology - in particular messaging and video conferencing platforms - to streamline their processes. Immediate cost cutting interventions include reductions in stock purchases, marketing, rental, travel and transport, insurance cover and many more. The impact of the pandemic and efforts to 'flatten the curve' already has led to 1/3 of small businesses to change their business model. More than half that have not yet changed their business model, expect that they will be forced to do this soon.



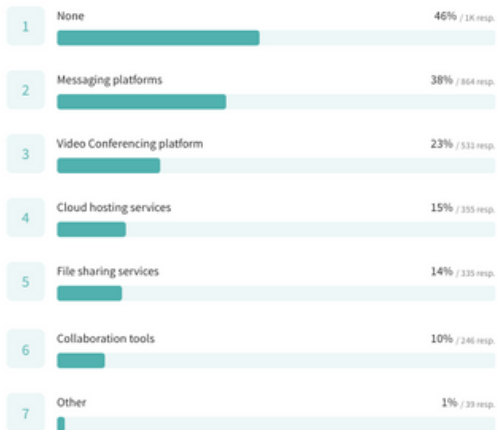
1 OUT OF 3

**SMMES THAT HAVE CHANGED THEIR BUSINESS
MODEL (57% EXPECT TO DO SO SOON)**

WHAT OTHER COSTS HAVE YOU HAD TO REDUCE DUE TO THE LOCKDOWN?



WHAT (IF ANY) TECHNOLOGY IS HELPING YOU STREAMLINE YOUR CURRENT BUSINESS MANAGEMENT PROCESSES?



HAVE YOU CHANGED YOUR BUSINESS MODEL IN ANY WAY SINCE THE LOCKDOWN?

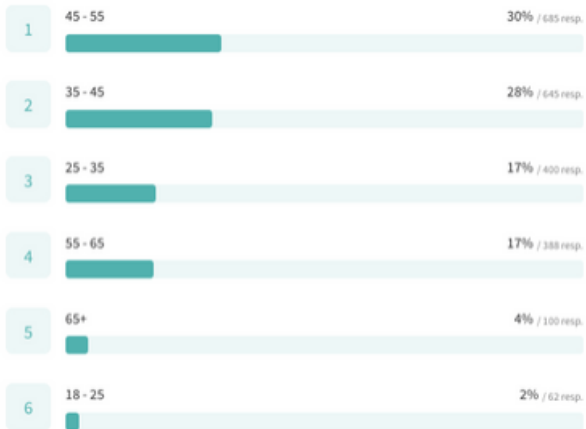


WILL YOU CHANGE YOUR BUSINESS MODEL AFTER THE LOCKDOWN?

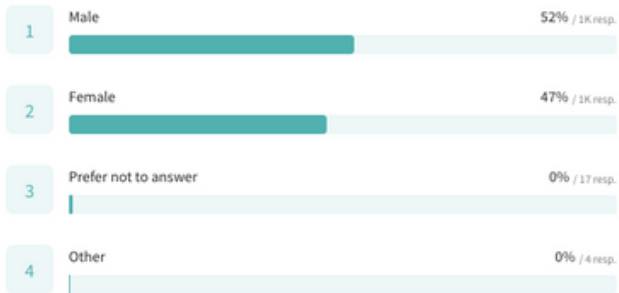


DEMOGRAPHICS

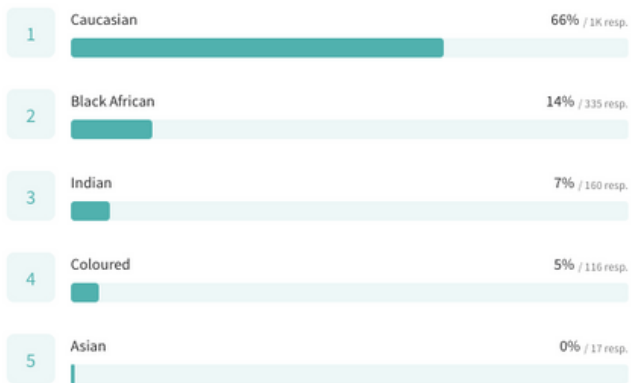
WHICH AGE GROUP DO YOU FALL INTO?

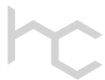


FOR STATISTICAL PURPOSES, TO WHICH GENDER DO YOU MOST IDENTIFY?



FOR STATISTICAL PURPOSES, PLEASE CAN YOU INDICATE WHICH GROUP BEST DESCRIBES YOUR RACE?





THANK YOU