



COVID-19 SME Support:

# Back to Business Guide

Everything **small business owners** need to know to trade during COVID-19

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# A partnership between Lulalend and the National Small Business Chamber (NSBC)

## ABOUT LULALEND

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Lulalend offers fast and easy access to business funding. Apply for up to R1.5m in only minutes, receive funds within 24 hours.

## ABOUT THE NSBC

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The National Small Business Chamber (NSBC) is a non-profit membership organisation and the driving force fuelling small business growth throughout the African continent. The real purpose behind the organisation is fostering the sustainability and growth of the SME sector, driving job creation, alleviating unemployment and nurturing the country's entrepreneurial spirit.





**As a small business owner, you have a difficult job. It's up to you to guide your SME through the COVID-19 pandemic.**

The lockdown regulations control everything from when you can trade to how you can trade.

**And the reality is COVID-19 will influence how your SME operates over the next 18 to 24 months.**

We collected resources and advice from the government, industry experts, and other entrepreneurs to help you navigate the re-opening of your business.

# In this guide, we cover tips for:

- Developing a COVID-19 workplace plan
- Communicating with staff and customers
- Boosting your cash flow
- Marketing your SME during COVID-19



# Check compliance

Running a small business comes with a lot of administration. You need to comply with so many labour and trade regulations. If you don't, you could end up harming your business.

One example is some business owners couldn't apply for COVID-19 government assistance because they were not registered with SARS or the UIF, [said Marc Ashton, the founder of Decusatio](#), an online platform that helps people make better financial decisions.



“ All of these funds require a couple of basic fundamentals. They require for you to have a registered business that is in good standing with SARS. (Now is a) good opportunity to go and tick those boxes. ”

The National Small Business Chamber (NSBC) highlighted key SME regulations:

- Business registration with the Companies and Intellectual Property Commission (CIPC)
- Tax registration with the South African Revenue Service (SARS)

It's a good idea to learn more about local labour law, added the NSBC. This means understanding the Basic Conditions of Employment Act and how it relates to your SME.

# Workplace plan

South African businesses will operate in some form of lockdown until 2021, analysts estimate.

If you return to work during the lockdown, you'll need a workplace plan.

## YOUR WORKPLACE PLAN SHOULD SET OUT:

Safety measures for operating during COVID-19



Staff communication during the pandemic



# Safety measures

Even during the lowest alert level, we'll need to follow safety measures to prevent the spread of COVID-19.

## AN OVERVIEW OF THE TYPES OF SMES THAT CAN TRADE DURING DIFFERENT STAGES OF THE LOCKDOWN

### LEVEL 5

#### AGRICULTURE, HUNTING, FORESTRY AND FISHING:

- Food-related agriculture, livestock, transport of live animals and auctions (subject to health directions) and related agricultural services;
- All fishing, operation of fish hatcheries and fish farms; and
- Harvesting and storage activities essential to prevent the wastage of primary agricultural goods

#### MANUFACTURING

- Manufacture of paper and paper products, excluding stationery, permitted scaling up to full employment;
- Manufacture of packaging, including glass, plastic bottles and containers, permitted scaling up to full employment;
- Manufacture of winter clothing, bedding and heaters, and all inputs required, permitted, commencing at 25% and scaling up to 50% employment;
- Petroleum smelters, refineries, and furnaces, permitted scaling up to full employment

#### CONSTRUCTION AND RELATED SERVICES

- Civil engineering for public works projects (including water, energy, sanitation);
- Critical public works construction; and
- Critical maintenance and repairs

#### WHOLESALE AND RETAIL TRADE

- Any food product, including non-alcoholic beverages and animal food, excluding the sale of cooked hot food
- Toilet paper, sanitary pads, sanitary tampons, condoms
- Hand sanitiser, disinfectants, soap, alcohol for industrial use, household cleaning products, and personal protective
- Products for the care of babies and toddlers;
- Personal toiletries
- Medical and hospital supplies
- Fuel, including coal, wood, paraffin and gas;
- Airtime and electricity
- Hardware, components, and supplies required by any qualified tradespersons for emergency repairs at residential homes;
- Hardware, components, and supplies required by anyone providing essential services for any project related to the provision of water, electricity or other essential services;
- Components for vehicles undergoing emergency repairs if vehicle is used by someone engaged in essential services work
- Chemicals, packaging and ancillary products used in the production of any these products;
- Textiles required to produce face masks, and other personal protective equipment
- Children's clothing
- Winter clothing bedding and heaters
- On-line delivery of ICT equipment to facilitate work-from-home arrangements including computers, mobile telephones, and other home office equipment
- No sale of liquor permitted



# Safety measures



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## LEVEL 5

### FINANCIAL AND BUSINESS SERVICES

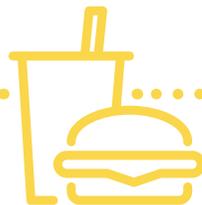
- Employees should work from home where possible
- Call centres for local and international markets may operate
- Essential financial services may operate subject to government regulations
- Private security services
- Implementation of payroll systems
- Rental of motor vehicles, machinery and equipment, and of personal and household goods to support other essential services;
- Other professional services may operate only where work-from-home is not possible, and only to support other essential services

### ACCOMMODATION AND FOOD SERVICE ACTIVITIES

- Accommodation not permitted, except for quarantine, essential services
- Restaurant, takeaway, bar and canteen services not permitted

### MINING AND QUARRYING

- Coal production for Eskom scaling up to full employment; and
- All other mining starting in batches scaling up towards 50% employment



# Safety measures



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## LEVEL 4

## ALL SECTORS AND ACTIVITIES ALLOWED IN LEVEL 5, PLUS:

### AGRICULTURE, HUNTING, FORESTRY AND FISHING:

- Forestry

### MANUFACTURING

- Automotive manufacturing, including components, scaling up in phases to 50% employment;
- Stationery production, scaling up in phases to 50% employment
- Cement, other construction material, and hardware, scaling up in phases to 50% employment;
- All other manufacturing, scaling up to 20% employment

### CONSTRUCTION AND RELATED SERVICES (INC. TRADESPEOPLE):

- Road and bridge projects
- Other public works civil engineering projects

### WHOLESALE AND RETAIL TRADE:

- The sale of hot cooked food, only for home delivery
- Stationery and educational books;
- Personal ICT equipment including computers, mobile telephones, and other home office equipment

### FINANCIAL AND BUSINESS SERVICES

- Call centres for all international markets may operate subject government direction

### ACCOMMODATION AND FOOD SERVICE ACTIVITIES

- Restaurants only for food delivery services (9am-8pm) and subject to curfew (no sit-down or pick-up allowed)

### MINING AND QUARRYING

- Open-cast mining scaling up to full employment;



# Safety measures



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## LEVEL 3

## ALL SECTORS AND ACTIVITIES ALLOWED IN LEVEL 4, PLUS:

### MANUFACTURING

- Automotive manufacturing, including components, scaling up in phases to 100% employment
- Stationery production, scaling up to 100% employment
- Cement and other construction material, scaling up to 100% employment
- Steel and other metal manufacturing, scaling up in phases to 100% employment
- Clothing, textiles and footwear, scaling up in phases to 100% employment
- Other chemicals manufacturing, scaling up in phases to 100% employment

### CONSTRUCTION AND RELATED SERVICES (INC. TRADESPEOPLE):

- Commercial building projects

### WHOLESALE AND RETAIL TRADE:

- Hardware, components and supplies for sale to the general public
- Stationery and all books
- All household appliances
- All clothing, home textiles and footwear
- Motor vehicles sales, subject to directions
- Off-premises consumption of alcohol, subject to limited hours
- No consumption on premises

### FINANCIAL AND BUSINESS SERVICES

- Commercial real estate permitted

### MINING AND QUARRYING

- All mining scaling up towards 100% employment



# Safety measures



Even during the lowest alert level, we'll need to follow safety measures to prevent the spread of COVID-19.

## LEVEL 2

### ALL SECTORS AND ACTIVITIES ALLOWED IN LEVEL 3, PLUS:

#### MANUFACTURING

- All manufacturing scaling up towards 100% employment

#### WHOLESALE AND RETAIL TRADE:

- All retail permitted, subject to directions

#### FINANCIAL AND BUSINESS SERVICES

- All real estate activities permitted

#### ACCOMMODATION AND FOOD SERVICE ACTIVITIES

- Permitted for business travel, except conferences
- Restaurants permitted, only for take-away and delivery

## LEVEL 1

### ALL SECTORS AND ACTIVITIES ALLOWED IN LEVEL 2, PLUS:

#### CONSTRUCTION AND RELATED SERVICES (INC. TRADESPEOPLE):

- All construction projects permitted

#### FINANCIAL AND BUSINESS SERVICES

- All financial and business services permitted

#### ACCOMMODATION AND FOOD SERVICE ACTIVITIES

- Accommodation permitted
- Restaurants, including sit-down, take-away and delivery, permitted

#### HEALTH, SOCIAL AND PERSONAL SERVICES

- Other personal services like hair salons, spas and beauticians permitted, subject to directions;
- Other recreational, cultural and sporting activities and facilities, re-opening subject to directions



# Safety measures



“All COVID-19 health and safety protocols must be followed at all times, including observance of guidelines for social distancing, sanitation, and hygiene, and use of appropriate personal protective equipment, like cloth face masks, as determined by the National Department of Health,” reads the government’s risk strategy for level 1.

A good approach is to check the official guidance to find policies that apply to your industry and the size of your SME.

Even during the lowest alert level, we’ll need to follow safety measures to prevent the spread of COVID-19.

## HERE ARE A FEW IMPORTANT RESOURCES:

- [COVID-19 Corona Virus South African Resource Portal](#)
- [Department of Employment and Labour](#)
- [The Presidency](#)

**Kouthar Kannemeyer**, office manager at Lulalend, shared the measures the company put in place for social distancing.



## THE LULALEND TEAM IS ENCOURAGED TO:

- Maintain at least 1.5 meter distance from colleagues at all times
- Leave at least one workstation space between colleagues
- Sanitise work area and any other surfaces they regularly touch (keypad, mouse etc)

# Team communication



**Team communication is critical during the COVID-19 crisis, said Robyn Stone, the Head of Talent at Lulalend.**

## Key areas you might want to cover in your communication plan include:

- Details of how the company has sanitised the work premises
- Actions employees can take to reduce the spread of the virus, e.g., regular hand washing
- Information about new work policies, e.g., remote work or phased return to the office

## Stone said effective team communication was:

- Honest
- Open
- Optimistic
- Kind

“ We didn’t pretend to have the answers or know everything, we just shared what we knew to be true and asked for suggestions along the way as we navigated through the situation, said Stone. ”



Kindness was especially critical during uncertain times, said Stone:

“Above all, our employees’ health and well-being is the most important thing. The state of current affairs is heavy on the heart, so it’s important to be kind at all times. Not only as the Business Owner or HR delivering the comms, but by encouraging kindness between colleagues and teams.

“When you’re communicating remotely, things like empathy can get lost in translation so it’s important to express warmth in your tone.”

# Working and doing business remotely



**You might not be returning to an office soon.**

And even if you will be heading back, an increase in COVID-19 infections could quickly shift South Africa back to level 5.

On an [episode](#) of Business Day TV, **Pavlo Phitides, CEO of Aurik Business Accelerator, said:**

**“We’re going to be governed on the access of the economy based on the capacity of our health services to deal with the crisis as it unfolds and emerges...We will open the economy and close parts of it.”**

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Put another way, you need to be ready to reach your team and customers remotely.

## Doing business remotely

**“Businesses might want to reconsider their office spaces that they are letting for the future. Maybe move to smaller office spaces once their lease term ends and make use of a hot-seat principle.”**

“They can also consider spending less on office furniture and fittings, and rather focus on implementing processes and acquiring resources that will allow their employees to work remotely and strengthen their digital resources and digital presence.”

SMEs will need to invest money and time at the start of their journey. But, they'd save in the long term, added Du Toit.

**Bernice du Toit**, financial accountant at Lulalend, said **a shift to remote work might help companies curb costs.**

“Retail companies might want to increase their online presence and reduce their number of physical stores / size of stores and focus more on their digital stores / online presence - only having the most popular and small day-to-day items in stock in their physical stores. This again might be an expensive transition at first, but can lead to reduced future costs once these digital infrastructures are in place.”



Parcelninja.com, an e-commerce warehousing and fulfillment centre, has been working closely with SMEs to help them shift online. Parcelninja's Justin Drennan said businesses that acted fast would meet growing demand. He pointed to two companies, both sold thermometers.

One chose Shopify as a platform, dropped their products at Parcelninja, and sold thousands of units within a few days. The other couldn't decide on which platform to go with, and they lost out on that opportunity to meet that demand. Parcelninja's advice is that many small business owners don't need anything advanced; pick a platform, you can always change your mind later. ●●●●●●●●●●

## Working remotely

**Remote work could help reduce the spread of COVID-19, [said Prebashini Reddy](#), product manager at Westcon-Comstor Sub-Saharan Africa.**



**“Companies must review their existing team structures and identify those employees able to work remotely. In order to mitigate the risk of infection, all non-essential personnel must be allowed to do so. Throughout this period, employees must be made aware of the expectations from a business perspective and what their responsibilities in this situation are, [said Reddy](#).”**

As many teams work remotely for the first time, more businesses are looking for ways to keep staff informed and connected.

“Employees may get frustrated with not being able to walk over to a colleague’s desk to get a quick answer for a question they may have. They may feel that it takes a lot more effort to access the information that they will need to complete their tasks,” [said the NSBC](#).

# Working remotely

## 1. Organise one-on-one conversations



Beside weekly check-ins with your whole team, you should organise one-on-one meetings with each of your team members to discuss their work and to see how they are progressing.

Use this opportunity to see how your employees are coping with the new norm. If they raise issues, help them to navigate through these uncertain times. This is an ideal time to get to know your employees better and to build trust and rapport with them.

## 2. Set clear objectives



You should not judge your employee's performance on how active they are on email and in meetings. Instead, you should measure performance by how well goals are achieved and if deadlines are missed.

Here are the NSBC's tips to keep remote workers connected during COVID-19.

## 3. Arrange virtual social gatherings



Consider arranging virtual social gatherings. One idea is a pizza night where the company delivers pizza to each colleague at a specific time. You could organise a happy hour once a week where your colleagues meet and chat.

## 4. Remote working resources



If you're looking for the right software to make it easier to communicate and collaborate with your team, learn more about [remote tools here](#).

For a general overview of remote working, check out this [remote working guide](#).



# Review your finances



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**It's never been more important to keep a close eye on your cash flow.**

Improving your cash flow management begins with an understanding of your business's financials, said **Carvin Gordon**, Lulalend financial accountant.

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## **EVALUATE YOUR EXPENSES AND ASK:**

- Do I need all of these services?
- Are there cheaper alternatives?

A review of your finances gives you the information you need to make informed decisions about your SME's future.

## **YOU'LL ALSO BE ABLE TACKLE YOUR BUSINESS FINANCES WITH CONFIDENCE IN THESE AREAS:**

- Do you have enough cash to cover your expenses?
- Do you have the funds you need to pursue new business opportunities?

## Improve your cash flow

Cash flow is the lifeblood of every business, said Mike Anderson of the NSBC.



“The daily pressure of doing business is challenging enough, however, this type of pressure is generally positive. A cash flow crisis is negative pressure and will eat away at your positivity, slowing you down in the productivity department. In simple terms, financial pressure is destructive.”



“Make a commitment to free yourself now from money worries and get your cash flowing again so you can get back on track and create the business you have always dreamed of.”

# Improve your cash flow

- **Don't run out of cash:** Running out of cash is the definition of failure in business. Make the commitment to do whatever it takes so it doesn't happen to you.
- **Know your SME's key numbers:** What is your cash balance right now? Who owes you money and how much? What do you owe to your creditors? What are your sales figures today? It's absolutely critical that you know exactly what your cash balance is. Ensure you have an effective accounting system so you can produce these statistics anytime you need them.
- **Invoice right away:** Once you have sent the invoice, call your customers and send an email asking for confirmation that they have received the invoice and that the invoice is 100% correct.



## Here are some quick things you can do to improve your cash flow today:

- **Reward your customers for paying you quickly:** You can get some customers to pay immediately by offering them a quick settlement discount if they pay within a certain period of time. A discount between two and five percent for paying within seven days will give your cash flow a healthy boost.
- **Stretch the payment of money you owe:** Check your suppliers' payment terms and determine when payment is due (30, 60, or 90 days). Pay on the due date. Timing your business's supplier payments will keep your cash flow flowing because you'll keep the cash in your business longer.
- **Make sales:** Sales is everything. If you have an abundance of sales, cash will flow and if cash flows you can fix anything in your business. As the rainmaker in your business, you will seek out, secure and retain big clients, bring in big money, and conclude big deals.

## Have a conversation with your creditors



Part of your review will include an assessment of your business performance.

If you find you're going to struggle to make payments, you need to let your creditors know as soon as possible.

Taryn Crouster, senior credit analyst at Lulalend, said a proactive approach makes all the difference.

**“If you're in a situation where you can't make your payments, let the creditor know beforehand. You'll be able to make an arrangement, which is far better than a default listing on your credit report.”**

## Determine your funding need

Access to funding has always been a problem for SMEs. COVID-19 has placed further strain on thousands of SMEs across the country.

The Department of Small Business Development received

**35 865**

APPLICATIONS

from small businesses for its Debt Relief Scheme.



Of those applications, **14451** were complete, valid applications.

IN TOTAL  
**R513 MILLION**

was awarded to **1 497 SMEs**, leaving a gap of **R4.4 billion**.



Consider these questions to help you determine your funding needs:

- What does your cash flow look like over the next three to six months?
- Do you need working capital to meet a backlog of orders?
- Perhaps you need funding to fulfil a surge in demand?
- How much funding can you access?
- How can you best use those funds to sustain your SME over the next 18 to 24 months?

To learn more about accessing funding online, visit [Lulalend](#).

# Meeting customer needs during COVID-19



SMEs that are thriving during COVID-19 are doing so because they're meeting real customer needs, said Marc Ashton of Decusatio.

“ Think of all of these businesses that have suddenly come out, they're selling face masks, selling UV equipment, people are adapting... this is what humans do. Use this to see how do (you) go and disrupt the market, how do (you) go and find new opportunities to get involved in.

.....”  
There are a few ways you can continue to serve new and existing customers.

## Reach new customers through partnerships

At the start of the lockdown, alcohol sales were banned. This meant alcohol delivery app, Bottles, had to move fast. That's when they decided to work with Pick n Pay, an existing partner, to offer same-day grocery deliveries.

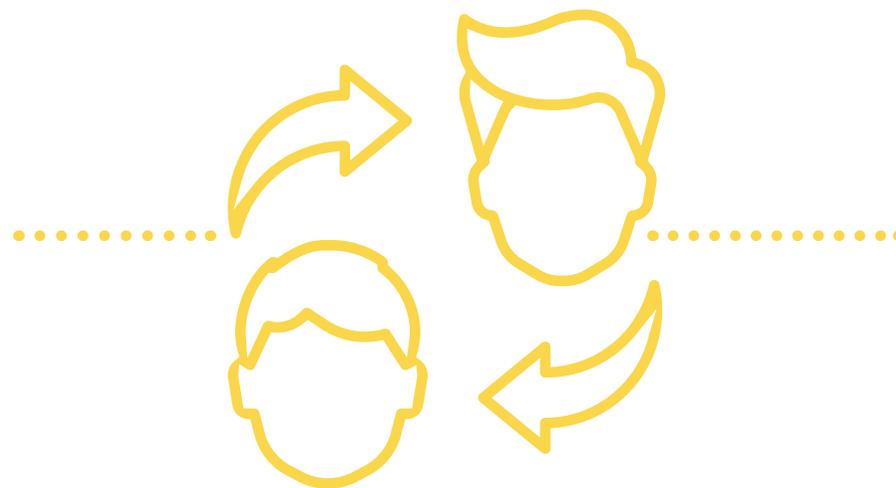
In an interview with [SME South Africa](#), business owners, **Vincent Viviers and Enrico Ferigolli, said:**

"It was a case of adapt or die. We knew we needed to pivot our business to survive. Our first priority was our existing employees and contractors, we have also been able to retain all and even create more job opportunities at a time when many small businesses are mulling retrenchments and downsizing. We also felt that as an e-commerce business, we had a role to play to help people stay safe in their homes by having essential products delivered."

Another example is Granadilla Swim, a swimwear manufacturer. In addition to swimwear, Granadilla Swim also manufactures kombucha, which they sold

at a farmers market. At the start of the COVID-19 outbreak, they realised the farmers market would likely be shut down. So, they started working with other traders, mainly small businesses that sell organic produce.

Now, Granadilla Swim delivers these SMEs' products. Using Granadilla Swim's existing online platform and distribution, these SMEs are able to trade without needing to set up any new, advanced systems.



## Keep existing customers happy



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**Winning over new customers is important, but keeping your existing clients happy matters too, said South African Chamber of Commerce and Industry Mtho Xulu.**

Xulu made the remarks on this [Business Day webinar](#).

“Make sure you recover and protect existing revenues. One thing every business person should be focussing on is protecting existing revenue. (If you) Have existing markets, ensure your offering is top notch...(this is) not the time to lose any business.”

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### ANDERSON ADDED:

**“ Build a sound relationship with your customers and the key people within your customer’s business, not only the key person that makes the buying decision, but also the key person that pays the accounts. The best way to improve your cash flow is to get your customers to pay you quickly. ”**

# Marketing your small business during COVID-19

A strong public relations and marketing strategy can help you connect with customers who need your product or service, said the [NSBC](#).

The key steps to developing a solid marketing and PR plan for a small enterprise are:



## 1

### TARGET INFLUENCERS, JOURNALISTS AND EDITORS

Create a targeted media list of the key journalists in your area and keep in regular contact with them.

**Next, consider these strategies to reach out to those media:**

- Invite them to your company's product launches and engage with them on social media platforms like Twitter.
- Comment on their blogs and articles they share on social media. When you leave a comment, make sure it shows you've engaged meaningfully with the article.
- Register with a service like Media Alerts to get access to requests from bloggers, journalists, and editors for people who can be sources in stories that they are writing.

Once you've built a solid relationship with a group of journalists, editors, or influencers, they will be more open to story ideas about your company. This should always be in line with the type of stories they typically cover on a day-to-day basis. Your job is to suggest stories their readers will find interesting. Your organisation's involvement is secondary.

# Marketing your small business during COVID-19

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## UPLOAD THE PRESS RELEASES AND COMPANY NEWS ON TO YOUR WEBSITE

The next step is to get this information in front of your audience. Announce new promotions, clients, techniques, and partnerships that will benefit the community.

If you have a blog or website, you should build a 'Newsroom' or 'Media' section on the landing page and upload the press releases here for organic SEO and viewing.

3

## SPREAD THE NEWS

Communicate the press coverage you do receive in your own marketing material and on your company's social media platforms. These should always be separate from your personal accounts in order to increase exposure.

4

## GET PROFESSIONAL HELP

Consider hiring a public relations or marketing student to help you establish the initial marketing and PR systems internally, even if it's on a part-time basis. You will secure the help you need at an affordable rate and they will gain valuable, relevant experience.

By developing a solid PR and marketing strategy, you will be well on your way in getting your brand the attention it deserves.

For practical marketing strategies you can start using today, sign up for [Lulalend's series of marketing tips.](#)

# Self-Care



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**There's a lot of uncertainty right now. If you're feeling worried and stressed, you're not alone.**

Personal development and business coach Charmaine Soobramoney has been helping SME owners navigate COVID-19.

"We all need to acknowledge that this is real, and it's normal to go through the phase of anxiety. Lives have been impacted, the economy has been impacted, people are losing their jobs...People have reasons to feel anxious," said Soobramoney in this [video interview with Lulalend](#).

Soobramoney called on business owners to move towards accepting the new reality.

"This is the situation. Being anxious is not going to help me move forward in the way that I need to."

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She shared the mindset used by business owners who were finding traction:

**“ I’m in this situation. I have no control over it but I have control over how I choose to view my business, view the future, and grab opportunities that present itself. ”**

"When you're in this fearful state, you feel like the world is closing in. Yes, it is but you have control over how you open it."

# Self-Care



COVID-19 has shaken the security of our usual routines and presents a new, [said Health Squared & Agility Channel](#).

Rucksana Christian, a consulting clinical psychologist at Health Squared & [Agility Channel](#), said:

“South Africa’s response to the COVID-19 threat has left the country in a pre-traumatic state characterised by high levels of uncertainty, a sense of diminished control and high levels of fear and helplessness.

“While this may feel overwhelming at times, it is an entirely normal reaction to the unfolding situation. Social distancing is a preventative measure in limiting the transmission of the virus, however it can also be isolating for many people.”

Isolation and stress about possible exposure create immense stress.

“ A useful strategy for coping with these sources of stress is to focus one’s efforts on moving from a mental space of fear to one of a sense of control. When we take charge of the situation, we feel more empowered. ”

# Self-Care



## Christian provides the following useful tips to help regain this sense of control:

- Maintain a routine to help keep you focused
- Get the facts from reliable sources only
- Avoid social media and do not entertain rumours on the subject of COVID-19
- Be aware of your response, acknowledge your emotions, and engage the rational mind
- Learn to control your emotional responses and to stay calm
- Remain focused on your goals and purpose, accepting that these may now need to be attained in different ways
- Be flexible and consider how you may need to adapt your plans
- Stay positive and trust the national processes in place
- Use lockdown time to get closer to achieving your goals
- Be mindful and focus on the present

**“Focusing your energy on aspects that are within your control and making the best of enforced time at home can reduce feelings of fear and helplessness about the situation. If you are having difficulty coping, reach out for support.”**

# COVID-19 SME support resources

- [Lulalend's COVID-19 funding options guide](#)
- [NSBC's Covid-19 Small Business Relief & Recovery Centre](#)

