

A case study on the development of SMEs

South Africa's economy is largely made of SME's. Contributing more than 70% monetary value to the economy, SME's are also accountable to a significant share of employment. Nonetheless, SME's require guidance and investment from both government and the private sector in order to thrive and grow into bigger businesses.



Bongani Mkhwebane, founder of Bumba Technos

The South African government has already seeded the way into helping SME's by creating the SA SME Fund. Many companies in the private sector also have incubation programmes aimed at equipping SME's and start-ups with the knowledge to grow.

With this said, below is a case study where Rectron provided the necessary support to Bumba Technos, an SME that deals directly with technology solutions. The case study also unpacks the critical qualities that SME's in the tech sector need to have in order to bolster their performance.

Rectron uses big business experience to support SME development

Big businesses play a crucial role in the development of SMEs, positively impacting every aspect of a company's operations. Through continuous support, small and medium businesses gain the agility and insight needed to improve their business.

Rectron provided the necessary support to Bumba Technos early on, equipping the SME with the tools for long-term success.

Founded in 2014 by Bongani Mkhwebane, Bumba Technos has faced many challenges on the road to success.

As an SME existing in a highly competitive environment with limited resources and lack of infrastructure, Bumba Technos had to find suitable solutions, systems and support to enhance operations.

Assistance came in the form of Rectron, who stepped in and providing on-going support and in doing so, transformed every area of the SMEs' operations.

The outcome: Bumba Technos has improved its services, helping businesses implement ICT technology solutions to meet their business requirements by using professional business analysis tools and techniques. Offering access to products such as Office 365, VOIP, internet, ICT hardware and software, as well as ICT infrastructure support.

Challenge

Bumba Technos identified several challenges as an SME in the ICT industry. The biggest being competing for a piece of the pie in a market dominated by large companies with unlimited resources. Tight budgets, a small team and a tough economic environment meant Bumba Technos was unable to gain a competitive advantage. Added to this, not having proper systems and processes in place to support the business, quickly halted any signs of growth.

Solution

Seeking support, Bumba Technos found the answer in Rectron. This proved to be a success as big businesses can enable SME development, equipping them with the necessary tools and knowledge needed to succeed. Another way Rectron played a fundamental role in this regard, was by connecting Bumba Technos with a South African business incubator, Aurik.

Through the incubator programme, Bumba Technos gained access to continuous business support sessions and scheduled meetings, helping the company to keep track of its operations and growth. A full assessment was also conducted, providing Bumba Technos with a report detailing the gaps that exist.

As such, Bumba Technos has been implementing and working on new systems since the beginning of the year to ensure these gaps are filled. Currently, Bumba Technos is putting together an operations system with the help of the incubator programme and more recently has implemented a marketing system.

Impact

Having sponsored the incubator programme, Rectron's support has had a far-reaching impact on Bumba Technos operations. By providing on-going support and highlighting areas that need attention, Rectron has enabled Bumba Technos to note inefficiencies along the way, and in turn seek out suitable, cost-effective solutions.

In addition to the support provided by Rectron, Bumba Technos has also shown that SMEs can reap value from investing in cloud solutions and innovative thinking.

Cloud solutions

Cloud solutions play a critical role for SMEs. In fact, research has shown that 98% of businesses increase productivity and efficiency by over 30% after implementing a cloud solution.

Cloud solutions also bring about significant cost savings for SMEs, as you pay for what you need, when you need it, at a

fraction of the price. For Bumba Technos, having a cloud solution offering proved advantageous. By keeping data stored in a central place, information can now be easily accessed, from anywhere, at any time, on any device. In turn, this provides Bumba Technos with the flexibility it needs to run effectively as an SME with limited human resources, as all data saved on SharePoint can be accessed by all team members.

Through the cloud, Bumba Technos has increased the professionalism of the company, as everyone involved can work efficiently, and are privy to company information at arm's reach. Being able to respond to emails online, even if not in the office, has helped Bumba Technos not miss out on any prospective business.

Innovative solutions

Bumba Technos has also taken matters into their own hands, finding innovative ways to combat some of the challenges in its way. These include:

- Running budget-friendly campaigns on social media
- Increased brand awareness
- Gained new customers seeking cloud solutions
- Offering internships to SETA (Services Sector Education and Training Authority) learners entering the job market
- Interns do not expect high salaries and provide important support
- 12-month probation, if intern proves to be an asset, full-time employment offered

Result

Implementing the necessary systems to overcome several challenges has made it easier for the company to function without having to rely on one person for everything. As a result, Bumba Technos client base has grown significantly over the last 12 months.

Bumba Technos sales have grown by 21.5% year-on-year, with a profit increase of 140%.

As the systems are being implemented now, there is a proper line of march that is followed with every transaction. Continuous support from Rectron has also enabled Bumba Technos to gain valuable insights and alerted the company to areas that needed attention.

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