

How small businesses can extract the most value

As South Africans have joined the global rush to benefit from massive Black Friday discounts, the annual discount extravaganza has become an attractive opportunity for local small businesses to increase sales volumes and turnover.



Nadine Chetty, cloud accounting specialist and co-founder at EcommAccounting Solutions

This year Black Friday falls on Friday, 29 November 2019. The rush will start a few days prior and carry over to the following Monday, known as Cyber Monday.

According to research conducted by Black Friday Global, 2018 figures showed a 1952% increase in sales for South African businesses partaking in Black Friday deals, with the peak business happening between 8am and midday on Black Friday itself.

Interestingly for traders, Black Friday Global research data shows that South Africans who are planning on partaking this year, and who plan on shopping at more than one channel, plan on spending an average of R1,735.



South African retailers reveal deals for Black Friday 2019

Lauren Hartzenberg 22 Nov 2019



While the benefits for small businesses are clear, the idea of a massive spike in volumes in sales, both physical and online, can be daunting. It doesn't have to be, says Jolawn Victor, head of emerging markets at Intuit QuickBooks.

Nadine Chetty, cloud accounting specialist and co-founder at Ecomm Accounting Solutions, says Black Friday can be a challenging event for staff and business owners alike, especially those in retail. “However,” she says, “there are ways to reduce the stress of tracking the influx of queries and sales.”

Track your sales

Chetty says the first, and most important, aspect in managing Black Friday is investing in powerful accounting software to track your sales, both for peak days and the month around it. “However, tracking your sales is one thing, but you still want to see if you are making a profit on your sales and not a loss.”

A real-time dashboard is able to give a business owner a snapshot of the business at any point, and can be calibrated to show whichever length of time is important to the owner, explains Chetty. Some programs have an invoice section that shows deposited money, as well as a profit and loss tab to track your performance for the period under review.

“When choosing software, make sure it has the ability to delve as deep as you need to go in order to generate reports specific to a product or other detail,” she says.

Many retailers in South Africa rely on physical in-store sales to complement online sales. Chetty says reputable software accounting programs cater for this by allowing businesses to manage physical and online sales seamlessly.

In addition, they can integrate with apps built for online sales such as Shopify, she says. With manual sales, businesses can import simple sale invoices and sale reports straight into the program.

Chetty says that once you have the right software in place, and are able to monitor your business processes with a user-friendly dashboard and draw relevant reports, preparing for an event such as Black Friday requires planning in advance.

Some checkpoints include:

1. Make sure your website can handle a sudden influx of traffic
2. Only use online programs protected with industry-leading firewalls and processes
3. Ensure there is enough staff in the physical locations
4. Make provision for physical foot-traffic control measures
5. Prepare additional security measures for the Black Friday period
6. Make sure you advertise so that potential clients know you will be running deals
7. Be careful about advertising prices too long in advance so as not to give your competitors the upper hand
8. Make sure prices are listed correctly and that stock has been loaded in the correct places

9. Double up on your processing capacity and shut down unnecessary processes such as planning delivery times, as these would slow your system down
10. Negotiate discounts or rebates with your suppliers as you would be purchasing large volumes from them and would be settling your account within a week of purchase. This can ensure that you still have positive profit margins

“Small businesses have great potential to benefit from Black Friday, but they need to be prepared in order for the exercise to be a success. Bolstering a business with online accounting software is one of the easiest and most important investments business owners should consider to both measure the outcome of Black Friday and ensure they are on the frontfoot for the festive season,” says Chetty.

For more, visit: <https://www.bizcommunity.com>