

# *Lockdown's* impact on your business!

A survey to better understand the current  
SME landscape in South Africa.



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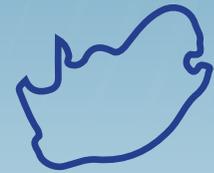
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9 Offices  
Nationally



5 Provinces



80+  
Partners &  
Directors



950+  
Employees



370+  
Trainee  
Accountants



1  
Contact point for  
COVID-19 queries

**“ A significant number  
of South Africans  
are simply fighting  
for survival. ”**

## FOREWORD

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**Theo Vermaak**  
 PKF South Africa, Chairman

The national lockdown and expected longer term consequences of COVID-19 has already and will continue to impact almost every single business in South Africa, and a significant number of South Africans are simply fighting for survival.

The South African Government's response to the economic impact of the lockdown has been widely criticised. This is a time of uncertainty; regulations are being published at great speed, often resulting in a lack of clarity. Complexity and red tape have resulted in many businesses not benefiting from, or even attempting to access any of the Government's interventions aimed at assisting the business community.

Large business and industry bodies have been engaging with Government with mixed success. The SME and owner-managed business community however lacks a unified voice.

Amidst rumours, hearsay and a generally negative tone to conversations, PKF South Africa conducted a short survey, aimed specifically at the SME market, in order to better understand the facts behind all the speculation, and with the view to provide a voice for owner-managed businesses throughout South Africa. Importantly, we also want to identify some of the positive outcomes of this highly unusual situation we find ourselves in.

We share below key results and insights from this survey and will continue to explore specific aspects thereof in subsequent communications. We hope you find our insights useful.

If you require any assistance or wish to add your voice to our conversations please get in touch with your PKF partner or contact us at [covid19@pkfsa.co.za](mailto:covid19@pkfsa.co.za)

# SURVEY OVERVIEW

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## DATE

- Survey issued - 14 May 2020
- Results extracted - 26 May 2020.

## RESPONDENTS

- SME Business Owners

## SAMPLE SIZE

- 353 business owners



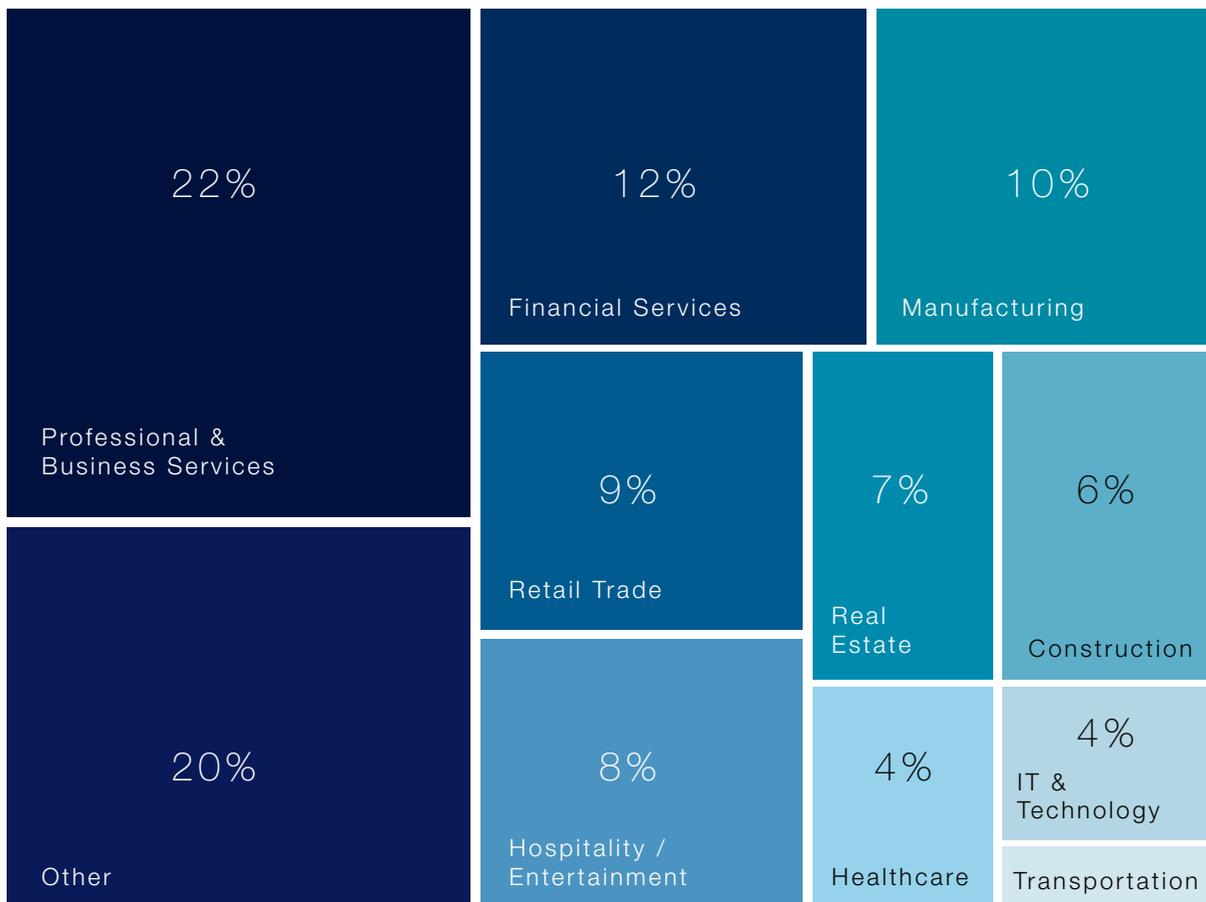
## SME SURVEY HIGHLIGHTS

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- 33% of the respondents said they've already had to lay off staff, in comparison to 60% being concerned that they will not be able to continue paying staff after 1-3 months.
- Cash reserves are very low for the SME market with 76% believing that they only have cash in the bank for the next 3 months or less. The impact and magnitude of companies not being able to pay salaries will negatively affect our society for a long time to come, especially as South Africa already has such a high unemployment rate.
- Most respondents asked for less restrictive Government measures and simplification of the relief measures.
- Businesses have been quick to pivot and create new revenue streams in the short term, however, findings reveal they forecast greater long term impact on revenue generation.
- 39% of respondents said they had not applied for Government relief. Is this due to a lack of faith in the system or a reflection on the complexity of the current application processes?

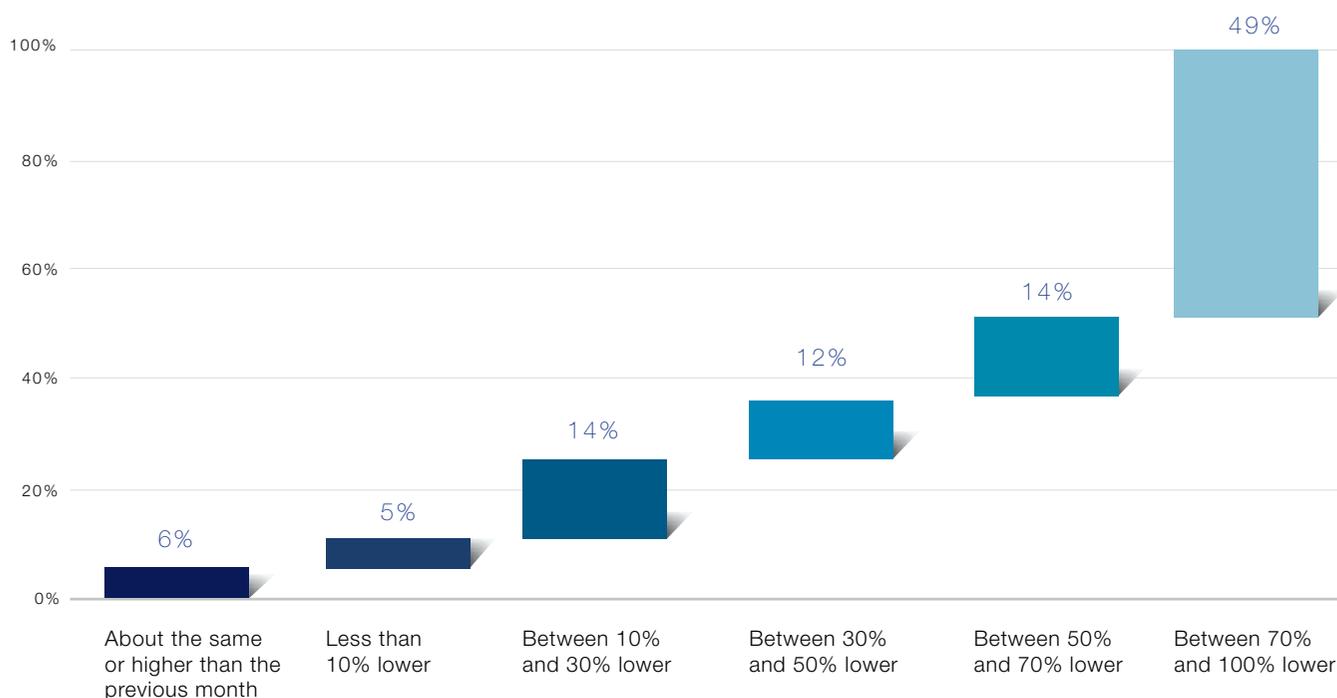
# INDUSTRY SPLIT

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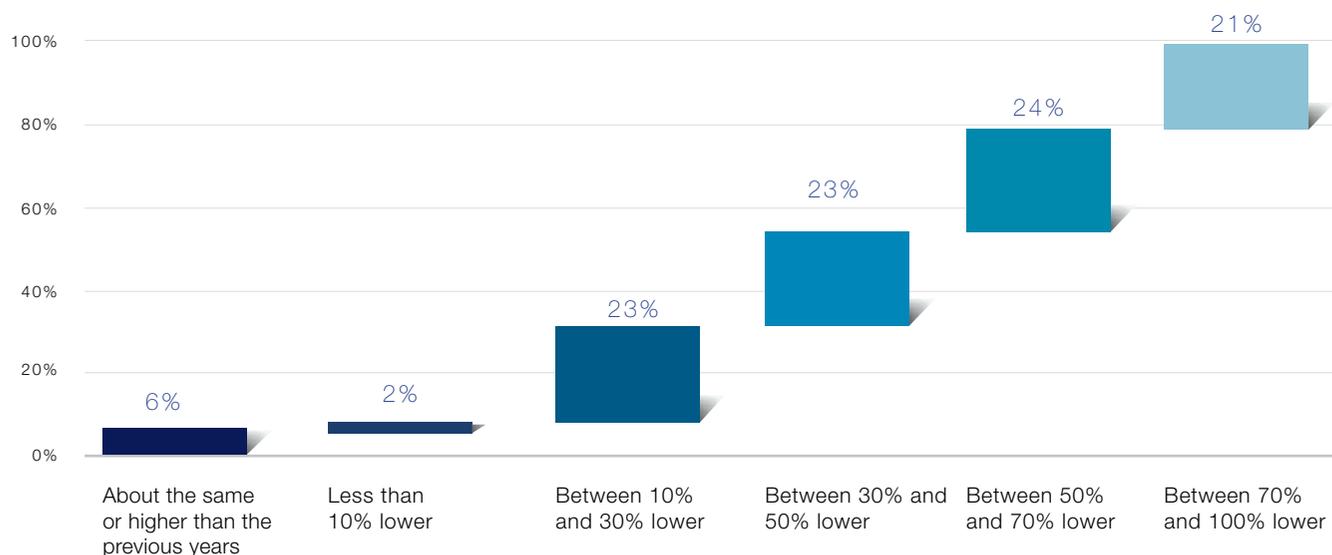


# OUTLOOK: LAST MONTH VS. REST OF THE YEAR

How have the lockdown restrictions impacted your turnover for the last month?



How has the Coronavirus pandemic impacted your budgeted turnover for the remainder of this year?



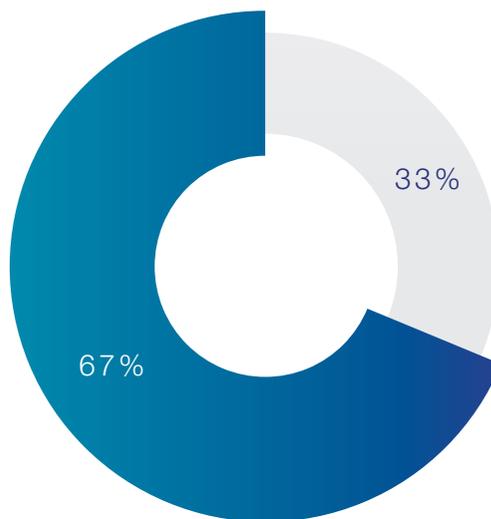
## EMPLOYEE RETENTION

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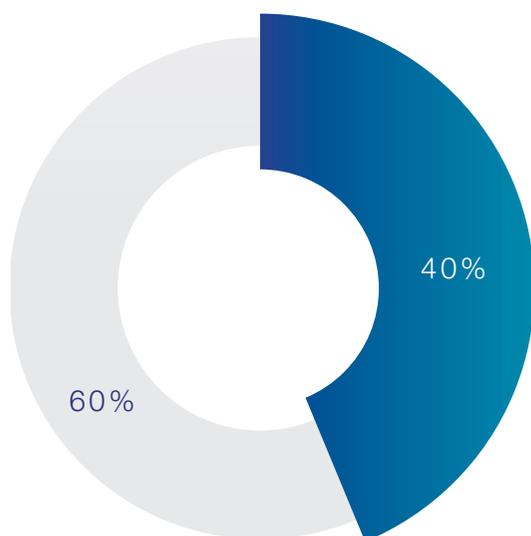
Have you had any employee layoffs as a result of the lockdown measures implemented?

**YES** - 33%

**NO** - 67%



How confident are you that you will be able to meet your wage bill over the next 1-3 months?

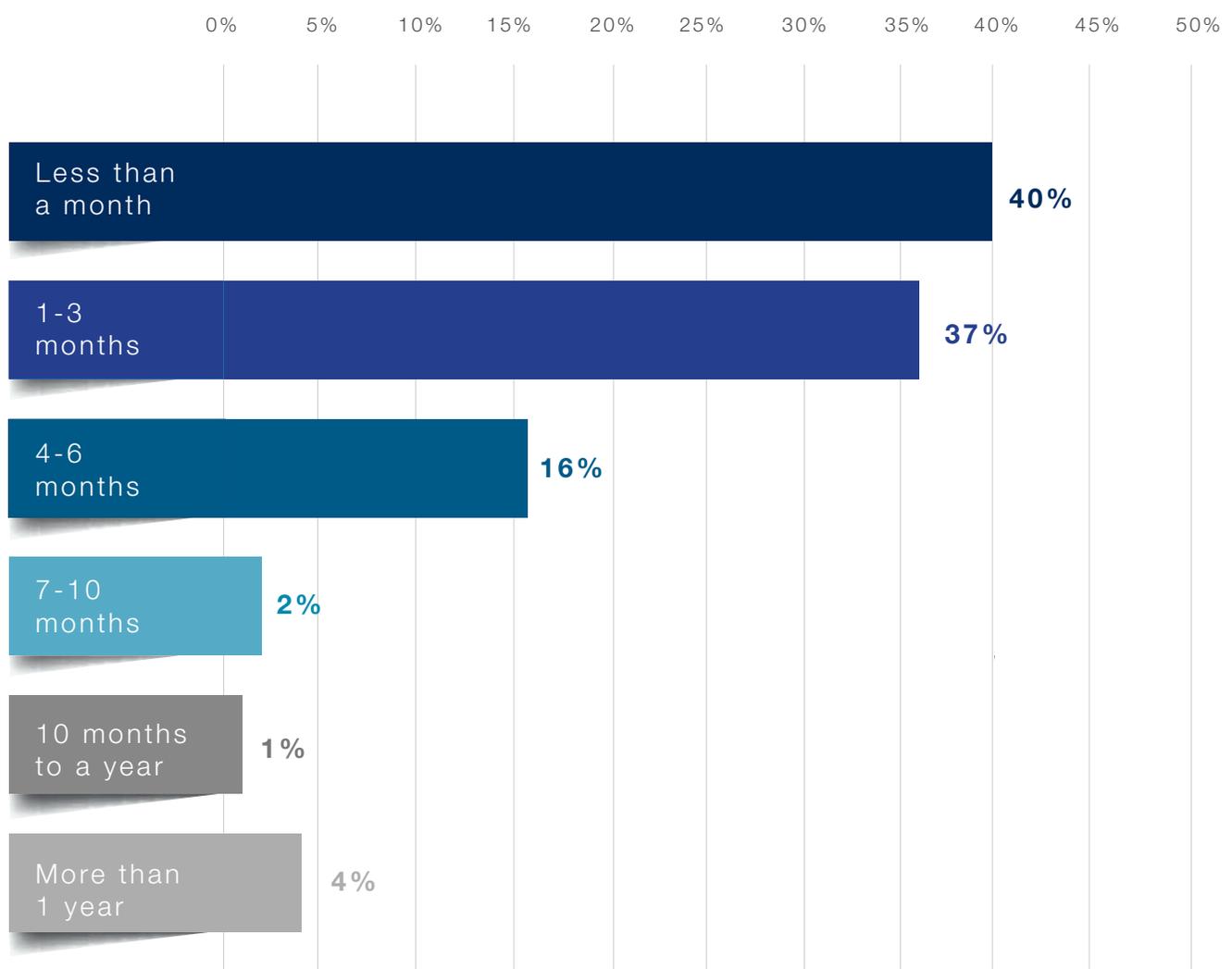


**40%** are confident

**60%** are not confident

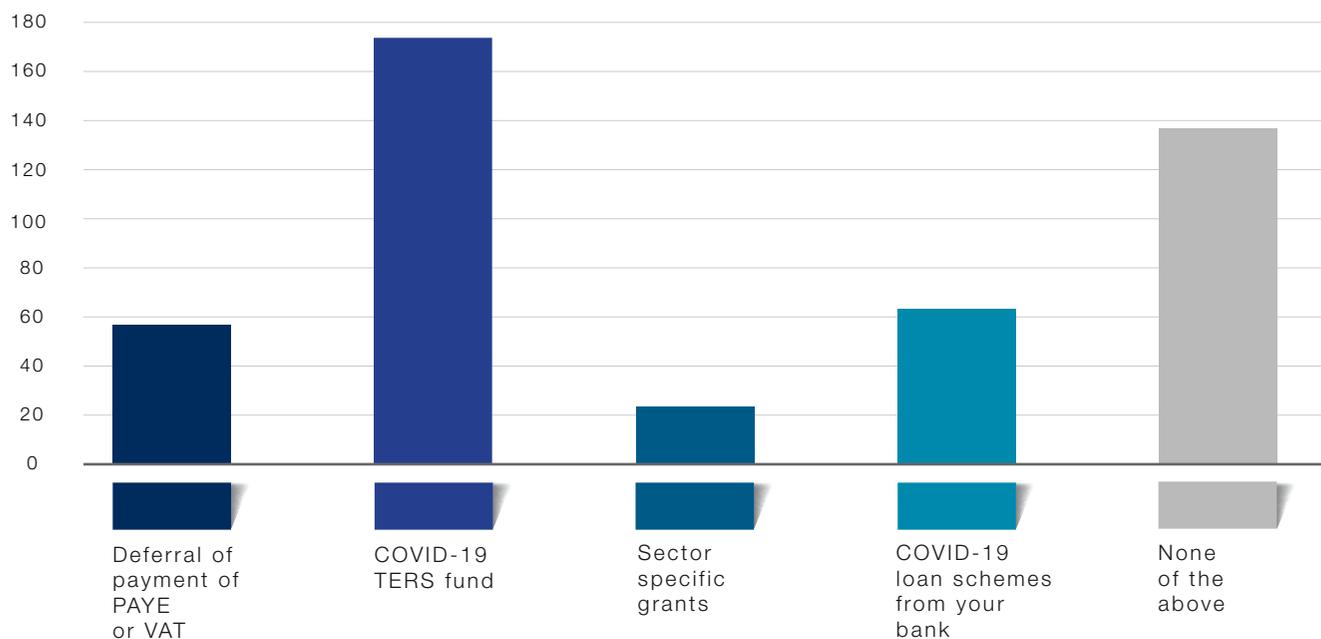
# CASH FLOW

How many months' 'cash in the bank' do you currently have?



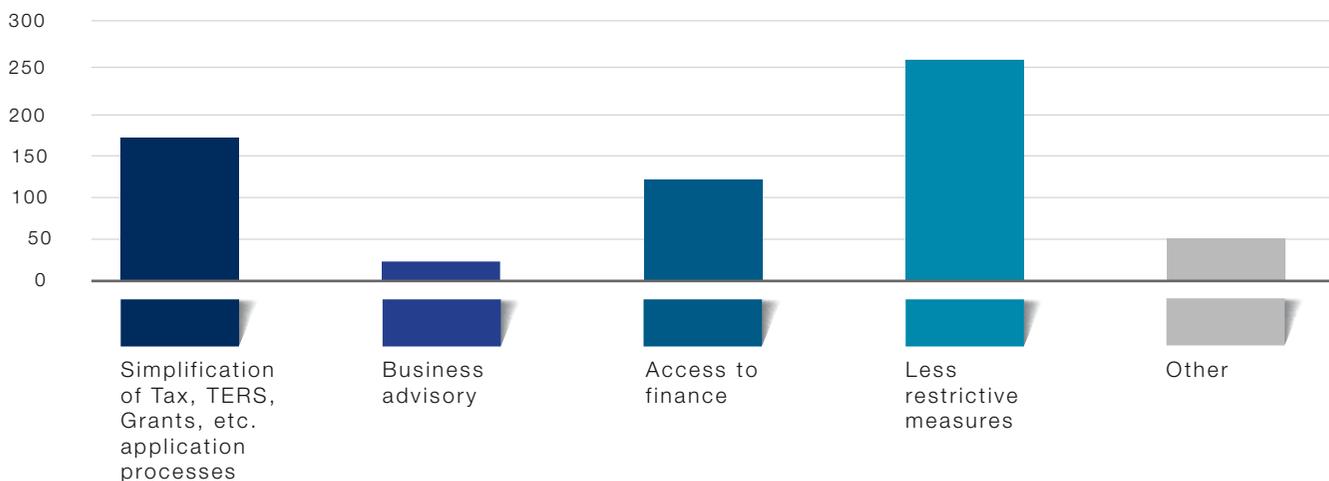
# GOVERNMENT RELIEF MEASURES

Please select which Government relief measures you have applied for:



\*Respondents could choose more than one answer.

What more should the government assist you with when it comes to your business challenges during Coronavirus?



\*Respondents could choose more than one answer.

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