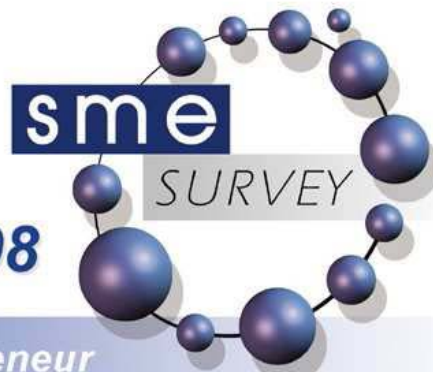


SME Survey Research Report 2008



Unlock the power of the Entrepreneur



SME Survey 2008 Executive Summary

Introduction

Based on 5,194 telephonic interviews

Compiled by Arthur Goldstuck

MD, World Wide Worx

SME Survey (www.smesurvey.co.za) presents the findings of SME Survey 2008, which aimed to reach a target of 5 000 telephonic interviews with business and financial decision-makers at small, medium and micro enterprises in South Africa (SMEs). The final response level was 5 194 decision-makers.

Hypothesis

SMEs face Environmental and Infrastructural Challenges

The starting point for this 2008 survey was the awareness of the intensification of environmental and infrastructural challenges facing SMEs. These included load-shedding and power failures, crime effects, the high cost of fuel, rising interest rates and increasing traffic congestion.

These factors had an impact on the ability of SMEs to remain competitive. However SMEs had become flexible and adaptable due to having no choice in being required to overcome these emerging challenges and obstacles. The research would thus also show how responsive SMEs were to the new challenges, and what approaches they took to dealing with them.

Sponsored by Standard Bank and Fujitsu Siemens, SME Survey is a unique barometer of the vibrant SME market in South Africa. It probes factors behind the competitiveness of small, medium and micro enterprises by polling over 5000 businesses across vertical markets.



Methodology

SME Survey Research Methodology

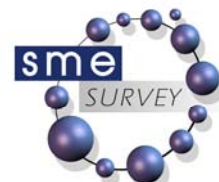
SME Survey 2008 is based on a randomly selected sample of decision makers at South African small, medium and micro enterprises (SMEs), consisting of companies with from 1 to 200 staff.

The sample is generated from an SME database of over 60,000 companies, a database built up and refined over the past eight years. This is an extensive database, representing an excellent resource of sampled respondents matching the research requirements for understanding the impact of various factors on the competitiveness and survival of SMEs. The selected sample is contacted by telephone to:

- Establish the appropriate decision-maker to be interviewed;*
- Establish the willingness of the decision-maker to participate in the survey; and*
- To filter out those who do not match the research definition.*

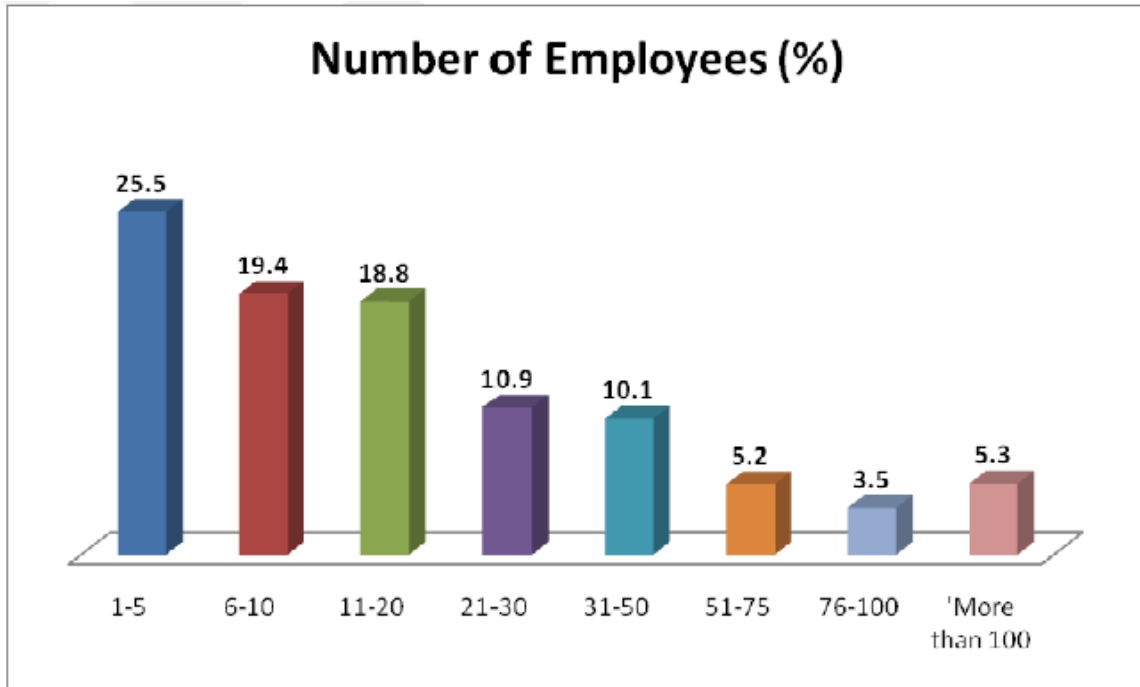
Following this, the respondents are interviewed by telephone. All questions are range-based (i.e. 1-10, 11-20, etc), scale based (i.e. select one on a scale from 1 to 5), Yes/No questions, or multiple choice questions, a structure that allows for full statistical analysis, and the use of statistical modeling techniques when necessary.

The ideal minimum sample size is 2 401 respondents, which would provide a 98% confidence level that the margin of error for the overall sample is no more than 2%. However, since these margins increase for sub-sets of the response base, such as industry sectors and geographic regions, SME Survey uses a larger sample. In 2008, a total of 5 194 respondents were interviewed.

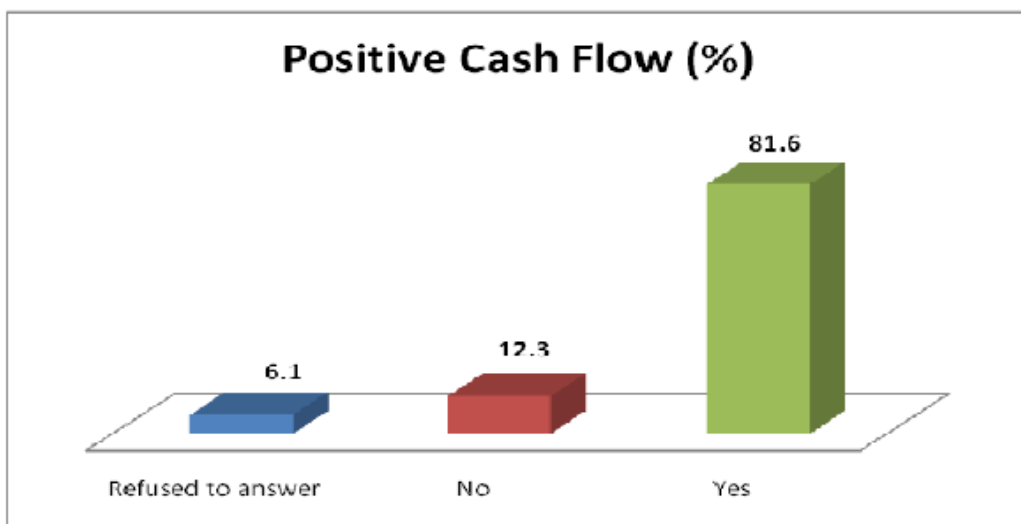


Key findings

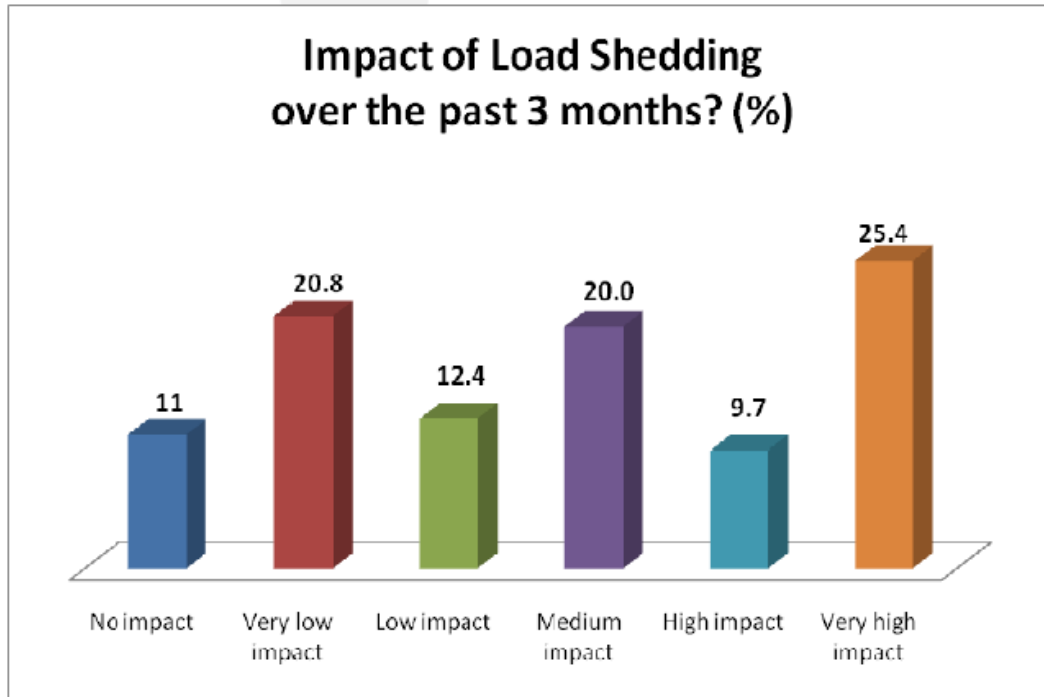
As with the previous survey, a strong emphasis was placed on smaller companies, as to have micro-enterprises represented at a statistically significant level.



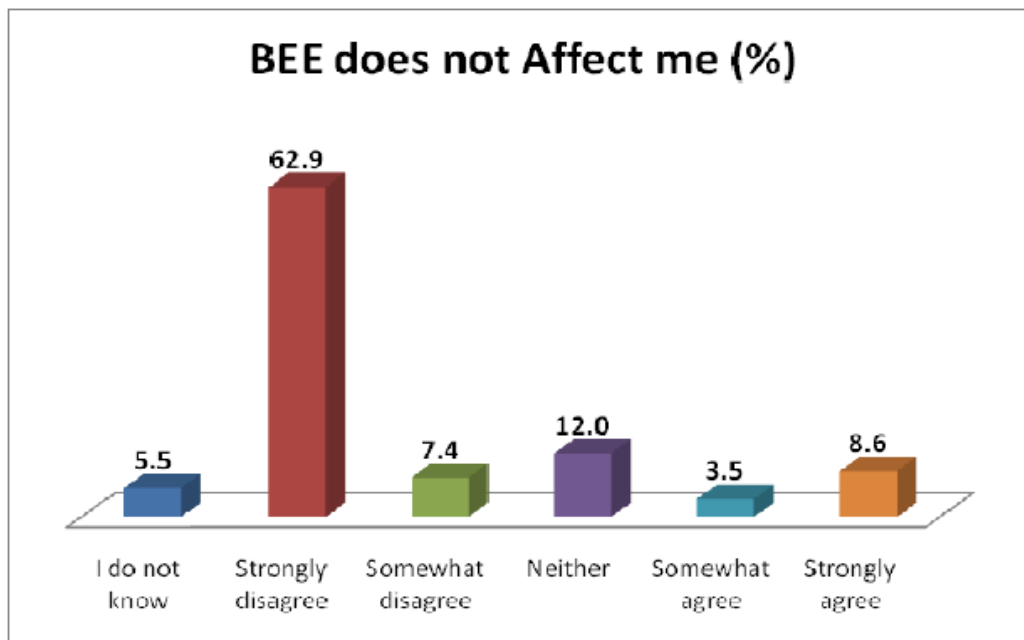
The vast majority of SMEs, at more than 81%, reported having positive cash flow. 12% reported not having a positive cash flow while only 6% of respondents refused to answer.



Load – shedding was the new buzzword of early 2008, and SMEs in particular came under pressure to keep their businesses running. SME Survey examined their response to the crisis in great depth.



BEE acceptance, in contrast to load-shedding, is moving healthily. In only three months during the survey, the data showed a continued small shift away from Denial and Anger, and growth in subsequent phases.



Purchasing a report

The complete "SME Survey 2008" report is available in PDF format at a cost of R 9 800 excluding VAT. To place an order contact Tracey Hansen on 011 996 6680 or email traceyh@coolcumba.com.

An invoice is supplied, and the report is dispatched upon receipt of payment and on publication (softcopy and hardcopy)

