

No goals for SMEs - research findings

According to the [SME Survey](#) 2010, sponsored by the [National Youth Development Agency](#) (NYDA), the impact of the [2010 FIFA World Cup](#) on SMEs was negligible, considered largely a factor of the policies of soccer's governing body FIFA and the complicity of government.

Principal researcher Arthur Goldstuck says that it is very easy to define the impact of the World Cup on small business. "In short: there was little in it for the SME." That does not mean the World Cup wasn't a success or that it didn't bring benefits to South Africa as a whole, he adds. "Rather, what is clear is that FIFA locked down the economic benefits, making them available only to selected service providers, freezing out the little guy almost completely."

Accurate hopes

Before the event, SME Survey showed that 86% of small businesses expected the World Cup to boost business in general but only 45% anticipated any benefit to their own businesses. This year's research bears that out 92% believed the event as a whole was a success, while 42% felt that there was adequate support from business advice structures.

"The significance of this - that expectations were closely matched to the outcome - is that the South African SME owner understands his or her business and its position in the macro-economy very well. Small business was not swayed by the hype," he notes.

"Expectations were based on the kind of support which was accessible to the SME. Those who got support, benefited from it. This finding confirms the value of general support, which reinforces the ability of the SME to plug into and provide services to an event of this magnitude. However, support did not translate into success.

The question, which best sums up the massive obstacle represented by FIFA's regulations, is that 14% of SMEs say the World Cup had a material contribution to their success.

What is also clear is that those organisations that received support from agencies like the NYDA, benefited more. A higher percentage (19%) of emerging businesses saw some benefit. At the same time, lower proportion of emerging businesses (75%) saw FIFA rules as an obstacle, perhaps because their informal status often meant they could operate a little outside of those strict regulations.

Partnerships paid off

"The fact that entrepreneurs who acquired support benefited more gives us confidence that NYDA business development programmes such as the Business Consultancy Services Voucher Programme, which offers young entrepreneurs access

to business development support for just R200, are definitely enhancing the entrepreneur's business. In addition, striking partnerships with some of the country's smallest and biggest organisations has enabled us to support more young entrepreneurs. For instance, by partnering with CIPRO we have been able to enhance accessibility of CIPRO products, particularly registration of businesses for young entrepreneurs that the NYDA serves," says Steven Ngubeni, NYDA CEO.

The implication, Goldstuck says, is that when next an event requiring major business input comes to South African shores, government should perhaps pay less lip service to enterprise development and make more practical interventions to share economic benefits.

Detailed results

Drilling down into the vertical sectors and their direct benefits from the World Cup, it was found that specific sectors that expected major benefits but were let down, included transportation, manufacturers and engineering firms, where only 10% felt direct benefit, construction (8%) and retailers (13%). The sector that saw the least benefit was printing and publishing, at 4%.

On the other hand, 26% of respondents in the advertising industry, 30% in hospitality and accommodation and 30% in the government sector said they had benefited, still less than a third of respondents in those sectors.

Were small businesses able to position themselves to take advantage of the World Cup - only 25% say they were. Did the regulations from FIFA have a role to play in that - 81% said yes. "The regulations were designed to control the economic benefits of the event; for example, in the print and publishing industry, 98% of respondents said the rules shut them out," concludes Goldstuck.

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