

5 ways to level up into a small business

 By [Viresh Harduth](#)

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South Africa is full of dynamic startup businesses - from marketing and consulting freelancers, to hair salons, small bakeries, bookkeeping, tax practices, and more besides. While some of their owners are happy to keep it small and perhaps even informal, many others reach a point where they are ready to expand to the next level of growth.



Source: www.pexels.com

For these individuals, this moment arrives when they want to leave full-time employment behind and focus on officially building their own business. Others with a home-based business hit a point where it becomes difficult to grow further without registering an official company with a website, VAT number, business banking account, employees, and proper processes and systems.

Consider the following five things if you want to level up your startup and position it for growth.

1. Consider setting up a formal company

Moving from operating as an individual to registering a company with the CIPC is a power move for levelling up. It signals that you're professional and hungry for growth. In addition, it can facilitate applying for tenders, signing contracts, seeking bank financing, getting export or import licences and commercial insurance, and bringing other shareholders on board.

Another benefit is that it may help you optimise your tax affairs and protect you as an individual from business-related legal risks. There are downsides such as more administration, including filing annual financial statements prepared by an accountant. The costs of running a registered company are also typically higher.

You'll need a business bank account when you go this route. A business bank account separates your financial affairs from those of your company. It may also open up access to specialist financial products and services, such as point of sale payments products, business overdrafts and trade financing.

Tip: If your company generates turnover above R1m annually, you will need to register for VAT. Registration is voluntary if your turnover exceeded R50,000 in the past 12 months but did not reach R1m. It might be worth registering for VAT if your customers are also VAT registered companies, and you want to be able to claim back the VAT you pay on your inputs (suppliers and service providers).



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2. Get professional advice

As your business grows, you may realise you don't have the time or expertise to do everything yourself. If you take the route of registering a company, you'll definitely need the support of an accountant if you are not one yourself. Depending on your skill set and business acumen, speaking to professionals in human resources, marketing and technology can add enormous value to your business.

They can help you make good decisions about aspects of your business like digital marketing, e-commerce for your website, or complying with labour law. You don't necessarily need to speak to an agency or practice that services big businesses – there are many freelancers and small consultancies that specialise in helping smaller companies and start-ups.

3. Write a business plan

A business plan outlining your vision and strategy is a must if you want to take growth to the next level. Your business plan answers key questions about your business, its goals, how you'll achieve them, and your customers and financial projections. It includes information about your marketing and sales strategies, financial forecasts, market, competitive landscape, and more. It's useful as an internal guiding light, and it can also help you secure external financing, should you need it. Check out an easy business plan template [here](#).

4. Review your rates

As you step up your game, you may want to review your prices and fees. If you have been operating a home-based or side business, your old rates might not be enough to cover the operational costs of running a more formal business. You may also need to generate more money if you're turning a side-line business into your primary source of income. If you make investments to professionalise your business and potentially expand your set of services, it will be fair to ask customers to pay more for the additional value you add.



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5. Re-evaluate systems and processes

If you're serious about growing your business, technology can help you meet your goals and reduce the additional administrative duties you will face. An online accounting system, for example, will help you track your finances in real-time, plan and budget more accurately. It will also enable you to send out slick, professional invoices; track and document your expenses, watch your cash flow, and much more. This will save you time and help you comply with tax laws as you focus on growing your business.

Stay on a growth track

There is no one-size-fits-all strategy for taking a startup to the next level. Deciding to take this leap is exciting, but it's not without risks. Planning ahead and seeking sound advice can position you to navigate the challenges and opportunities. Once you get on the right track, the rewards will invariably justify your hard work.

ABOUT VIRESH HARDUTH

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