



Shaping the adoption
of new technologies
by small businesses
for growth & inclusion

DigiBiz.net.za
DigiBiz@the-EPI.org

A large, diverse crowd of people of various ages and ethnicities are shown clapping and smiling. The image is overlaid with white text.

**Verbal submission
to the Small Business
Portfolio Committee**

**How the proposed
Small Business Ombud
may deliver on expectations
using digital technology**



Presented by

Sifiso Ndwandwe
DigiBiz Programme Director

**Along with members
of the DigiBiz Network**



DigiBiz Network is in

strong support

of the provision for the

Office of the Small Business Ombud

as it addresses a
massive and persistent
problem with late payment
and contract breach



**National Treasury, Annual Report on Late Payment of Supplier's Invoices, 2023
Ibid, 2022.**

The National Treasury reported that in the 2022/23 financial year, 344 653 invoices, valued at R32.7bn were paid by national and provincial government departments later than 30 days, while 75 147 invoices valued at R6.9bn had still not been paid after 30 days. The problem is likely far worse at municipalities and similar complaints have been made with regards to the private sector.

While the Treasury says in its late payments report for 2022/23 that it assists suppliers by following up with transgressing institutions, it's clear that a different approach is needed if the problem is to be tackled effectively. It's here where the Ombud could go some way to helping address the issue

– but only if it is capacitated, resourced sufficiently and enabled through the use of digital technology.



What is the DigiBiz Network?

The DigiBiz Network consists of entrepreneurs and small business support practitioners from across South Africa. They have an interest in promoting small business growth, job creation and social inclusion by increasing the adoption of digital technology by small businesses. 2 596 network members currently take part in events and the network has a total reach to 9 197 participants.

Included in the network activities are hosting of regular online workshops and webinars; working on the promotion of good practice through several Communities of Practice (CoPs); publishing of Quick Guides and Success Stories on an online platform; offering one-on-one coaching support to entrepreneurs; and conducting research and surveys to contribute to evidence based decision-making.



entrepreneurial
planning institute



Collaboration

From programme partners
to ecosystem contributors



Policy Alignment

- Information asymmetry, including the lack of reliable data on small businesses & data collection shortfalls on tracking shifts in the ecosystem
- Service delivery shortfall, including lack of outreach to underserved rural & township areas & the slow pace of digitalisation & digitisation



2023

DigiBiz Programme

Programme
Executive

Coach & Train

Online Platform

Survey & Research

DigiBiz Network

Online Space for Content Share

Networking Events to Connect

DigiBiz CoPs

Entrepreneurs & Organisations

Practitioners & Managers

Researchers & Policy Makers

Working Theme 1

Working Theme 2

Working Theme 3

Working Theme 4

Working Theme 5

Working Theme 6



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Intro
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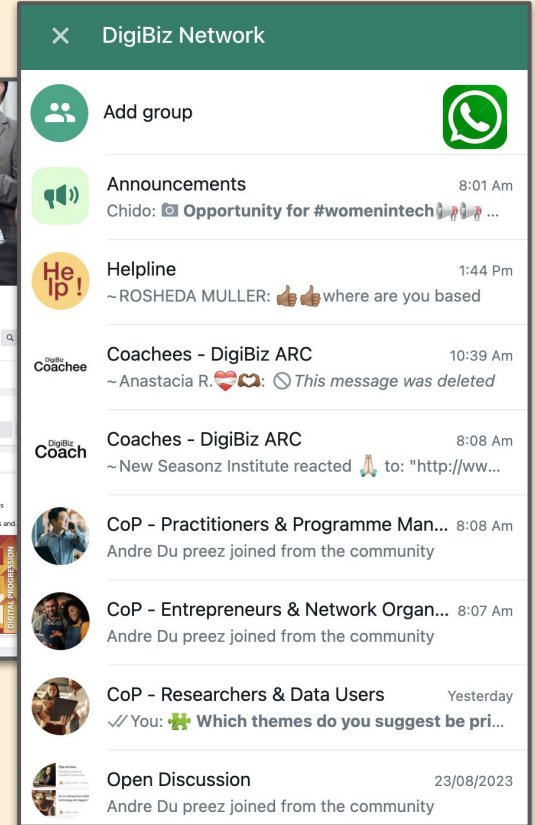
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CLICK TO JOIN

The screenshot shows the DigiBiz Network website. At the top left is the DigiBiz logo. A search bar at the top right contains the text "Search DigiBiz Network". Below the logo is a navigation menu with "Create", "Workshops & Events", and "Feed". The main header area features the "DigiBiz Network" title, a description: "An open space for collaboration & connection in boosting small business growth.", and buttons for "+ Create" and a settings gear. Below this are tabs for "Feed", "Explore" (which is selected), "Events", "Members", and "Chat".

The "Top Posts" section includes:

- A post by "Puseletso Mafisa" with a yellow "Acty" button and text: "Attention, small business owners in South Africa! Are...".
- A post by "The Host @ DigiBiz" titled "Important Step To Finalise Member Registration" with text: "YOU STILL NEED TO DO THIS Click the link below to proceed with completing your DigiBiz...".
- A post by "The Host @ DigiBiz" titled "Shaping DigiBiz together" with text: "Three online workshops were hosted by the DigiBiz Programme Executive on 24, 29 and 31 March to co-create...".
- A post by "Puseletso Mafisa" titled "Needed Small Business Solution" with text: "Cyril Ramaphosa is the current President of the Republic of South Africa. On the 20th of...".

The "Members Near You" section displays five circular profile pictures of various individuals.



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If Ombud is well resourced

it can make a huge difference in driving small business growth, job creation, poverty alleviation and promotion of social inclusion...

The DigiBiz Network discussed, workshopped and held webinars, informing several observations...



Observation 1

Digital tools open avenues for innovation in service delivery, allowing institutions to introduce new and creative ways to support small businesses. It also allows government institutions supporting small business to be more impactful and cost-effective especially the Ombud



Observation 2

Essential to use accessible communication channels such as WhatsApp, mobile and web interface, and AI to make processes efficient and prevent misuse

Observation 3

Accessibility is key, with an online portal using automated communication technology in combination with access to in-person support through “front-desks” at other small business support agencies



Observation 4

Handling dispute could start with informal resolution as the desired outcome and making use of digital communication tools, then mediation if feasible, with a formal finding by the Ombud as last resort

Observation 5

The mandate to investigate is a key element, as many small businesses may find that lodging a complaint may be bad for business. Where there are trends in an industry or repeat transgressions by a party, an investigation must be launched

Observation 6

Successful advocacy will be important to achieve impact, including monitoring of new and existing laws that affect small businesses, and industry practices, so that bad elements may be identified and resolved



Observation 7

Achieve education and information requirements by working in association with small business networks (like DigiBiz), industry organisations (like chambers & associations), and small business support organisations (government and non-government)



Observation 8

The Advisory Council may use information from the Ombud to identify and contextualise trends for the benefit of the Ministry and the DSBD to be able to respond to shifting needs and key pain points experienced by small businesses

Observation 9

Cost-effective operations can be achieved through the use of digital solutions, allowing for integration with other data points in government agencies, municipalities and provincial departments



Observation 10

Embracing digital tools promotes inclusivity by ensuring that all small businesses, regardless of their size or location, have equal access to support services.



Observation 11

Global Competitiveness: Institutions that harness the power of digital tools position themselves as leaders in the global landscape



Here are a few examples:

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) uses online portals for dispute resolution and provides digital resources for small businesses. They also engage in social media outreach.

Canada has different Ombudsman offices at both federal and provincial levels. For example, the Canadian Federation of Independent Business (CFIB) advocates for small businesses and uses online tools for member engagement and issue resolution.

Singapore's SME Ombudsman is part of the SME Portal, an online platform that offers various resources and services for small and medium-sized enterprises (SMEs). The portal includes tools for business owners to seek assistance and resolve issues.

Africa:

Varying institutions do the work of an Ombudsman in countries like Nigeria, Ghana, Kenya through online digital platforms



To summarise

Adopting digital tools in the daily operations of institutions supporting small businesses is essential for efficiency, accessibility, cost-effectiveness, and the overall advancement of the small business ecosystem.

It allows these institutions to better serve the needs of small businesses and contribute to their sustainable success, leading to job creation, local economic growth, the alleviation of poverty, and promotion of social inclusion.



DigiBiz members say...

“Reimbursement by insurance companies are often held up or not paid, which the Ombud should be able to help small business with.” - **Lerato Cingo**

“The Ombud should focus on the adjudication panels to practice fairness in awarding Tenders.” - **Monde Mpumela**

“The Ombud should be able to address complaints and disputes about a range of issues, including misconduct and corruption; discrimination and harassment; and bullying and victimisation.” - **Anastacia Ramaru**

“Looking into unpaid UIF claims must be included as a responsibility of the Ombud.”
- **Stephanie Jacobs**



DigiBiz members say...

“The Ombud should have educational workshops for small businesses on how to deal with complaints if agencies do not follow the required processes or take too long. It should have walk-in centres to make it accessible; allow for digital processes to work efficiently; and be able to deal with informal businesses that are not registered.”

- **Neo Hassen**

”Issues related to government contracts, procurement processes, bidding disputes, supplier-related concerns, patents, trademarks, copyrights, or other intellectual property issues affecting small businesses must be addressed by the Ombud.”

- **Boy Simon Tlhahane**

“Small business owners must be educated about business matters and how to resolve disputes.” - **Catharine Klaaste**



DigiBiz members say...

”The Ombud should function like a small claims court for complaints by small business owners.” - **Winston Lawrence**

”I think late payments by corporates and government is the single biggest problem for SMEs that the Ombud should address.” - **Nikita Mfenyana**

”We need help from the Ombud with our Tax Clearance Certificate, which is held up because SARS must do a manual correction on their system but it is not done.”
- **Puseletso Mafisa**

”The Ombud must address complaints against bodies such as government funding Agencies.” - **Nkululeko Mlotshwa**



DigiBiz members say...

”The Ombud must be able to confront offenders.” - **Thabo Emmanuel Magagula**

”Where processes take too long and agencies are under-staffed, the Ombud must be able to intervene.” - **Fidel Issel**

“The Ombud must address the unfair allocation of discretionary grants by SETAs.”
- **Juanita Burjins**

“Small businesses and initiatives like DigiBiz must participate in the Parliamentary processes and make our voices heard.” - **Nwabisa Mbelekane**

“As a farmer who paid for livestock that was never delivered, I would need the help of the Ombud to get what I paid for or get my money back.” - **Hale Tsehlana**



DigiBiz members say...

“Funding that was approved but never paid must be part of what the Ombud help small business like me with.” - **Richard Ngobeni**

”We should be able to get help from the Ombud to meet SARS compliance as the process with returns is too time-consuming” - **Sam Mashaba**

Digital processes may not be able to uncover fraud and corruption, so the Ombud should be able to investigate digital processes too.” - **Jennifer Classen**

“Small businesses and initiatives like DigiBiz must participate in the Parliamentary processes and make our voices heard” - **Nwabisa Mbelekane**



DigiBiz members say...

“Consultants charging an arm and a leg without giving much value should be investigated.” - **Teboho Seretlo**

”Fairness in the allocation of grants is something affecting small businesses and must be looked into.” - **Theresa Mac Quena**

”The Ombud must ensure that small businesses are paid within 30 days by keeping the accounting officers and chief financial officers accountable. It should also be able to monitor implementing policies such as the NISED Masterplan.”

- **Luther Diedericks**



DigiBiz members say...

“It is hard for small business without a track record to get funding, so the Ombud must be able to assess the criteria being used for loans.” - **Kholofelo Sekatane**

”The Ombud must investigate complaints and not get involved in the roll out of strategy and tactics at level, such as ESD funding-related activities to uncover and expose corruption, wastage and unethical practices between corporates and practitioners.” - **KK Diaz**

"Small businesses struggle with high fees for documents and far travel for tenders. Why scan papers manually? We need easy info hubs and simple processes. In remote towns, Seda's help is scarce. Small businesses need more support from the Ombudsman.” - **Confidence Mathebe**





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THANK YOU
on behalf of the
DigiBiz Community

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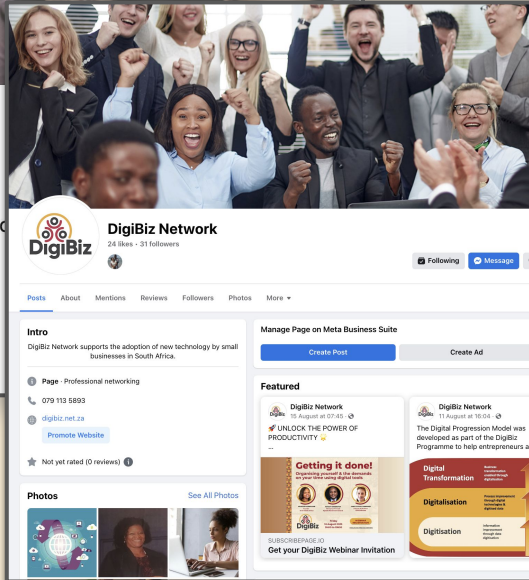
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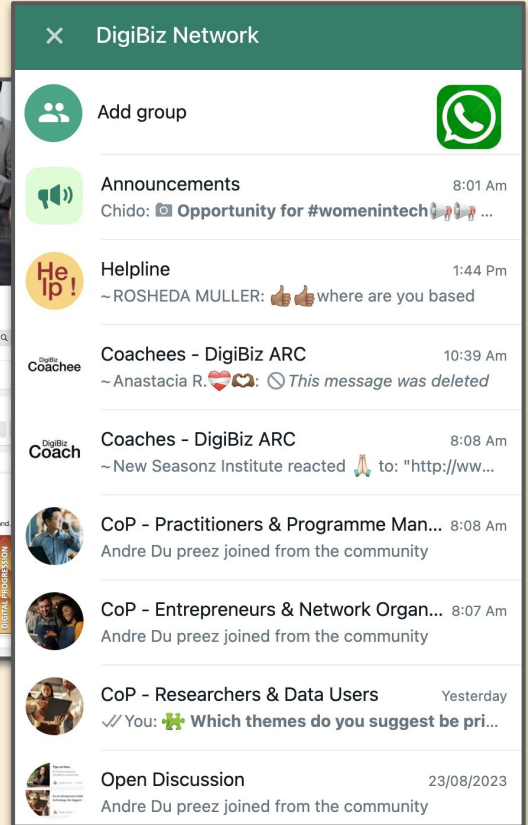
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