



Small Business Survey report

April 2026

news24



SA SMEs: Built to Scale

This **Small Business Survey** marks Lula and News24's second research wave with South African SMEs. Following our initial study in July 2025, this report unveils new findings and tracks evolving trends and shifts in the SME landscape.



Here's What We Found

We surveyed **1,088** South African SME owners and decision-makers between January and February 2026. These are the businesses building, hiring and preparing for expansion.



83% are confident about growth in the next **12 months**



51% reported revenue increases (only **10%** saw declines)



More than 2/3 businesses are already using or experimenting with **AI**



Skills development is now the **#1 growth priority**



Cybersecurity tops the list of **most-wanted** digital tools



Crime (31%) and **electricity costs (28%)** are the biggest external threats

Insight 1: Optimism Is at an All-Time High



83%

are **confident** about growth over the next 12 months

More than **eight in ten** SME owners are confident about growing in the year ahead. Only **3%** aren't confident, down from **6%** six months ago. The mood has shifted from survival to expansion.



83% are confident



14% are neutral



3% are not confident

Insight 2: Revenue Is Climbing



51%

reported turnover increases
over the past 6 months
(February 2026 vs July 2025)



Just **one in ten** SMEs now report falling revenue. **More than half** are growing, and **38%** are holding steady.

February 2026



51% increase in turnover performance

38% no change in turnover performance

10% decrease in turnover performance

July 2025



57% increase in turnover performance

43% decrease in turnover performance

Fewer businesses are struggling. **Stability is returning.**

Insight 3: People Are the New Priority

46%

now rank **skills development** as their top growth driver

Skills development has overtaken equipment (**down to 24%**). Marketing remains strong at **45%**, while digital transformation is climbing to **36%**. Smart business owners know their competitive edge isn't machinery. **It's people.**

Top growth priorities:

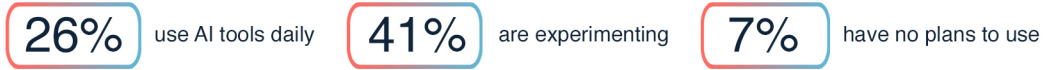
February 2026



July 2025



Insight 4: AI Isn't Coming. It's Here.



More than two-thirds of SMEs are either using or testing AI right now. The early adopters aren't big corporates. **They're small businesses looking for an edge.**

AI adoption:

1 in 5 plan to use AI in future

From AI-generated social media content to automated invoicing and customer chatbots, **the technology is already embedded in daily operations.**

Insight 5: SMEs Want Protection, Not Promises

Cybersecurity and fraud protection rank as the biggest need from financial services providers.



Cybersecurity and fraud protection (**highest priority**)



Automated invoicing and payment follow-ups



Seamless payroll integration



AI-powered cash-flow forecasting



Inventory management tools

As businesses go digital, **they're thinking defence first.**

Insight 6: Biggest Threats

After cash flow challenges,

31%

say crime is their biggest external threat

28%

point to rising electricity costs

Nearly **six in ten** cite one of these as their top external challenge, shaping everything from operating hours to location choices. These aren't problems you can innovate away. They require practical solutions: **backup power, security systems, insurance**. And they eat into margins that should fund growth.

Top external threats:



31% say crime and security



28% say rising electricity costs



41% say other challenges

What You Can Do About It

1. Invest in Your People First

Nearly half of SMEs prioritise skills development over equipment. Focus on digital upskilling, AI literacy and digital marketing.

2. Master Digital Marketing on a Budget

Start small: claim your Google Business listing, post consistently on one platform, and learn basic SEO.

3. Harness AI to Optimise or Automate Daily Activities

Begin with one tool: automated invoicing, AI social media captions, customer chatbots or AI bookkeeping.

4. Protect What You're Building

Invest in secure payment systems, regular data backups and fraud monitoring. A single breach can wipe out years of trust.

5. Plan for Crime and Power Disruptions

Budget for backup power, review insurance and factor security into operational costs. Resilience costs money, but disruption costs more.

6. Act While Momentum Is High

More than 8 in every 10 businesses are confident, with half reporting revenue growth. Hire, expand, launch new services or build your online presence now.

The People Behind the Numbers

1 088

SME owners and decision-makers, surveyed between 19 January – 4 February 2026.

Sole traders to companies with 50+ employees.

Industries

Construction, ICT, manufacturing, retail, finance, hospitality, consulting, education and creative sectors.

These are the people running businesses that employ South Africans, drive local economies and shape the future of enterprise in this country.



Thank you

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