

Owner-Manager Self-Assessment Guide

The Capability Compass for South African SMMEs

Version 1.0 | Operiva

Table of Contents

1. [Introduction](#)
 2. [Why Self-Assessment Matters](#)
 3. [The 5 Capability Areas](#)
 4. [How to Use This Tool](#)
 5. [Interpreting Your Results](#)
 6. [Taking Action](#)
 7. [Frequently Asked Questions](#)
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Introduction

Welcome to the **Capability Compass** - a self-assessment tool designed specifically for South African SMME owner-managers. This tool helps you identify your strengths and development areas across the five critical capabilities that determine business success.

The Challenge

Research shows that **70-80% of South African SMMEs fail within their first 5 years**. The primary reason? Capability gaps in the owner-manager. Traditional business assessment tools are designed for corporates - they're text-heavy, culturally

misaligned, and fail to account for the unique realities of running an SMME in South Africa.

The Solution

The Capability Compass uses **scenario-based assessment** - real situations that SA SMME owners face daily. Instead of abstract questions, you'll respond to practical scenarios like:

- "It's month-end and you don't have cash to pay suppliers. What do you do?"
- "Load shedding is affecting your business. How do you respond?"
- "A competitor drops prices by 20%. What's your strategy?"

Your responses reveal your actual capabilities, not just theoretical knowledge.

Why Self-Assessment Matters

The Owner-Manager Reality

As an SMME owner in South Africa, you wear many hats: - **Financial Manager** (cash flow, pricing, bookkeeping) - **Strategist** (planning, market analysis, pivoting) - **Leader** (team management, culture, delegation) - **Marketer** (customer acquisition, branding, digital presence) - **Operations Manager** (processes, efficiency, technology)

The problem: Most owners are strong in 1-2 areas but have blind spots in others. These blind spots become fatal weaknesses.

Benefits of Self-Assessment

1. **Self-Awareness:** Identify your strengths and gaps objectively
 2. **Prioritization:** Focus development efforts where they matter most
 3. **Targeted Learning:** Access relevant Operiva artifacts for your specific needs
 4. **Progress Tracking:** Retake the assessment every 6 months to measure growth
 5. **Confidence:** Know where you stand and what to improve
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The 5 Capability Areas

1 Financial Management

Why It Matters: Poor financial management is the #1 cause of SMME failure. You can have great products, loyal customers, and a hardworking team - but if cash runs out, the business dies.

What We Assess: - Cash flow forecasting and management - Pricing strategies (cost-plus vs value-based) - Bookkeeping and financial reporting - Credit management (debtors and creditors) - Understanding financial statements (P&L, Balance Sheet) - VAT compliance and tax planning - Separating business and personal finances

Red Flags: - "I don't know my profit margin" - "I just check my bank balance to see how I'm doing" - "Bookkeeping is 3+ months behind" - "I use business money for personal expenses"

SA-Specific Considerations: - Load shedding impact on cash flow (backup power costs) - High cost of credit (interest rates 15-25%) - Informal economy dynamics (cash-based transactions) - Access to SEFA/sefa funding

2 Strategic Planning & Vision

Why It Matters: Without a clear strategy, you're just reacting to events. Strategic thinking helps you anticipate changes, seize opportunities, and build resilience.

What We Assess: - Business planning and goal-setting - Market analysis and competitor intelligence - SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) - Adaptability and pivoting - Risk management - Vision communication - Partnership strategy

Red Flags: - "I don't have a business plan - it's all in my head" - "I haven't updated my plan in 3+ years" - "I don't know who my competitors are" - "I'll deal with problems when they happen"

SA-Specific Considerations: - Load shedding continuity planning - Economic volatility (rand fluctuations, inflation) - B-BBEE and transformation requirements - Township vs suburban market dynamics

3 Leadership & People Management

Why It Matters: Your business can only grow as far as your leadership capability. Poor people management leads to high turnover, low productivity, and burnout.

What We Assess: - Delegation and time management - Conflict resolution - Performance management - Team motivation and culture - Hiring and onboarding - Feedback and communication - Succession planning - Training and development

Red Flags: - "I work 70+ hours a week - no one can do it like me" - "I only give feedback when someone messes up" - "I hire family members to save money" - "If I couldn't work for 3 months, the business would collapse"

SA-Specific Considerations: - Labour law compliance (CCMA, UIF, COIDA) - Skills shortage in certain sectors - Multi-lingual team management (11 official languages) - Informal vs formal employment

4 Marketing & Sales

Why It Matters: No customers = no business. Marketing isn't optional - it's how you attract, convert, and retain customers profitably.

What We Assess: - Customer acquisition strategies - Value proposition and differentiation - Customer retention and loyalty - Social media and digital marketing - Branding consistency - Sales process and pipeline management - Customer feedback loops - Market segmentation

Red Flags: - "I rely only on word-of-mouth" - "I don't know why customers choose me over competitors" - "I post on social media randomly when I remember" - "I don't have a marketing budget"

SA-Specific Considerations: - WhatsApp marketing (most accessible platform) - Data costs (barrier to digital marketing) - LSM targeting (Living Standards Measure) - Stokvels and community-based marketing

5 Operations & Technology

Why It Matters: Efficient operations free up time for strategy and growth. Technology adoption is no longer optional - it's a competitive advantage.

What We Assess: - Process documentation and standardization - Quality control systems - Inventory/stock management - Technology adoption (accounting software, CRM, digital payments) - Supplier relationship management - Continuous improvement mindset - Data security and POPIA compliance - Automation of repetitive tasks

Red Flags: - "All our processes are in my head" - "I use pen and paper for everything" - "I don't back up business data" - "I order stock when I run out"



SA-Specific Considerations: - Mobile-first technology (most owners use smartphones) - Affordable SaaS tools (Yoco, Xero, Zoho) - Load shedding backup systems - POPIA compliance (Protection of Personal Information Act)

How to Use This Tool

Step 1: Set Aside Time (20-30 minutes)

Find a quiet space where you can focus. This isn't a test - it's a tool for YOUR benefit. Be honest with yourself.

Step 2: Open the Worksheet

The assessment is in **03-Self-Assessment-Worksheet.xlsx**. You'll see: -  **Instructions tab:** Overview and scoring guide - **5 Capability tabs:** 10 scenarios each (50 total questions) -  **Dashboard tab:** Your scores and priority actions

Step 3: Answer Scenario Questions

For each scenario: 1. **Read carefully** - scenarios are based on real SA SMME situations 2. **Choose the response** that best matches what YOU would actually do (not what you think is "right") 3. **Be honest** - self-deception helps no one 4. **Don't overthink** - go with your gut instinct

Step 4: Review Your Dashboard

After completing all 50 questions, go to the  **Dashboard** tab to see: - Your score in each capability area (out of 30 points) - Overall capability score (out of 150 points) -

Color-coded ratings (Strong, Competent, Developing, Urgent) - Priority actions for each area

Step 5: Create an Action Plan





Based on your results: 1. **Identify your top 2 development areas** (lowest scores) 2. **Download relevant Operiva artifacts** for those areas 3. **Set 3 specific goals** for the next 90 days 4. **Schedule a follow-up** assessment in 6 months

Interpreting Your Results

Scoring System

Each question is worth **0-3 points**: - **3 points**: Best practice response - **2 points**: Good response with room for improvement - **1 point**: Basic response, significant gaps - **0 points**: Problematic response, urgent attention needed

Capability Area Scores (out of 30)

Score	Rating	What It Means
27-30	 STRONG	You're operating at best-practice level. Focus on maintaining and refining.
21-26	 COMPETENT	Solid foundation with minor gaps. Targeted improvements will elevate you.
12-20	 DEVELOPING	Significant gaps exist. Prioritize learning and skill-building in this area.
0-11	 URGENT	Critical weaknesses. Seek immediate support (coaching, training, mentorship).

Overall Capability Score (out of 150)

Score	Interpretation
120-150	Strong owner-manager capabilities. You're well-rounded. Focus on continuous improvement and scaling.
90-119	Competent across most areas. Prioritize 1-2 development areas to reach the next level.
60-89	Developing. Significant capability gaps exist. Seek targeted support and commit to structured learning.
0-59	Urgent attention needed. Consider business coaching, mentorship, or formal training programs.

Understanding Your Profile

Balanced Profile (all scores within 5 points of each other): - You're a generalist with consistent capabilities - Focus on deepening expertise in 1-2 strategic areas

Spiky Profile (wide variation between highest and lowest scores): - You have clear strengths and weaknesses - Leverage your strengths while urgently addressing weak areas - Consider hiring or partnering to cover gaps

Low Financial Score (regardless of other scores): - **Priority #1:** Financial management is non-negotiable - Download Operiva's Cash Flow Forecast and Financial Management artifacts - Consider hiring a part-time bookkeeper or financial coach

Taking Action

Immediate Actions (This Week)

Based on your results, take these steps:

If Financial Management is weak: 1. Download Operiva's **Cash Flow Forecast** tool 2. Set up separate business and personal bank accounts 3. Schedule 2 hours this week to update your bookkeeping

If Strategic Planning is weak: 1. Download Operiva's **SWOT Analysis Pack** 2. Write down your 12-month business goals (be specific) 3. Identify your top 3 competitors and what makes you different

If Leadership is weak: 1. Download Operiva's **Levels of Work Organogram** 2. Identify 3 tasks you can delegate this week 3. Schedule a 1-on-1 with each team member

If Marketing is weak: 1. Download Operiva's **Digital Marketing Playbook** 2. Define your ideal customer in one paragraph 3. Create a simple content calendar for the next month

If Operations is weak: 1. Document your top 3 business processes (step-by-step) 2. Set up cloud backup for critical business data 3. Try one automation tool (e.g., automated invoicing)

90-Day Development Plan

Month 1: Foundation - Focus on your #1 weakness (lowest score) - Complete relevant Operiva artifacts - Implement 3 quick wins

Month 2: Build - Address your #2 weakness - Measure progress (track specific metrics) - Seek feedback from mentor or peer

Month 3: Refine - Consolidate improvements - Document new processes - Prepare for 6-month reassessment

Resources for Growth

Operiva Artifacts (download from operiva.com): - Cash Flow Forecast - SWOT Analysis Pack - Business Model Canvas - CHAT Framework - Levels of Work Organogram - Market Entry Playbook - Digital Marketing Playbook

SA SMME Support Organizations: - **SEDA** (Small Enterprise Development Agency): Free business support - **sefa** (Small Enterprise Finance Agency): Funding and mentorship - **NYDA** (National Youth Development Agency): Youth entrepreneurship support - **Business Partners:** Funding and business support

Online Learning: - **Coursera/edX:** Free business courses from top universities - **YouTube:** Practical tutorials (search "SMME [your topic] South Africa") - **LinkedIn Learning:** Professional development courses

Frequently Asked Questions

Q: How often should I retake this assessment?

A: Every **6 months**. This allows enough time to implement changes and see measurable improvement. Track your scores over time to see your growth trajectory.

Q: What if I score low across all areas?

A: Don't panic. Awareness is the first step. Prioritize: 1. **Financial management first** (non-negotiable for survival) 2. **One other area** based on your business needs 3. Seek mentorship or coaching for structured support

Consider joining a business development program (SEDA, sefa, NYDA) for comprehensive support.

Q: Can I use this for my team?

A: Yes! If you have managers or key staff, have them complete it too. Compare results to identify: - Skills gaps in your team - Training needs - Succession planning opportunities

Q: What if I disagree with my score?

A: Scores are based on best practices, not personal opinion. If you scored low but believe you're doing well, consider: - Are you confusing activity with effectiveness? - Are you measuring results objectively? - Would a mentor or peer agree with your self-assessment?

Seek external feedback to validate your self-perception.

Q: Is this assessment confidential?





A: Yes. This is a self-assessment tool - your results are yours alone. Operiva does not collect or store your responses.

Q: What's the difference between this and a business health check?

A: This assesses **your capabilities** as an owner-manager. A business health check assesses **the business itself** (financials, operations, market position). Both are valuable and complementary.

Conclusion

The Capability Compass is your starting point for intentional, targeted business development. By identifying your strengths and gaps, you can focus your limited time and resources on the areas that will have the greatest impact on your business success.

Remember: -  Self-awareness is a competitive advantage -  Every successful owner-manager has development areas -  Small, consistent improvements compound over time -  You don't have to do this alone - seek support

Your next step: Complete the assessment, review your dashboard, and download 1-2 Operiva artifacts for your weakest areas.

Need Help?

Visit **operiva.com** for: - Free and premium business artifacts - Guided learning tracks - Expert council resources - SMME community forum

Good luck on your capability-building journey!

*This guide is part of the Owner-Manager Self-Assessment artifact package by Operiva.
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