

## **Abstract**

With the expected disruption of industry 4.0 and the current challenges that SMEs face in South Africa, there is an increasing threat that SMEs will lose any competitive advantage they currently have. This exploratory study investigates how South African manufacturing SMEs can remain competitive during the fourth industrial revolution. Data, in the form of current literature, was analysed using thematic content analysis. From the analysis process, 8 emergent themes were used to organise the results of the study. Notable findings towards generating competitive advantage included: The location of SMEs within clusters, collaboration with disruption leaders, the sharing of outcomes across the value chain, the shift of business models towards a service and software orientation, the use of data driven insights to find and capture high margin markets and the increased effectiveness of labour through technology use. The study also found that the use of the IoT and cloud computing can significantly reduce infrastructure requirements and promote a competitive advantage.