Inflation and small business: 5 ways businesses can prepare.



Inflation is affecting consumers and businesses across the country. With price increases and economic shifts, it's essential that business owners, especially small business owners, are prepared. Planning ahead, cutting costs, and building protection around your plans and assets can set you up for success. Not sure where to start? Read our five inflation and small business tips to prepare for what's ahead:

1. **Study your business expenses and find places to cut costs.** This isn't always a fun process, but it can lead to measurable savings for the future. Start with making energy-saving improvements to your buildings. Your energy supplier may offer business rebates and incentives for these improvements. Consider adding an extra work from home day for your employees to save on utility expenses. Move into a smaller office space if team members work remotely. Look at the materials you buy and source new suppliers to see if there are ways to save.

2. **Focus on employee retention to help keep costs down and maintain efficiency.** Hiring and training new employees takes time, can be costly, and slows down production. Working to retain current, experienced team members will not only keep costs lower, but will make efficiency higher as well. Focus on finding ways to be the most productive and keep morale high. On top of that, offer continued training opportunities so your team can grow and take on new responsibilities.

3. **Get strategic with pricing.** Raising your prices may be necessary during times of inflation. If your business raises pricing, make sure to do it in modest increments and in a strategic manner. This way, consumers can adjust to the new pricing without too much of a surprise. Explore tactics like removing discounts or start charging for shipping. Being transparent and honest with your customers can help them understand why price increases are necessary right now. Be sure to provide your employees with appropriate talking points to ensure your customers are receiving a

consistent message.

4. **Stock up on inventory.** As we near the end of the calendar year, it's a great time to review your supplies. Take note of what you do and don't need and build up inventory now. It's smart to stay ahead of the game and order storable inventory before potential price increases or shortages. When storing inventory, do so safely and keep backstock out of the way to prevent injuries.

5. **Have a plan for economic impacts like inflation.** Saving costs and increasing productivity are incredibly beneficial to small businesses, but inflation can still have unexpected effects. Creating a plan for cost increases caused by inflation can save you time and money down the road. Meet with key team members or senior leadership to plan for potential hardships. Doing so can make stopping or recovering from loss easier.

Inflation can be a challenge for anyone, especially small businesses. These inflation and small business tips can help you stay prepared for uncertainties to come. Want to add an extra layer of protection? Our small business coverage protects you and your labor of love. Talk to a local, independent agent about a policy and additional tactics to combat inflation today.