



# 5 Steps to Business Success in Today's Economy

A free guide to help your business grow and thrive.

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Today's economic conditions are drastically different than they were just a year ago. And because they're constantly changing, it's difficult to know what they'll be like next year, or even next month. Inflation has already slowed consumer spending. Ongoing supply chain issues mean you might have less to offer, or normal timelines are a thing of the past. And a tight labor market makes hiring more difficult and expensive.

This handy guide gives you 5 steps to help you better navigate all these challenges and others that you may face, setting you up for not just survival, but maybe coming out even stronger in the future. If you want to discuss your business's unique situation, call the business bankers at Arvest at (866) 314-0315.



# 1

## CASH FLOW



*Pay close attention*

Play it safe by assuming profit margins are likely to shrink. This could come from two directions: an increase in the cost of the goods you buy or reduced sales due to consumers tightening their belt. Best-case scenario is that neither happens, but you should prepare for either or both to occur.

Evaluate all of your expenses closely. As economic conditions change, what you consider a necessary expense should change, too. By closely examining all expenses, you will likely find ways to make operations more efficient and conserve cash flow.

The timing of payables and receivables is an area where many businesses can experience challenges. If your customers are experiencing financial strain, they can begin stretching out payments which means you're not collecting revenue in a timely manner, regardless of agreed upon terms. If this happens, you should discuss more lenient payment terms with suppliers to offset slower receivables.

## 2

# EXISTING CUSTOMERS



*Make them your priority*

It costs more money to acquire new customers than it does to keep the ones you already have. That's true in any economy. But if spending by consumers is down, the effort to try bringing in many new customers may not even be worth the return.

So, make it easier for customers to do business with you. You can offer auto renewals, service reminders, convenient payment methods and more. Remember that competitors may be offering discounted introductory rates and other incentives to lure new customers but most will value their time and trust over short-term deals.

## 3

# CORE PRODUCTS & SERVICES



*Keep your focus here*

Not all your products and services have the same profit margin. Focus on the ones that are most profitable and are core to your business and look for value-add or cross-sell opportunities, as these can likely be delivered at a lower cost to you.

But be sure to keep an eye out for expansion opportunities created by the current economic climate. If these are because of a change in the market, take advantage of them. For example, if you're a contractor working mostly on new construction, now might be the time to shift your marketing toward service calls focused on older neighborhoods.



## 4

# MARKETING



*Adjust to new realities*

Your marketing has to be more efficient and better targeted than ever. Keep what you know is working, but if you're unsure about how a specific marketing channel is performing, put it on hold.

Use inexpensive channels such as email marketing and phone calls to connect with your current customers. You'll build loyalty without drastically affecting your cash flow.





## 5

# FINANCES



*Make sure they're in order*

Assess your business' purchasing and financing tools. Now is a good time to review your corporate card limits and usage and talk to your banker about a working capital line of credit to help with possible cash flow needs.

Don't try to navigate this economy alone. Talk to an advisor, mentor or business banker who can be an objective voice and help you survive any turbulence with confidence. Don't have one? Get one. You'll want their help in the good times, too.



# ONE FINAL STEP

Today's economy is unpredictable for all types of businesses. Hopefully these ideas can help you successfully navigate through all the uncertainty. If you'd like more personalized advice and resources, the business bankers at Arvest are ready to listen and learn about your business and offer sound advice, resources and financial solutions that are right for you. Give us call at (866) 314-0315 and visit with us today.

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