

How to save money in your business

I'm always being asked about ways to save money in business. It starts with understanding where your money is going, reviewing each of the business expenses, and then deciding whether these expenses are vital to the running of the business.

In most cases, the direct costs, those costs that directly go into delivering that product or service can't be cut out altogether, but there's always room for negotiation. Operating costs, on the other hand, often include obsolete, outdated, forgotten or 'nice to do' expenses. So, it's definitely worth taking a deep-dive into the operating costs. Here are some tips to reduce costs and save money in your business:

- **Reduce operating costs:** Operating costs may or may not be vital to the running of your business, so when you need to cut costs, the best place to start is with the overheads. I recommend looking for ways to reduce overhead costs such as rent, utilities, and insurance costs, for example, by negotiating with suppliers, finding more energy-efficient solutions, and shopping around for more cost-effective solutions. There are lots of online comparison sites, but often the best way to negotiate a better deal is to speak directly to your supplier.
- **Streamline operations:** Where can you improve systems and processes, eliminate inefficiencies or add tech to help the business save time and money? Your staff are often your best asset when it comes to finding efficiencies within your business, so consult them about the day-to-day processes and get their input around improving business systems.
- **Talk to an expert:** When it comes to tech and systems we often end up with overlaps or worse, we're not taking full advantage of the tech systems we have in place. So as part of implementing automation and technology solutions, consider hiring an expert to guide you through the process. It might cost more money at the outset but can save you money in the long term.
- **Negotiate with suppliers of COGS:** There's always room to overall costs, even those fixed or direct business costs. This goes double for product-based business. Talk to your suppliers, ask about bulk discounts and negotiate better wholesale prices. If you're on automatic backorders, consider stopping these for the time being to keep a tighter reign on your inventory and cash flow.

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- **Outsource non-core activities:** As the business owner, and most likely the face of the business, you will have a cache that is integral to your business success. Most business owners know their product or service better than anyone else and so it makes sense for them to spend their time working on revenue generation. However, so many business owners try to be all things to their business; they want to do ALL the jobs, no matter how mundane.

So, take a look at all of the activities that go into running your business. Then divide them into three areas - what do you need to do, what can you delegate and what should you dumb! Rather than spend endless hours doing work that can be delegated or working in non-revenue generating areas of the business, consider outsourcing. Calling in experts in accounting, IT, or admin might cost money now but the time you'll save will be worthwhile.

- **Reduce waste:** Does your business have a waste problem? It could be time, money or resources, so look at all areas. Implement recycling, review systems and operations, and look at each job position to find efficiencies and cost savings.
- **Reduce marketing costs:** Instead of outsourcing your marketing and PR, focus on low-cost marketing methods instead. Consider email marketing and social media to reach customers and reduce advertising expenses. Think about connection, collaboration and who you might be able to work with in a way that is mutually beneficial for your business.