



IS INFLATION DRIVING BUSINESSES?

July 2022





As inflation rates continue to rise, businesses must find ways to reduce their expenses in order to stay afloat.

One of the most effective ways to do this is through cost management. By carefully tracking their spending and identifying areas where they can save, businesses can cut down on their overall expenses significantly.

In addition to inflation, another factor that can impact a business's bottom line is the cost of raw materials. As prices for these materials increase, it can eat into a business's profits. However, by reducing other expenses, businesses can offset some of these costs and keep their profits stable.

Good cash flow management is key to a successful business

Savings are also important for businesses in times of economic uncertainty. Having a cushion of savings can help businesses weather tough times and keep them from. As a business owner, it's important to be always looking for ways to improve your bottom line. One way to do this is by reducing your expenses. Every little bit you can save on costs will add up and improve your profitability.

Good cash flow management is key to a successful business. By reducing your expenses, you'll have more money available to invest back into the business or save for a rainy day. It's a smart way to build up your reserves and make your business more robust.

There are many different ways to reduce expenses in your business. One is by negotiating better terms with vendors and suppliers. Another is by cutting unnecessary costs and streamlining operations. Whatever methods you choose, remember that even small savings count, as added together, they can make a substantial difference to your bottom line.

“The Bank of England has warned that UK inflation could reach 10% in the last three months of 2022, largely as a result of rising global energy prices.”

BBC May 2022

“The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 8.8% in the 12 months to July 2022, up from 8.2% in June”

ONS July 2022

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