



HOW TO GET READY FOR THE HOLIDAY SEASON

"The best preparation for tomorrow is doing your best today." -- H. Jackson Brown, Jr.

The Holiday Season is the most exciting, most highly anticipated time of the year for most businesses because it's a time of increased consumer spending. Parallel to increased spending is the competition for consumer attention as we all get bombarded with messages and offers at every corner. Standing out in the eyes of the customer is a real challenge for most. But don't fret -- there are things that you can start doing today to get better prepared for this busy time of the year.

In this month's InfoPays, we go over several simple strategies that you can employ in your business:

1. Review last year for lessons learned.

Before starting any holiday prep work, look at last years' experience. What worked? What didn't work so well? Define and focus your efforts on strategies that were successful, and apply them to this year's efforts as best as you can.

2. Track and control your inventory.

What kinds of items or services are your customers looking for? Look at the trends from last year if they are available. Choose the products that will lead your promotions and order early to leave buffer for potential delays.

3. Minimize the amount of back-office work.

It pays to be efficient any day of the year, but utilizing your time wisely is crucial during the Holiday Season. A small business should not be spending their valuable time on back-office work when they should focus all their efforts on customers. The Holidays are the time when technology and automated tasks can become a life-saver. And it doesn't have to be anything major, setting up email reminders or maintaining a calendar of activities can be a good start.

4. Stay current on income and expenses.

The pace during the Holidays is more hectic than normal day-to-day business. This usually means bigger workloads and more time required to track money out and money in. Stay organized as much possible. In line with using technology to automate your processes, look for tools and apps that will allow you to snapshot receipts and last minute expenses that may otherwise end up in the garbage.



5. Stand out of the crowd.

Have a strategy on how you are going to promote your holiday specials and offers. Are you going to use traditional media like TV, radio, and newspapers? Or perhaps you want to be more cost-effective and target a smaller group through your social media presence. Will you provide incentives to your existing clients? Will you send out holiday cards and little "thank you" notes? The Holidays are a time when it is expected to pause from everyday business and give appreciation to all who make your business possible.

TIPS FOR COST CONTROL

Cost control is an important practice because it often has a direct impact on the financial picture of an enterprise. An adequate cost control strategy does not only allow for the efficient allocation of resources but also offers a way for managers and business owners to show strong profits by minimizing costs. In this edition of InfoPays, we look at different tools and techniques you can use to implement an efficient cost control strategy in your enterprise:

1. Collect data on your costs.

Compile an inventory list of costs that your company is incurring and organize them into relevant groups for easier management.

2. Control the budget.

Cost control is in a direct relationship with budgets. If you follow a budget, track your actual costs against the forecasts and inspect any (significant) variances.

3. Communicate cost awareness.

All employees should know the basic financial strategy of the company they work for and understand the financial implications of their everyday decisions. Each employee should have access to sufficient information about the costs involved in their activities, and a way to learn about alternatives.

4. Analyze your fixed costs.

Determine which costs the company incurs regardless of

sales volume. Analyze each cost separately and seek ways to decrease them.

5. Analyze your variable costs.

The costs that are tied to sales volume, also known as variable costs, often require close attention. Look at the relationship between your sales volume and your costs.

6. Monitor your costs and expenses on a regular basis.

Effective cost control can help you increase your profits under the same or even reduced volume of sales. Keep a close eye on the patterns that emerge from your costs incurred on a daily or weekly basis, and know the reasons for any radical increases.

7. Understand the relationship between cost control and profitability.

Remember that costs are only one element of profitability. Sales volume, product mix, demand and other factors can also affect the financial health of your company. Do not forget to work on the other factors as focusing solely on costs can be detrimental to your business.

8. Commit to quality.

Note that customers are often most loyal to the best quality at the lowest price. Be careful not to bring costs so low to a point where product quality and brand image are compromised. Committing to long-term quality is the ultimate recipe for success in business.

Created by the IPS Business Owner Success School (BOSS) 



**Guarantee your
liquidity within
8 business hours**