AMERICA'S SBDC NEW YORK

Cost Cutting Measures for Small Business

✓ ASK YOURSELF THE HARD QUESTIONS

- ☐ ASK the hard questions about your business expenditures and break them out into must have, should have, could have, won't have (now), and quantify the cost savings of each one. Is each expenditure **necessary** for your business, staff or clients? Can the business be operated without this expense at this time?
- ☐ ASK your employees to come up with cost savings measures and reward their good ideas and willingness to participate
- ☐ ASK for advice from your SBDC advisor or other business owners
- ☐ Have a brainstorming session with your staff, valued clients/customers, your SBDC advisor and other stakeholders, many minds = many ideas
- ☐ Zoom works well for this kind of endeavor, and if you want tips on how to organize a brainstorming session, call your SBDC advisor, we can help

✓ REVIEW

- ☐ REVIEW and "shop" every necessary expense, look for cost savings to be had by switching service providers or stopping the service all-together
- ☐ REVIEW and reduce necessary bills, review details to see what can be cut
- ☐ REVIEW all monthly expenditures to identify expenses that can be put on hiatus
- ☐ Consider "extras" like spring water, coffee service, office supplies, cell phones, internet/cable/wi-fi/satellite radio, landline, cleaning/building maintenance, snow/waste removal, lawn/parking lot maintenance, etc.
- ☐ REVIEW minor repairs and maintenance on machines and office equipment. Is this something you or employee can learn to do? Look at machine manuals, and Google YouTube videos to see how to perform maintenance or repairs safely?

✓ SIMPLIFY

- ☐ SIMPLIFY your operations - look at your hours of operation, sales space, production space, staffing plan
- ☐ Can you limit the days/hours you are open?
- ☐ Can you utilize automation or e-commerce to simply any tasks?
- ☐ Can you eliminate some of the space you currently occupy to reduce rent or sublet that space on days/hours you are closed?
- ☐ Turn off or shelve unnecessary equipment until you are fully open again
- ☐ Sell unneeded supplies and equipment
- ☐ Look everywhere for efficiencies and economy of scale
- ☐ SIMPLIFY inventory - conduct a line-by-line inventory analysis to determine what to eliminate, sell, or defer. The goal here is to reduce your inventory, stop storing items you won't use and streamline your inventory
- ☐ Remember that while buying in bulk may be cheaper per unit, it uses more capital, so consider the value vs. cost proposition of bulk purchases
- ☐ SIMPLIFY the products or services you offer
- ☐ Analyze products/services and the profit margin of each to determine if you are charging enough for that product/service and if you can continue to afford to supply it to your customers at that price point (or at all)