

5 Small Business Tips for Preparing for a Recession

There's growing anxiety that the Canadian economy is heading into a recession.



In fact, **two-thirds** of businesses anticipate a recession in 2023, according to Bank of Canada surveys.

While economic downturns affect organizations of all sizes, small-to-medium enterprises (SMEs) may find it harder to navigate tough conditions due to limited resources. For this reason, it's vital that SMEs proactively plan for economic uncertainty.



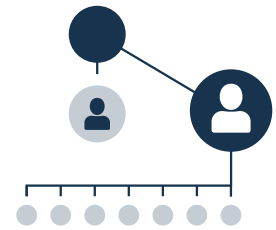
Prioritize employee retention.

It costs employers an average of \$4,129 and takes around 42 days to fill a job position, according to the Society for Human Resource Management. Bolster retention by considering ways to improve employee contentment (e.g., flexible scheduling).



Identify top performers.

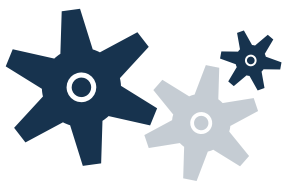
Should your business need to downsize, it's wise to be prepared. As such, evaluate talent to identify employees who have a tangible impact on business success and must be retained.



Establish

communication channels.

The uncertainty of a recession could result in worried and distracted employees. For this reason, consider an internal communications audit and keep employees abreast of important company information.



Automate internal processes.

Where possible, utilize technology to automate time-consuming processes, such as payroll and billing. By eliminating manual tasks, employees can focus on business-critical work instead.



Re-evaluate

compensation strategies.

Finding ways to reduce or eliminate costs while still retaining employees can be challenging. Cost-reducing measures may include forgoing pay raises, reducing bonuses and re-evaluating employee compensation and benefits strategies.

A recession can have severe impacts on small businesses. Fortunately, by properly preparing for a recession and developing preventive strategies, SMEs can be better positioned to minimize the financial hardships of an economic downturn.

Contact us today for further guidance on maintaining operations amid a recession.