



## Business Local

A Small Business Development Corporation service  
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## Great ways to slash your expenses

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Small business owners are always looking for ways to make more money, but in reality there are two main ways; sell more at a profit or spend less.

Here's some great ideas from our team of experienced advisers to help you put more money back in your pocket:

- **Automation:** Don't wait for innovation or digital disruption to take you by surprise. Start thinking about better, quicker, less expensive ways of doing what you do. Can you streamline your packing processes or update your equipment to provide a quicker service? Ask your employees for suggestions on how to improve your business.
- **Transport:** Do you regularly post or deliver products to your customers or use a car or truck as part of your business? Are your logistics as effective as possible? Can you coordinate deliveries and customer visits to save time and money?
- **Cut utility costs:** Wherever possible, wind back the use of gas and electricity. Would renewable energy work for you? Can you install a solar system or other passive energy source that will save you money in the long run? Turn equipment off when not in use, particularly outside business hours.
- **Tax minimisation:** Surround yourself with experts including a knowledgeable accountant who can guide you on all the tax deductions your business can claim.
- **Don't cut your prices:** Offering your products or services too cheaply won't lead to more profits down the track. Make sure your prices cover all costs and allow for profit.
- **Chase overdue debts:** Cash flow is king for small business. Be brave when asking for overdue payments to be made. If a customer is a serial offender, it may be time to offload them completely.
- **Cut overheads:** Check your lease agreement for opportunities to negotiate for a smaller space or lower outgoings. Revisit bank loan contracts and insurance policies to see where reductions can be made.
- **Consider compatible products:** When replacing items such as printer cartridges, refrigeration and air conditioning compressors and automotive parts, consider buying genuine 'A grade refurbished' or 'original equipment manufacturer' (OEM) compatible products. These can be 50 to 70 per cent cheaper and carry the same warranty.

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