



# Commercial Insurance Profile

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## How to Prepare Your Small Business for a Recession

The UK economy continues to be marred by uncertainty and high inflation. During tough economic times, organisations of all types and sizes typically experience decreased sales and profits caused by modified consumer spending habits. While larger businesses may be better positioned to weather such difficulties, small businesses often lack the additional capital necessary to offset extended periods of loss. Indeed, 43% of small business owners identify a recession as their top concern in 2023, according to financial technology company Iwoca.

With this in mind, it's vital for small and medium-sized enterprises to take steps to adequately prepare for a recession. Consider the following tips to aid your small business amid the uncertain economic climate:

- **Establish a financial plan.** Closely monitor current economic conditions and form a plan for remaining profitable amid a recession. Specifically, map out ways to adjust particular business practices, scale back operations and cut costs without compromising business productivity or future growth.
- **Prioritise savings and cash flow.** Find ways to maintain a steady cash flow and build up vital reserves. For instance, you could shorten payment terms for customers and encourage early or advance payment options. Also, reduce overheads wherever feasible; options include transitioning to remote or hybrid work arrangements or downsizing your premises to lower rent and utility bills.
- **Ensure proper debt management.** Avoid the temptation to pay off debts that could rapidly deplete reserves or threaten long-term financial stability. Instead, reassess interest rates on current debts and consider paying down those with the highest rates first. If reserves are already low, carefully review the merits of utilising additional financing options.
- **Be innovative.** Find ways to adapt business strategies to promote operational success during challenging circumstances. For instance, utilise technology to automate labour-intensive processes to free up employees for more business-critical tasks. Additionally, consider ways to diversify income streams—such as creating online shopping platforms to boost product sales or offering different services to attract new customers.

To ensure ample financial protection against potential losses, it's crucial to have proper insurance. After all, business risks tend to rise amid a recession, making insurance cover increasingly important.

Contact us today for additional risk mitigation and insurance guidance.

## Commercial Building Spring Maintenance Tips

Dirty and unsafe commercial premises can be hazardous to health and bad for business. Dirty surfaces are a breeding ground for bacteria and viruses that could cause serious illness among staff, and cluttered workspaces can result in employee injuries. In fact, slips, trips and falls accounted for 30% of all workplace injuries last year, according to HSE statistics. Moreover, poorly maintained buildings can look tired or be left without vital services, hindering business operations. As such, it's critical to adequately maintain your commercial premises. Consider the following spring maintenance tips:

- **Conduct housekeeping practices.** More than half of employees are more motivated when their workplace is clean, according to research by Initial Hygiene UK. Declutter your premises and conduct a deep clean to bolster workforce productivity.
- **Test heating, ventilation and air conditioning (HVAC) equipment.** Regularly service HVAC systems to ensure optimal working temperatures for employees. Specifically, change filters, clear debris from vents and remove any built-up dirt and grime. Additionally, test the HVAC unit's air flow, thermostat and general operating efficiency. Not only will adequate maintenance help ensure comfortable working conditions, but it may also minimise equipment breakdowns and lower energy bills.
- **Check for leaks.** Springtime can be rainy in the UK, so proactively check your commercial property for any leaks. Review the premises for signs of dampness (mould, discoloured patches on walls or musty smells) and repair any problem areas. Additionally, inspect gutters and drainpipes, and remove any debris you find to enable effective rainwater drainage.
- **Review the business' exterior.** A well-maintained business exterior can prevent accidents and give a good first impression to customers. As such, thoroughly clean the outside of your building and check for any cracks or signs of damage. Furthermore, look for potholes in the car park, loose paving stones, cracked window glass or hazardous branches, and swiftly remedy any defects found.

By proactively cleaning and maintaining your commercial building this spring, you can facilitate smooth business operations, keep staff safe and avoid costly accidents.

Contact us today for further workplace health and safety improvement strategies.



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