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TIPS FOR YOUR BUSINESS

As the new year approaches, so do new business trend predictions. The past few years we have seen trends largely focused on adapting to a post-pandemic world, and now we're emerging with new and innovative ways to grow amidst concerns of a recession. Below, we've listed 7 trend predictions for 2023.

What is a business trend?

Business trends are general changes in the way business is developing. They can change from year to year, and are important to familiarize yourself with to keep up with the new landscape of business. Business trends could be as small as providing curbside pickup for restaurant businesses, or as big as creating hybrid working environments.

Why does a business trend matter?

Business trends are important because they are largely influenced by the economy and consumers. Being able to adapt to certain trends can be the differentiator in the continuing success or shortcomings of your business. Business trends show us where we need to adapt in our businesses to reflect the economic landscape, and how to better satisfy our customers. For example, more consumers are looking for contactless buying experiences. Certain businesses provided a way for customers to order and pay for their goods online, go to the store, and have an employee load their car while they do not have to enter the store. This is an example of a business trend that is consumer driven, and largely influenced by the post pandemic economy. Read on for business trends we predict for 2023.

Business trends and predictions for 2023

1. Prioritize Digital Technologies

With busy consumers who have many buying options, it's important to be as easy as possible to find for your customer. This includes making sure your business is online, and even better optimized properly for search engine algorithms. What does this mean? Your business's website should be set up properly, easy to read, contain relevant keywords, and is accessible. Learn more in our article, Why Every Small Business Needs a Website. Social media is another tool to get your business online. Read our article, Social Media for Business: What You Need to Know.

Another way to prioritize digital technologies is by using platforms to automate small tasks. This could be using a digital accounting platform, setting up a new payroll system, or setting up subscription services for some of your office or business essentials. This makes it easier to run your business so you can focus on other important details.

1. Increased Customer Service

With many options of where to buy goods and services, and prices increasing due to inflation, customers are looking for increased customer service. They are becoming selective of where they spend their time and money, so it is important to make sure the buying experience is positive. Consumers want to feel that the experience is worth the new price they are paying.

Customer reviews are also a large part of a consumer's purchasing decision as well. There are many online review platforms where people can leave reviews of your business. Try to ensure that you are leaving a good impression so customers can leave positive reviews, which turns into consumer generated marketing.

1. Supply Chain Efficiency

As the world is still recovering economically post-pandemic, there have been many hiccups with supply chains and transportation. Consumers are looking for quick and reliable ways to receive their goods and services. A great way to get ahead of supply chain issues is by evaluating your products or the products you use and determine if there is a way to simplify, or create a more streamlined product or process.

Simplifying your product supply chain allows for fewer opportunities of product shortages. If you can't simplify your product, or if you want additional ways to prevent supply chain issues, plan in advance for your customer needs. Look at your sales from last year, what are you able to order in advance that you know will sell within the next quarter?

For example, you work at a hardware store and you notice around the holiday season more people buy decorative lights, and materials to hang the lights. Instead of waiting until a couple months before the season to order those materials, purchase them earlier than you would normally to ensure you have them in stock. Of course, only do this if your budget and business model allows.

1. Sustainability

More conversations around sustainability are occuring in large corporations and in the media. Consumers want to see more sustainable options to decrease their carbon footprint. If there are sustainable swaps that you can make within your business, this is the perfect year to implement them. For example, if you provide plastic spoons at your ice cream shop, try using compostable or recyclable spoons.

Another avenue of sustainability is creating sustainability within the structure of your business. This means creating work schedules for your employees that prevent burnout. "Job burnout is a special type of work-related stress — a state of physical or emotional exhaustion that also involves a sense of reduced accomplishment and loss of personal identity."- Mayo Clinic

1. Social Media Shopping

More people are basing their purchasing decisions on social media presence, and are purchasing more within the app. Set up your Instagram and Facebook storefront to help consumers easily purchase online. Social media is a free and easy way for people to find your business.

1. Artificial Intelligence (AI) Driven Marketing

Algorithms on social and ad platforms have been refined over the years, creating a more intuitive consumer experience. This means that people are being shown content they like to see more frequently on social media platforms like TikTok, Instagram and Facebook. There are AI content creation tools out there that can automate some of your content creation. Stay tuned, we will touch on this in a future article.

How to implement business trends

While we listed many different trends, there are a few ways you can go about implementing them. First, look at your business goals, where do these trends fit within your goals? Second, look at your budget, is there any room to invest in these trends for your business? And third, make sure this trend truly aligns with your business. Some trends come and go, and some are here to stay. Think of your

customer when debating whether to follow a business trend. Would it be something they benefit from?

The Takeaway

Whether you follow a business trend or not, it's important to know what is happening in the market and industry around you. Trends can give you an idea of how competitors are growing and adapting. Overall, decide which business trends work best for you and execute accordingly.

The end of the year marks an important time for every single business out there. This is a time to account for the performance over the year, reflect on successes and failures, and prepare for next year.

It can sometimes prove difficult to remember everything that needs to be done at the end of the year. Proper planning helps to avoid missing documents, number discrepancies, and more. For small businesses and startups alike, end of year planning is an important practice to maintain. Here are some guidelines for wrapping the year up in an organized, successful, and easeful way.

Reconciling End of Year Accounts

Before considering the many end-of-year tasks, it is critical to get the "books" in order. This is one of the first things business owners should consider as they wrap up the year. This includes updating and reconciling current bank accounts. Businesses should also make sure accounts payable and receivable are current.

Let's start with accounts receivable:

- **Accounts receivable (AR) refers to the money your customers owe for products or services. If your customer has received a product or service but has not yet paid, this is an example of AR. When a customer purchases a product on credit, the amount owed is added to accounts receivable. The sum of unpaid or outstanding invoices is all added to AR.**
- **It's important to note that not all businesses will have AR. If your business receives payment upfront and at the time of service, AR is not an applicable task for end-of-year planning. Businesses like hair salons, spas, dog groomers, restaurants, or other service-oriented industries do not usually have AR.**
- **AR is listed as an asset as businesses wrap up their annual financial reports. Assets will provide future financial benefits to your business.**

Accounts receivable can be difficult to reconcile when there are customers who have not paid their bills promptly. These unpaid accounts must be recorded as part of reconciling accounts. Ideally, these accounts should be paid off before the end of the year, but this is not always possible. This can potentially pose a challenge. As we mentioned in the introduction, careful record-keeping throughout the year can help**.**

Now on to accounts payable:

- **Accounts payable (AP) will represent your business's short-term debt. AP identifies the money a business owes to its suppliers, creditors, vendors, banks, or related financial obligations.**

- **AP is listed as a liability in a business's annual financial report. Generally speaking, a liability is anything that's owed to an external organization or institution.**

How to Reconcile AR and AP

To "reconcile" AR and AP generally mean that all information in your financial records is correct, accurate, and in agreement. For new business owners, this process can seem daunting. In order to successfully reconcile AR and AP, here are a few helpful tips.

- **Refer to previous records or reports to ensure that the information on the accounts aligns. Do the numbers add up? Are there any notable gaps in numbers? If there are any discrepancies in numbers, previous records can provide useful information.**
- **Collect journal or data entries that contain relevant financial information. This can be done on a spreadsheet or with the help of other financial** tools**.**
- **Work with a trusted accountant or financial advisor. This especially applies to new business owners wrapping up their end-of-year accounts.**

Run Financial Reports for the End of the Year

When the books are finally balanced and accurate, it is time to begin creating necessary financial reports.

Financial reports are widely used to show current financial standing and business performance over a certain period, such as quarterly or yearly. Many smaller businesses may feel it's unnecessary to run financial reports. Realistically, most businesses should be using financial reports, as they are a great tool for managing money and the business. Financial reports show a business how much money they have, where it comes from, and where it should go.

Running these reports provides critical information for the overall performance of the business. Having financial reports can be valuable especially if you are considering taking on investors or getting additional funding. Financial reporting for new businesses can feel overwhelming. For a more detailed overview of financial reports, refer to our article on Financial Reports 101**.**

The Importance of End of Year Tax Planning

End of year tax planning for a small business can feel like a lofty task. However, following the steps mentioned above will make the process easier. By preparing for the end-of-year taxes, a business can streamline the process, avoid penalties, and more. It saves time, energy, and money, and prevents unwanted issues. Generally speaking, end of year tax planning is a practice where businesses maximize tax returns, avoid penalties, and take advantage of tax deductions. Let's break this down:

- **Maximizing Tax Returns: Businesses can get the most out of their tax returns at the end of the year. Some businesses will implement retirement plans or provide bonuses for their employees. This provides a significant tax break, and businesses will benefit from it in the long run.**
- **Avoiding Penalties: Without proper preparation, businesses may face tax penalties. This means businesses may owe more money if they don't file taxes on time, pay taxes on time, or pay the right amount of taxes.**
- **Taking Advantage of Deductions: Similar to maximizing tax returns, businesses can make the most of deductions. Tax deductions reduce taxable income. Examples of tax reductions are retirement plans, business expenses, self-employment tax, rent on property, salaries, and more.**

Whether business owners are sole proprietors or have a team of employees, tax planning is a necessity. Businesses can save significant amounts of money on taxes with the proper end of year planning. Here are some ways business owners can prepare:

- Purchase and invest in assets that will benefit the growth of your business. This includes supplies, tools, equipment, or other business inventory.
- Evaluate previous unpaid accounts or debts your business owes. Consult with a tax advisor to find out if these debts qualify as write-offs on your taxes.
- Stay on top of small business tax laws. Laws are subject to change, and knowledge is power. The more you research tax laws, the better off your business will be at the end of the year.
- Keep a record of all spending, earnings, investments, and debts throughout the year.

Do All Businesses File Taxes Once a Year?

It's important to note that not all businesses file taxes once a year. For small business owners, the IRS sometimes requires quarterly estimated payments. Quarterly estimated payments are due if business owners owe $1,000 or more in taxes. This includes both income taxes and self-employment tax:

- Income tax is money on all income like wages, net profit (how much you earn), and investment returns.
- Self-employment tax is what would normally be withheld from a paycheck. It is the equivalent of Social Security and Medicare taxes.

To best determine how much you owe in quarterly tax payments, consult with a trusted advisor or accountant. The amount owed depends on your tax bracket and other potential deductions. Generally speaking, self-employment taxes are 15.3% of the first 92.35% of your total earnings.

The bottom line is to keep a record of your business's finances, ensure your books are balanced, and reconcile your accounts. Plan ahead, and your business will be better off at the end of the year.

Verify Your Vendor Information

If your business uses suppliers or vendors, make sure their information is verified and updated. This includes verifying their address, contact information, and the status of their account. The status of their account depends on whether or not you've used your vendors in the last quarter of your business. If your account with a vendor is inactive, be sure to update your systems to reflect that. Evaluate your relationships with your vendors, see where you can invest, and also look at where you can negotiate better deals.

Update Employee and Payroll Information

The end of the year is the perfect time to make sure that employee records are accurate and up to date. Find out any address changes, changes in phone numbers, tax information updates (dependents, location, etc.), and other information that may be needed for personnel files.

If you hired new employees over the course of the year, make sure all administrative actions are completed. This includes new hire paperwork, recording licensing status, or required training. Similarly, if you lost employees over the year, make sure they no longer have access to any of your business resources. Make sure their emails are turned off, company equipment has been returned, etc.

Employees With VISAS

If you hired an employee with a VISA this year, make sure proper documentation is in order. The same goes for business owners who are working on small business VISAS. Businesses that have employees with VISAS need to apply for certification from the U.S. department of labor. Business owners will also have to obtain a work VISA from the U.S. Citizen and Immigration Services. Make sure you understand tax laws when it comes to hiring employees from other countries.

Backup Computer Systems

Unfortunately, there are still many businesses that lose their valuable information as a result of incomplete or absent backups for their systems. Having a reliable backup system internally is critical, and should be done at regular intervals. This helps to ensure that not much will be lost in the event of a system crash or malfunction.

Backing up your computer systems also involves backing up your contacts, files, and financial reports. This way, you won't risk losing any important information as you move into the new year.

Although this process can be time-consuming, it will save time, information, and money overall. Even if a business has not kept up on regular backups throughout the year, an end-of-year backup is highly recommended.

End of Year Planning Overview

To summarize this end-of-year checklist, here are some key takeaways:

1. **Reconcile your end-of-year accounts. This includes both accounts received (AR) and accounts payable (AP). AR is any unpaid invoices for products or services. AP is your business's short-term debt. Reconcile these accounts by running numbers, making sure the data is in agreement, and refer to previous financial records.**
2. **Run your annual financial reports. Financial reporting is a great way for small businesses to maintain financial health. Stay on top of your finances, predict financial trends, and map out success for your business. Financial reports are covered more in-depth in our Financial Reports 101 article.**
3. **Plan for end-of-year taxes. Make the most of your annual tax return, see if you qualify for deductions, and avoid unwanted penalties. Remember, your business may be required to pay quarterly taxes. Consult with your accountant for accurate tax information.**
4. **Verify your vendor information. Remove inactive or stagnant vendor accounts. Verify your supplier's contact information, address, and more.**
5. **Update employee and payroll information. Make sure your employee's information is up-to-date in your system. Remember to rid your system of previous employees who no longer work for your business, too. Fulfill all necessary administrative tasks. If you have an employee working on a VISA, make sure all documents are in order.**
6. **Back up your computer systems. Don't forget to back up valuable information like contacts, financial reports, important files, or other important documents. Remember to regularly back up your system throughout the year to avoid any technical malfunctions.**

Don't forget to celebrate a year of success as a small business owner, too! Owning and operating a business is no small feat, and it deserves recognition. End of year planning helps small business owners stay on top of vital tasks. With the right amount of organization, financial planning, and preparation, running a business becomes easier. Don't forget to hire professional help, too. Small business owners deserve resources **to help them thrive in the work they do.**

Obtain Loan Financing Through Main Street Lenders

Qualified micro businesses can now obtain flexible, low-cost financing and technical assistance from any of eight financial institutions funded through the Main Street Lenders Grant. Interested applicants should contact the institutions directly. A list of lenders is available at the NJEDA website**.**

Learn More

Register Your Veteran-Owned Business

It's National Veterans Small Business Week! If your business is veteran-owned, you can obtain certifications from the state Department of the Treasury. Certifications are one of the many state benefits and services designed to assist veterans, and can help your business get priority consideration on some local, state, and federal government contracts.

Register Now

Child Care Providers: Receive Up to $200,000 for Facility Improvements – **Applications open November 15th, 2022**

Economic Recovery Collaborative June Update

I would like to thank the Chamber of Commerce of Southern New Jersey for the opportunity to deliver the keynote address at the Regional Economic Perspective last week, highlighting progress and positive outcomes directly tied to our Economic Recovery Collaborative.

The Gloucester County Economic Recovery Collaborative continues to implement strategies for economic recovery and growth post-pandemic. With stakeholder input, we are capitalizing on opportunities to support small business and emerging industry partners. We are also conducting direct outreach to residents to support equity and diversity in training and education, sustainable employment and housing stability.

These positive outcomes and progress toward full economic recovery could not be possible without your continued input and support. Below are some of the areas of progress made in implementing the Economic Recovery Collaborative recommendations:

- EMERGING INDUSTRY—OFFSHORE WIND: We are pleased to announce a new offshore energy job training program at Rowan University. The University received $500,000 in federal funding in March to create career pathways that will lead to more than 400 jobs in every level of maintenance and safety of massive offshore wind turbines. In addition, Rowan College of South Jersey is developing training programs for technicians to assemble monopiles for wind turbines at the new manufacturing facility at the Paulsboro Marine Terminal. Monopile manufacturer EEW held an information session in Paulsboro last week for individuals interested in offshore wind careers.

- EMERGENCY RENTAL ASSISTANCE: Through Gloucester County's Emergency Rental Assistance Program, nearly $8.1 million had been distributed to 1,217 local households so far for rent and utility assistance. Funding is made possible through the federal CARES ACT and America's Recovery Act. The program keeps families in their homes and prevents landlords from defaulting on property mortgages, bolstering property values and creating neighborhood stability. Click here to learn more.

Emergency Rental Assistance Program

- SMALL BUSINESS GRANTS: The Gloucester County Small Business Recovery Grant program has distributed $670,000 to 67 small businesses and microenterprises that have been adversely impacted by the COVID-19 pandemic since 2021. Click here to learn more.

Small Business Recovery Grant

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