



Small Business Bulletin

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Cybersecurity Tips for Small Businesses

Cyberattacks and data breaches not only threaten large employers but also present a major concern for small businesses. In many instances, small businesses can be more vulnerable to cyberattacks because they lack the resources, protocols or proper systems to protect themselves. According to the Identity Theft Resource Center's 2022 Business Impact Report, nearly 45% of small businesses and self-employed individuals experienced a security or data breach between July 2021 and July 2022.

Cybercriminals frequently target customer and employee data. While external threat actors are the most common causes of data breaches, incidents involving remote workers, malicious insiders, third-party vendors and human error also leave small businesses exposed. Here are some essential tips to help small businesses protect themselves from cyberattacks:

- **Use strong passwords and authentication.** Requiring employees to use unique passwords—changing them frequently—and implementing multi-factor authentication can reduce the risk of cybersecurity breaches.
- **Train employees.** Establishing security policies—such as requiring strong passwords and creating internet use guidelines—and training employees to recognize threats can be one of the best ways organizations can protect themselves.
- **Backup critical data.** Organizations should regularly backup critical data, like word processing documents, spreadsheets, databases, financial and HR files, and account information. If small businesses

can't back up data automatically, they should do it at least weekly, storing it offsite or in the cloud.

- **Use virus protection software.** Ensuring security software, web browsers and operating systems are up to date can often be the best defense against viruses, malware and other online threats. Employers should update virus protection software regularly and scan all computer files after each update.
- **Install firewalls.** Firewalls prevent outsiders from accessing data on a private network and act as a gatekeeper between an organization's computers and the internet. Employers should ensure their operating system's firewall is enabled. If any employees work remotely, organizations should ensure those workers' systems are firewall protected.
- **Secure networks.** Small businesses should ensure their Wi-Fi networks are secure, encrypted and hidden, and router access is password protected.
- **Control access to computers.** Lost or stolen computers can make an organization vulnerable to cyberattacks. Employers can reduce this risk by creating separate user accounts for each employee and requiring strong passwords. Employees should ensure their devices are locked when not in use.

The internet allows small businesses to reach new customers and can improve productivity, but it's not without risk. By establishing cybersecurity protocols and creating a culture of security, small businesses can protect themselves and their data from growing cybersecurity threats.

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KEYSTONE

6 Cost-cutting Tips for Small Businesses

Employers of all sizes are currently searching for ways to reduce expenses and save money in response to the current economic downturn and ongoing labor challenges. Instead of cutting costs randomly or conducting unnecessary layoffs, successful organizations tend to optimize their resources by identifying areas where they can reduce expenses without compromising productivity or future growth. While knowing the best ways to cut costs is essential for any organization, it's especially important for small businesses since they tend to have fewer resources than larger employers.

Here are six tips to help small businesses effectively cut costs:

- 1. Invest in new technology.** Adopting new technology can bolster efficiency and create savings by streamlining operations. For example, technology may enable employers to optimize or even automate manual and error-prone tasks.
- 2. Strengthen employee retention.** Replacing workers is often extremely expensive. Employee turnover not only increases an organization's recruiting and training costs but also usually results in decreased productivity, lost proficiency and reduced profits. As such, prioritizing employee retention can be one of the most effective cost-cutting strategies for small businesses.
- 3. Manage health care costs.** Finding cost-effective solutions is vital for small businesses to maintain affordable benefits and reduce costs. Solutions may include re-evaluating plan designs and offerings, directing employees to cost-effective services and improving health care literacy. By adopting several cost-cutting strategies, small businesses can better manage health care costs without sacrificing employees' needs.
- 4. Embrace outsourcing.** While performing tasks in-house can often be cost-effective, there are some instances when outsourcing nonessential work can be more economical. Specifically, it may be better for some organizations to outsource manual, time-consuming tasks, such as payroll and benefits administration. Outsourcing these kinds of tasks can enable employees to focus on more important responsibilities that have a greater and more direct impact on a small business's bottom line and future growth.
- 5. Adopt flexible work arrangements.** The expense of having a physical workspace can add up. Some small businesses are transitioning to being home-based or implementing remote and hybrid work arrangements to cut costs. If converting to a home-based business or going remote isn't possible, employers can consider downsizing their facilities to reduce their rent and utility bills. Small businesses can also explore other alternatives to reduce rent, such as co-working arrangements and renegotiating their leases.
- 6. Review expenses.** Poor cash flow can strain and even jeopardize an organization's longevity. Reviewing expenses regularly can be an effective way to reduce and eliminate unnecessary costs. Employers can also negotiate with providers, suppliers and vendors, such as banks and landlords, to potentially defer payments, reduce fees, improve rates and receive additional services during difficult times. By establishing and fostering relationships with these individuals and entities, organizations can cultivate allies and acquire strategic partners, which can pay dividends by creating cost-savings solutions and opportunities.

Effective cost-cutting strategies will likely vary for each small business. However, by planning properly and understanding effective cost-cutting approaches, small businesses can identify and reduce the costs that will have the most impact on their organizations. This can help small businesses bolster their financial stability, optimize their resources and position themselves for future growth.

Reach out to Franconia Insurance & Financial Services for more workplace resources.