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Small Business Bulletin

Provided by Franconia Insurance & Financial Services

Small Businesses Expect to Increase Employee Count in 2025

Nearly 2 in 3 CEOs of small and midsize businesses (SMBs) expect their total number of employees to increase in 2025, according to a quarterly analysis by Vistage, a CEO coaching organization. These CEOs (65%) are optimistic about hiring and growth this year. The latest Vistage quarterly confidence score is the highest recorded since the second quarter of 2021.

“More than half of CEOs expect the economy to improve in the coming year, with many optimistic about the new administration and the potential for pro-business policies, reduced regulations, lower inflation and reduced borrowing costs to drive investment and fuel growth.”

- Joe Galvin, chief research officer, Vistage

Much of this hiring confidence is tied to the potential impact of a new presidential administration and economic conditions, including administration policies, trade regulations and inflation. More than half (55%) of surveyed CEOs believe the economy will improve over the next year and anticipate that the following policy shifts will positively impact their businesses:

- Tax policy changes
- Regulatory compliance changes
- Labor and employment laws

SMB owners are divided on whether environmental, sustainability and health care policy changes will negatively or positively impact their organizations. Despite optimism for other policy shifts, 60% of CEOs expect that tariffs and trade policy changes will negatively impact their business, and 29% anticipate that immigration policy changes will do so.

Several industry reports, including the National Federation of Independent Business Small Business Optimism Index and the MetLife and U.S. Chamber of

Commerce Small Business Index, validate the Vistage analysis, supporting SMB owners' optimism about economic expectations and business growth.

Employer Takeaway

As leaders of small businesses express a positive outlook about revenue, profits and growth in 2025, their hiring plans are poised to exceed pre-COVID-19-pandemic levels this year. Employers should continue to monitor labor market trends and economic conditions. Contact us for more resources.

5 Cost-cutting Tips for Small Businesses

Reducing expenses may be essential for any organization, but it's especially important for small businesses since they typically have fewer resources than larger employers. Instead of cutting costs randomly or conducting unnecessary layoffs, successful organizations tend to optimize their resources strategically.

Savvy small businesses can identify areas to reduce expenses without compromising productivity or future growth.

Here are five cost-cutting tips for small businesses:


1. Invest in New Technology

Technology allows organizations to improve or even automate manual, error-prone tasks. Adopting new technology, such as software, automation and artificial intelligence may decrease costs by streamlining operations and increasing efficiency. Technologies for small businesses include accounting software, HR information systems, inventory management, packaging systems and customer relationship management.

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2. Strengthen

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Employee turnover can be detrimental to small businesses due to the costs to replace employees, decreased productivity and lost profits. To avoid this, small businesses can prioritize retention efforts by providing employees with learning and development opportunities, focusing on developing a healthy workplace culture, permitting flexible working arrangements and offering evolving employee benefits to meet workers' needs.

3. Manage Health Care Costs

For small businesses that offer health care benefits, costs can add up quickly. Solutions may include reevaluating plan designs and offerings, directing employees to cost-effective services and improving employee health care literacy. Small businesses can better manage health care costs by adopting several cost-cutting strategies without sacrificing employees' needs.

4. Embrace Outsourcing

While performing tasks in-house can often be cost-effective, there are instances when outsourcing nonessential tasks can be more economical. Manual, time-consuming tasks—such as accounting, payroll and benefits administration—may be better suited for outsourcing for some organizations. In some cases, businesses may also find cost savings by outsourcing tasks such as delivery or even customer service.

Outsourcing these kinds of tasks can enable employees to focus on tasks that directly impact a small business's bottom line and potential growth.

5. Review Expenses

Regularly reviewing expenses can be an effective way to reduce and even eliminate extra costs. Employers should consider negotiating with providers, suppliers and vendors to potentially defer payments, reduce fees, improve rates and receive additional services to help 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. In addition, periodic audits of contracts and expenses for excess spending may uncover spending that is no longer necessary.

Employer Takeaway

Employers can implement several strategies to reduce costs and impact their bottom line. Which strategies are feasible will vary by small business, but a proactive approach to cost-cutting may allow for a larger budget to reinvest in the core of the business and its employees.

For more workplace resources, contact us today.