

Support growth and embrace risk through rapidly rising inflation

Rapidly rising inflation continues to disrupt and challenge business leaders. There is pressure to adjust business models in this unsteady environment. However, this does not need to be seen as a threat but rather the ideal time for strategic opportunity.

Business leaders need to take bold action and consider a range of best practice scenarios to protect profit margins and consumer confidence.

Focus should not be limited to probability only. The three key areas to look at to improve short and long-term performance are:

Strategy

It's important to adapt your strategy and invest in the future. Explore new opportunities, streamline investments, activities and projects and act fast with core values at the forefront.

Remove traditional annual planning cycles and periodic price adjustments to achieve quicker reaction times and price implementation procedures. This is also a good opportunity to understand which projects add value and phase out any less successful ventures.

Consider the significant aspects of the business. Look at talent acquisition and retention, finances, and market developments. Focus on where to strengthen the business and determine future growth opportunities.

Confident pricing and sales

Raising prices during inflation periods can have the potential to harm customer relationships and trust. Price adjustments should be logical and transparent and not blamed on inflation alone.

Consider where your customers will see value in this new environment and that they clearly understand your reasons for any increase. This is a rare opportunity to combine a new product, service, feature or easier process into the price increase to help with customer pain points.

Workplace investment

Companies need to become more efficient to help offset the cost of inflation. Technology and software provide an opportunity to streamline many operations. Identify if there are digital solutions to streamline lacking business processes. Automation of processes will help make space for employees to take on higher-value tasks.

If automation is not the answer, it is key to retain and attract talent for the essential positions. Those that invest in best workplace practices, upskilling, and who understand and address employee needs, will do the best job of employee retention.

Once a business clearly understands how inflation affects its business, it can take the right steps to implement actions to adapt to any challenges faced.

