

# Rands with Sense

## How to Cut Business Costs During Tough Economic Times

1. When you have your own business, you must always be aware of **how much profit you are making versus how much expenses you have**. Make weekly reports to stay on top of your income and expenses. Only then will you be able to know if you are making a loss, breaking even or barely making a profit.
2. **Consider trimming on expenses of stocks and products**. If you see that certain items are not selling well, consider discounting the products or producing less to save on production expenses.
3. You can also try to **make your products for committed orders only**, instead of making a hundred and hoping they will sell.
4. Another way to cut your expenses is through **cost sharing**. Some products and services will offer you bulk discount, so talk to other businesses who might need the same product or service as you do, and see if you can share the costs.
5. You can also try to **cut expenses on water and electricity**. Examine your accounts and see if you can find ways to reduce your business wastage. A good way to save on these bills is to switch off your lights and equipment when they are not in use. It's also a good way to protect your environment.
6. Lastly, **consider outsourcing some of your services**. Many companies use outsourcing to cut the costs of completing a product or service themselves. For instance, if you have a business that sells products online, you can outsource a delivery service to take care of delivering the products to your customers. It will save you the costs of having to deliver it yourself.

