

The 5 Biggest Business Trends In 2023

2022 has been a challenging year for businesses in many industries, and 2023 is shaping up to be another tough hill to climb. A recent survey of business executives found that 51 percent believe the economy is in a recession, or it will be in 2023. This atmosphere will have a strong impact on the way companies operate, both internally and in the way they attract customers.

Each new year has small businesses wondering what trends will affect their company and whether they will be able to keep up. In 2023, business trends will likely be influenced by economic recession fears. Here are a few trends of which all businesses should be aware.

Investing in Technology

Companies will continue to invest in new technology that can improve their efficiency and services. Even as the threat of a recession looms, investment in technology will remain strong. Worldwide IT predicts a 5.1 percent increase in IT spending, for a total of about \$4.6 trillion in 2023.

Automation, cloud services, and other technology cost money to implement, but it is also an investment that can increase profits and reduce expenses. Even as companies prepare for a possible recession, allocating more money to technology allows them to have tools in place to keep up with changes in product demand, supply chain issues, and other disruptions that may arise. Companies using these systems have the ability to be more agile, adaptable, and efficient as they benefit from deeper analysis of their processes.

Working through Inflation

Inflation rose sharply in 2022, with the consumer price index up 7.7 percent year over year ending in October 2022. Prices are up across the board, and companies are likely to continue dealing with inflation in 2023. Consumers feel the pinch of rising prices, and businesses are not immune. Companies must strike a balance between passing costs on to consumers and absorbing the hit themselves.

Inflation will not just lead to higher costs for companies, however. It also leads to looking inward to reduce costs, improve productivity, and create better processes to improve efficiency. Businesses that are able to utilize accurate data analysis will be able to address inflation and avoid major decreases in their profit margins.

Responding to Staffing Issues (Improving Work Balance, Remote vs. In-Office)

Record numbers of Americans quit their jobs in 2021 and 2022, in a shift known as the Great Resignation. By September 2022, more than 4 million people were still leaving their jobs.

The fallout of the Great Resignation will continue in 2023 as workers continue to look for better working conditions. Overworked employees are beginning to shun high-stress atmospheres and are gravitating to companies that promote work-life balance.

Businesses in need of dedicated and skilled employees will embrace the change and be more flexible. Employers may offer more remote work or hybrid opportunities to give staff more time with family. Employers can also use automation to help take some of the workload from employees and give them more time to work on satisfying and engaging projects.

Highlighting Customer Experience

Customers are facing the same rising costs and recession fears that businesses are dealing with. In order to keep revenue flow coming in, companies will need to put more focus on the customer experience. Tracking KPIs related to customer satisfaction will be vital to generate loyalty among consumers. Using cloud technology will be important for businesses to track KPIs in real time and respond quickly to improve the customer experience.

Increasing Innovation

As companies look to set themselves apart from the competition in 2023, those that innovate will have the advantage. Look for businesses to put innovation at the forefront, especially as they look for ways to weather economic storms on the horizon.

Economic downturns can be an opportunity for companies to focus on innovation to survive. Businesses may need to create new products that speak to customers in the new economic reality or rebuild themselves to adapt to changing needs. Stagnant companies may not survive a downturn, while innovators have the opportunity to thrive.

Every new year brings with it new challenges and opportunities for companies. These trends can have a major impact on businesses in 2023, and companies that are ready can find success even in a tough market.

Things to Discuss:

Which of these trends is your company facing in 2023?

How can our team help you?

