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Cut Energy Costs – An Old School Way To Deal With Inflation

My wife and I were shopping the other day and I was shocked by how much prices are going up. We aren't talking about a few items. Across the board everything was up 25% or more.

And based on the reports I read, it will only get worse. As long as Washington keeps printing money each dollar will buy less and less.

No, this isn't a political post. Inflation just slapped me in the face and got me thinking about how it impacts your business and what you can do.

The direct effect is obvious. Everything you buy for your business will cost more. What is less obvious is the indirect effects. When everything costs more, your employees need more income to maintain their standard of living, causing them to look for new jobs, demand to be paid more, or start finding ways to even things up. Sometimes this results in lower productivity. Other times it results in increased white collar theft.

All end up costing you money.

This leaves you with two options: raise your prices or reduce your margin. Neither option is attractive. Raising prices results in less business. Reduced margins results in less money in your pocket – or it results in negative margins which ultimately results in bankruptcy.

Expense control

Normally I'm preaching about focusing on your customers and on growing sales. I believe this is the core of any business, and the part that too many owners forget. It's easy to spend your time reading reports and going through your financials. It's hard to meet with customers, hear their complaints, and change your business to better serve your customer's needs.

That being said, expense control is also important, and during times of inflation it becomes critical. Don't worry, I'm not going to tell you to focus on mundane items like copier waste and buying office supplies at better prices. This is the advice you get from everyone else! No, I tell my customers to cut their energy bills. Why? Because most companies can cut their energy spending by more than 20% without affecting productivity. When you do the math, that means the average company can grow their profit margins by 8%.

You can also find this article published on [Cut Energy Costs – An Old School Way To Deal With Inflation](#), and on the tag pages [commercial energy audit](#), [industrial energy audit](#), [manufacturing energy audit](#), [plant energy audit](#).