POWER MOVES:

Game-Changing People Strategies for SMBs

VensureHR

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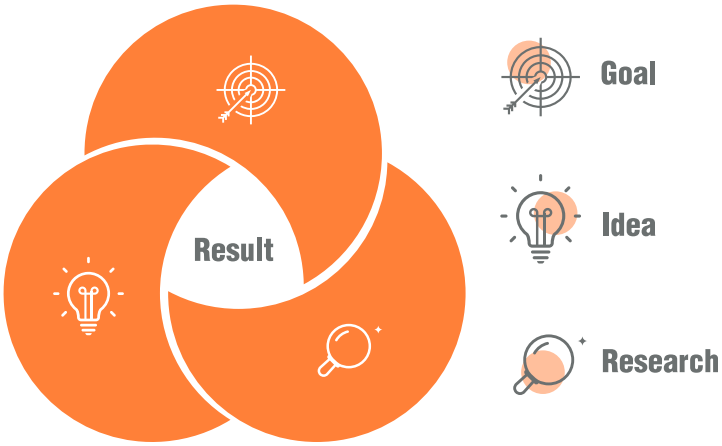


Business Trends for 2023

Part of running a successful business is keeping pace with the latest industry trends, including general business operations and compliance. As small and mid-sized businesses (SMBs) trek through 2023, trends have started to erupt. The best way to stay afloat is to be the best prepared.

Here are some of the top business trends for the upcoming year.

Managing Inflation and Navigating an Uncertain Economy

The (most likely) impending recession is leaving businesses grappling with inflation, as well as strategizing a plan for worst-case scenarios. This has resulted in changes to staffing, strategic hiring, and cultivating a sustainable business model.

Thanks to the many global events happening around the world—COVID pandemic, international conflicts, supply chain issues—consumers and businesses are seeing the direct impacts. Securing loans and consumer spending is tightening, which is likely to make the business of doing business more competitive than ever.

Keeping Pace with the Digital Landscape

Technology is constantly evolving and thankfully, businesses have been keeping pace with the digital landscape. From accelerating digital transformations to deepening digital footprints, businesses should expect artificial intelligence (AI) to continue gaining traction, as well as 5G, blockchain, cloud-based software and integration, and the Internet of Things (IoT). As technology progresses, businesses should review their current processes and training modules to ensure maximum collaboration with digital revamps.

SMBs don't always have the funds to invest in new technology, which is why investing in a PEO can offer them invaluable access to join the digital ranks of larger companies and reap the benefits of automation and cloud migration.

However, an important note is that as the digital world adapts fast and furious, businesses should also ramp up their cybersecurity efforts as an increase in digital data can make organizations more attractive for cyberattacks.

Amping Up Data and Device Security

Cybersecurity, especially in the small and mid-sized business models, has consistently become more invaluable as digital transformation and evolution take over businesses globally. As hackers are becoming more sophisticated, businesses need to invest in strong cybersecurity, including regular training for their staff.

A recent Deloitte study[1] of 1,100+ executives revealed that:

- 34.5% know that their organizations' accounting and financial data were targeted by cybercriminals
- 22% experienced at least one cyberattack
- 12.5% experienced more than one cyberattack
- Roughly 49% expected the number of cyberattacks to increase
- Only 20.3% reported consistently with peers in cybersecurity

Cyberattacks can happen to a variety of technology systems, but looking forward, mobile devices and data are becoming increasingly vulnerable. Though ransomware and phishing are still common cybercriminal practices, quantum computing is on the rise which could derail existing security systems.

Moreover, the financial impact of cybercrime is expected to hit $8 trillion in 2023 alone and to grow to $10.5 trillion by 2025.[2]

Businesses need to be proactive in protecting their systems. This could include evaluating data backup and recovery processes, administering penetration tests and vulnerability scans, and updating software and organizational training modules.

Cybercrime is expected to hit $8 trillion in 2023 and continues to grow.

[1] Deloitte Center for Controllership poll | [2] eSentire, 2022 Official Cybercrime Report

Recruiting in a Tight Labor Market

Though competition for top talent is not new to businesses, with candidates holding power in a tightening labor market, the "war for talent" is becoming more prominent. Between the Great Resignation, quiet quitting, and quiet hiring, employers must boost their workplace offerings to remain competitive.

Flexible scheduling, hybrid work models, upskilling and reskilling, DEI initiatives, strengthening leadership, and internal job mobility and flexibility are just a few ways employers can retain their talent. Professional development opportunities, four-day workweeks, unlimited PTO, and robust benefit offerings are great strategies to attract top talent.

Employers should focus on both preparing for a recession through retaining current talent and evaluating opportunities for improvement by analyzing recruiting trends and comparing to current offerings.

Emphasizing the Customer Experience

Though your employees are the core of your business operations, it is equally important to emphasize a positive customer experience. One trend that is becoming more prominent is the increase in customer expectations. Customers are looking for an entirely immersive experience—think extended reality where they can try on or try out your products and services.

However you choose to engage with customers, it is important to consider creative ways of turning an interaction into a whole experience.

Additionally, maintaining existing customer satisfaction is also a top priority. Preparing for unpredictable, worst-case scenarios, such as securing back-up vendors and increasing online trust are great ways to showcase your forward-thinking solutions. Your brand and reputation are a great way to establish yourself in your target industry. By engaging your target audience and fielding any questions and concerns, as well as remedying any mishaps or negative experiences in real time can help boost your brand.

Sources: Forbes, e-Marketing Associates, Forbes

Setting Up for Success in an Unpredictable Economy

In any unpredictable setting, it can be difficult to prepare for what you don't know. But looking at the landscape of things—industry trends, news, etc.—you can take proactive steps to increase your business's chances of surviving a potential recession. Here are just a few strategies to get you started.

4 Essential Steps to Prepare for a Recession

1

Focus on Core Competencies.

Every business has a product, service, or area that they specialize in, including supporting technology, innovative market strategies, and new products or services. Preparing for—and during—a recession, it is critical to focus on the "tested and true." This will ensure quality products and services and a higher probability of maintaining customer satisfaction.

2

Protect Your Cash Flow.

In times of trial and unpredictability, cash flow is what typically makes or breaks an organization. However, there are ways to receive assistance managing your cash flow, such as government grants, assistance programs, and outsourcing business functions. For example, during the COVID-19 pandemic, government assistance packages like the Employee Retention Credit (ERC) were created to support small businesses. Another example is the power of professional employer organizations (PEO)—most notably, PEOs help small businesses develop 7–9% faster and those businesses are 50% less likely to fail.

3

Invest in Your Existing Customers.

Your current customers are your lifelines. Reach out to them and take a pulse on what's working and where there's room for improvement. Be sure to deliver a positive customer experience by actively listening and tending to their needs. After all, existing customers who are nurtured through an unpredictable time are more likely to remain loyal and recommend you to their networks.

4

Delegate and Automate.

Ask yourself the important questions: What can be automated? Can I streamline any processes? What tasks are taking me away from core competencies? As you answer the questions, you'll likely identify areas that can be delegated and/or automated to alleviate any bottlenecks.

While there is no straightforward answer to surviving a recession or other unpredictable events, taking the time to evaluate, strategize, and prepare for them is a great way to stay proactive.

Unpredictability naturally provokes anxiety and fear, especially if it impacts your workforce or overall business operations. **Focus on what you can control, such as:**

- Renegotiating your office space payments and third-party supplier costs
- Cutting non-essential costs, i.e. utility vendors, technology
- Focusing on collecting receivables quicker and delaying payables
- Considering staffing options, i.e. gig workers, terminating poor performers

You know your business best, so the sooner you start strategizing a plan, the sooner you can find the resources, tools, and support you need to implement it. **Ready to explore your options?** Reach out to VensureHR where we help businesses thrive.

Sources: Women in Retail, ePatriot, ANSARADA

Competing in a Narrow Talent Market

Between the competitive labor market and all the hiring trends, businesses are looking for innovative ways to attract, recruit, hire, and retain top talent. Thankfully, while these strategies are not necessarily new or unique, they offer the creativity and resourcefulness businesses need to stay competitive.

Creative Recruitment Strategies to Attract the Best Talent

01

Upskilling and Reskilling

Your best asset is likely the team you already have. To prevent or minimize future layoffs, take a pulse of your current talent. If you're looking to remove a position, see where that current team member might fit into your organization.

Did you know that 70% of employees do not have a defined career path and more than half believe it is difficult to locate and apply to internal job postings?

Take advantage of your internal team and find ways to upskill or reskill them to fit the demands of your evolving business needs. It might end up benefiting both parties—with you retaining your current talent, avoiding the expenses with marketing and obtaining new talent, and your employees finding greater job satisfaction, opportunity, and loyalty.

02

Connect with Former Employees

Though not all employees leave on good terms and some companies have policies against rehiring former employees, hiring former employees can be a valuable option. Despite popular belief that boomerang employees are disloyal, they actually offer a lot of benefits.

First and foremost, recruiting, hiring, and onboarding new employees are expensive and time consuming. However, a boomerang employee is familiar with the organization, products and/or services, processes, and can likely hit the ground running much more quickly than a new hire.

In 2021, 4.5% of all new hires among companies on LinkedIn were boomerang employees—up from 3.9% in 2019.

4.5%

03

Reach Out to Existing Candidates

Typically, an applicant tracking system (ATS) will retain and organize candidates based on specific filters. As such, it can be useful to utilize your ATS—or invest in one—to connect with existing candidates. One filter to consider is active vs passive candidates. For example, an active candidate might be more interested in an opportunity to explore a new position with your organization than a passive candidate.

However, passive candidates make up a majority of the talent market (70%) and might fit more closely to the role you're looking to fill. While they might not be actively seeking a new job opportunity, they may be open to having a conversation to see what you have to offer.

Additionally, you can consider reaching out to qualified candidates who fit the current job parameters that were previously rejected for another role.

04

Create a Positive Candidate Experience

Ghosting, extensive review periods, and delayed communication are all common pitfalls of the recruiting process that lead to negative candidate experiences. To help streamline your process and cultivate a more positive candidate experience, lean into recruiting and hiring best practices.

Create effective job descriptions. A great job description balances your company's voice with a well-written overview of the role's main responsibilities. To avoid confusion, try to use straightforward job titles, avoid industry jargon, and utilize brevity where you can. Other important items to include might be a short snippet about who you are, why candidates want to work for you (i.e. perfect place to highlight unique benefit offerings and your work culture), and any necessary information (i.e. pay transparency laws, EEO statement, etc.).

Set yourself apart and establish yourself as an employer of choice. Offer paid parental leave? Commuter benefits? Bring your dog to work? Whatever you deem a unique, fun, or creative perk to working for your organization, be sure to include that—whether in the job description or through the interview process.

Most importantly, streamline the hiring process. Instead of doing six interviews with multiple leadership levels of the team, try a panel interview to replace two or three of the standard one-on-one interviews. For example, one interview can be with the recruiter, a panel interview with the hiring manager and any team members that directly work with the role being filled, and the last one with the senior or executive-level manager.

Be sure to communicate at every stage of the process so the candidate isn't left wondering what's happening. Provide a clear, even if tentative, overview of the process. With 73% of job seekers reporting that job hunting is one of the most stressful events of their entire lives, communication is critical for alleviating the stress of waiting and not knowing the next steps.

Lastly, don't sit on a qualified candidate. The most sought-after candidates are off the market within 10 days.[3] Extend a job offer as soon as you have made a decision. The last thing you want to do is lose a qualified candidate who wanted to work for you but picked another employer because they acted faster.

Network with Local Communities

A great way to expand your talent pool is to network with local communities, such as your internal teams or university and community colleges. Creating mentorship and internship opportunities are great for reskilling and upskilling your current employees. Developing internship programs or work study programs with local universities and community colleges can expand your talent pool by preparing soon-to-be college graduates to join the workforce. Another easy way to deepen your candidate pool is hosting a job fair. If you have the budget, hosting an in-person one can be an inclusive way to showcase your office space, company culture, and interact in the most authentic way. However, virtual job fairs have value, too, such as reaching greater audiences (i.e. global talent access).

Recruiting is complex on its own, let alone running it yourself. If you're looking for innovative ways to revamp your recruitment strategy, reach out to VensureHR. From the beginning of the process—vetting and communicating with candidates, screening resumes, and scheduling interviews—to hiring and onboarding, VensureHR will help you hire the right talent.

[3] Officevibe | **Source:** Top Workplaces

Creating a Positive Customer Experience

A positive customer experience begins with placing the appropriate people in positions to lead the way. Creating a people management dream team is a tedious undertaking for any department or business, but the benefits far outweigh the negative impacts of doing nothing.

Setting your business up for success with strong leaders will likely transpire into a positive customer experience.

Transforming Your Workplace with a People Management Dream Team

01.

Define the purpose or vision. It is difficult to build a strategic plan for your team if you don't know where you're going. Determine what your goals are for each deliverable and devise a plan based off of the purpose of vision.

02.

Build a team aligned with values. It should come as no surprise that when teams work together to win together, they are likely to attain higher successes. Fostering a team that aligns with organizational values can help bring them together to achieve the goal. In order to successfully cultivate a diverse team aligned with values, you should establish clear roles and responsibilities. Through understanding their role and responsibilities, team members know what is expected from them and can prioritize their tasks accordingly. Additionally, leading by example is one of the best ways to bring a team together. It not only empowers them to put their best foot forward; leading by example also helps employees develop a sense of belonging, self-efficacy, and self-identity.

03.

Establish communication expectations and processes. First, create and/or establish preferred methods of communication. From there, you can develop standard operating procedures (SOPs) for those channels. For example, if you have Slack and Teams communication channels, you might designate Slack for quick updates, whereas Teams might be your default communication channel for everything else, like team meetings and chats.

It's also imperative to set communication expectations, especially with hybrid and remote workforces. During business hours (i.e. 9 a.m. to 5 p.m. in the time zone your business is headquartered in), employees are expected to respond within an allotted time unless otherwise disclosed, frequency of check-ins, and any type of monitoring that your business implements.

Leaders should also evaluate and consider individual preferences and work styles. For example, some employees prefer daily check-ins, whereas others may prefer to have biweekly check-ins so they can focus on completing their tasks. Another example is that not all team members might feel comfortable sharing thoughts or asking questions in a group setting. It's important that leaders determine what works best for their teams and accommodate their employees' preferences as much as possible to ensure effective communication is utilized all around.

04.

Encourage professional development and continued learning opportunities. The best way to close skills gaps is to invest in your employees' education and technical training. Whether you invest in academic opportunities (i.e. certifications, tuition assistance or reimbursement) or finding resources and tools to support your employees' growth, encouraging, nurturing, and supporting professional development can prove beneficial to both you and your employees.

05.

Set measurable goals. Defining measurable goals sets your team up to achieve a common objective, which can increase motivation, energy, and creativity. Aligning common values can help your team accomplish higher levels of productivity, which can result in greater successes for the organization overall. Through achieving measurable goals, you are able to provide adequate rewards and recognition for top performance and maintain employee morale.

06.

Analyze and revise regularly to improve. As with any process, there is likely going to be room to improve. On a regular basis, review your results and analyze strengths to identify ways to better match talents and skills with future projects and goals.

Maybe you have the foundation to build off of and just need a little help finding that next step. At VensureHR, our service model offers a personalized experience for your team to find the support, resources, and tools to create a positive customer experience.

Source: Simpli Learn

Adapting to Digital Evolution

Most companies (90%) are doing business in the cloud. But digital transformation is more than just operating in the cloud—when implemented correctly, digital upgrades can revolutionize the way you do business. From creating a technology framework to organize data and automate processes, to data-driven pattern recognition and insights, your business could witness increased agility, productivity, and profitability.

Through digital transformation, businesses can modernize traditional or outdated processes, simplify workflows, increase security, and elevate profitability.

How to Successfully Navigate Digital Evolution

01

Evaluate and establish clear goals.

When you're looking to invest in a new technology, it is critical to first evaluate and establish a clear goal for the technology. Are you looking to streamline a specific process? Do you want to automate certain aspects of your business? Through understanding your business needs, you will be able to identify what technology is needed to support it.

02

Assess existing infrastructure.

What is working? What do you not like about your current system? Determine what works well, what you would like to be improved (even if it is a personal usability issue), and what are some wish-list items. This will help you recognize what you're seeking in your technology solution.

03

Connect and collaborate with IT.

The biggest disconnect in failed technology and cybersecurity issues is the executive level and IT department not working together consistently. IT is going to be your subject matter expert on what technology is being used, what is currently on the market, what aligns with budget constraints, and the best way to move forward. Your IT team can likely provide you with a high-level overview of what would work best for your organization.

04

Concentrate on what you need.

While investing in top-tier technology is ideal, it doesn't always equate to what you need or what is best for your business model. Focus on what you need. Once you've satisfied what you need, then it might be time to explore what else could boost your business.

05

Set your employees up for success.

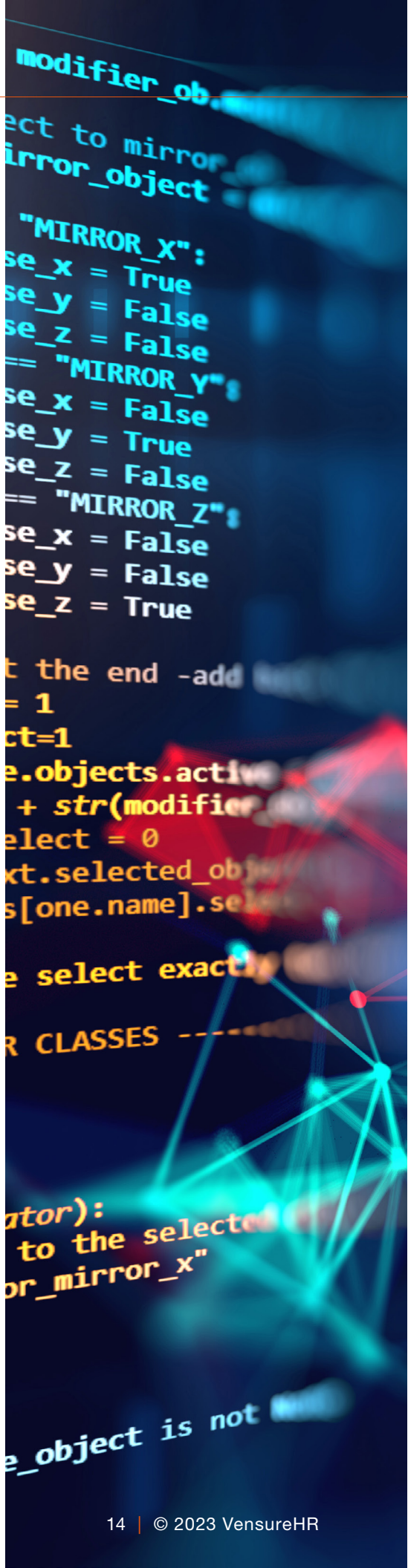
Technology is only as useful as the people who utilize it. Help your employees integrate the technology smoothly through regular training, updating your systems, and creating a method of continuous employee feedback.

06

Track and quantify your progress.

Again, it is critical to measure and monitor how a technology platform impacts your overall performance. Measure your system's performance. For example, if you're looking to streamline your client-facing communications, you might measure how many were sent, what issues came up, and how quickly customer support was able to help resolve them. You're likely going to pick up nuances of the system, so it is important to explore, document, and seek out all viable solutions before writing off a technology platform.

Weighing your options for technology can be time-consuming. Instead, you can explore service providers like VensureHR that offer tailored solutions that encompass secure and integrated technology.



Sources: Virtu, Forbes

Prioritizing Cybersecurity and Data Protection

As businesses shift to a digital-first landscape, more data will be collected and stored, and thus, more protection will be required. With many executives already acknowledging the gaps in protection and prevention strategies, now is the time to prioritize cybersecurity and data protection. After all, your business's reputation relies on it.

Because human error accounts for 82% of data breaches,[4] it is critical that continuous cybersecurity training and best practices are relayed to employees.

Cybersecurity Trends for 2023 and Beyond

Though common cyberattacks like ransomware and phishing are still threats to consider, cyber criminals are constantly looking for more sophisticated ways to infiltrate your systems. No industry, business, or individual is safe, which is why it is critical to stay in the know about new trends within the cybersecurity space.

Here are the top three for 2023 and beyond:

01. Cloud data needs to be consistently monitored and updated to prevent leaks typically resulting from user errors, malicious software, and phishing attacks.

02. Mobile phones, specifically mobile banking apps are becoming increasingly vulnerable to malware attacks. Smartphone viruses or malware cause all photos, financial transactions, emails, and messages to become vulnerable.

03. Artificial intelligence (AI), along with machine learning, has significantly changed cybersecurity. Though AI can develop automated security systems, process natural languages, facial recognition, and automatic threat detection, it can also build sophisticated malware and other cyberattacks to bypass newer security protocols.

[4] Verizon, 2022 Data Breach Investigations Report

Essential Cybersecurity Best Practices for Businesses

Update software regularly.
Outdated software is a major security risk as most updates fix system vulnerabilities. Make sure you and your employees update your software regularly. If manually needed, set a reminder to check the latest versions of all operating systems, browsers, and apps on a regular basis.

Enforce strong password utilization and management.
Passwords are typically the first line of defense, so it's critical that you not only implement but also enforce strong password usage (i.e. mix of uppercase and lowercase letters, numbers, and symbols; minimum of 16 characters; changing password; avoiding easily guessable passwords or using the same password for various logins; etc.). Additionally, ensure proper password management is implemented accross your organization. Writing passwords down on paper or saving to an unlocked Excel sheet are not best practices. Utilize a password management system like LastPass or 1Password.

Consider multifactor authentication (MFA).
Two-factor authentication or MFA offer additional security by requiring extra forms of identification, such as a fingerprint, code sent to your phone, or a verification app with codes that change every few seconds.

Conduct regular training for yourself and your employees.
As cybercriminals become more creative, it is important to keep yourself and your workers up to date. After all, human error accounts for a majority of breaches. Training might include simulated attacks, educating on identifying potential threats, and cybersecurity best practices. Cybersecurity firms like KnowBe4 are great resources for continuing cybersecurity training.

Establish an incident response plan.
No matter how prepared you are, a cyberattack is likely inevitable. With that being said, it is integral to establish an incident response plan for when it does happen. Your incident response plan should identify who should be notified of a breach or incident, what steps needs to be taken for different types of incidents (i.e. an employee's password being compromised is likely to garner a different response than a hacker threatening to leak sensitive data if not rewarded an allotted dollar amount), and a debriefing of what happened, evaluating what could be improved, and taking proactive, preventive measures against future attacks.

Develop cybersecurity policies, including security audits.

If you don't already have a workplace policy covering cybersecurity, now is the time to develop them. In your cybersecurity policies, you should have SOPs in place for security audits. Security audits will help identify vulnerabilities, proactively prepare for cyberattacks, and strengthen cybersecurity best practices for your organization. Cybersecurity policies should cover cloud, mobile, email, and general data protection, access control, and backup processes. Additionally, remote and hybrid workers should be informed of any cybersecurity policies, monitoring, and procedures.

Invest in cyber insurance.

Cyber insurance is often used to help mitigate threats and recover from financial losses resulting from cyberattacks. However, most policies require demonstration of proper protection for full insurance coverage.

SMBs may need additional support in fulfilling the cyber insurance requirements, such as investing in technology providers that have robust security measures in place and/or industry professionals who can provide continued training, software updates, and security audits. At VensureHR we not only have integrated, secure, and cloud-based technology, we also have access to identity theft insurance and other cybersecurity benefits to ensure all employees and your organization are protected.

Sources: Diligent, Simpli Learn, The Hacker News, Insights2Techinfo, LinkedIn

Resources

Stay in the know on industry insights, HR best practices, and other useful tools to support your workforce.

Here are a few of our recommended blogs:

01 Developing a Strong Employer Brand to Attract Top Talent

02 10 Questions to Ask When Evaluating Payroll Systems

03 The Ethics of AI in HR: Balancing Efficiency and Fairness

04 Maximizing the Value of HR Data Analytics

Looking for something more interactive? Check out our library of on-demand HR webinars, covering topics from employee engagement and culture to basics of HR management.

Never miss a local, state, or federal legal HR update. Bookmark our page or subscribe to have the monthly legal HR updates sent directly to your inbox.

Want to prioritize workplace safety? VensureHR offers loss control training, including 10-hour OSHA training for general industry and construction.

About VensureHR

THE BETTER WAY OF ALL THINGS BUSINESS

VensureHR, the HR consulting and support division of Vensure Employer Solutions, is a privately owned professional employer organization (PEO) founded in 2004 and headquartered in Chandler, Arizona. The company processes over $18.6 billion in payroll and supports more than 526,000 worksite employees. As the nation's fastest-growing PEO, Vensure uses industry-leading technology to offer complete, end-to-end solutions for payroll, HR administration, employee benefits, risk management, and workers' compensation services. Spanning a broad spectrum of industries, Vensure allows business owners to cost-effectively manage HR functions and focus on growth and profitability initiatives. Learn more at **Vensure.com**.

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