

US Markets Are Recovering: Is Your Business Ready for the Competition?

7 min read



Key Takeaways

- **Consider Your Post-Pandemic Business Model:** All businesses have come out of the pandemic in a new and different economy, and, as a result, it's going to be necessary to adapt with a new and different business model.
- **Weather the Post-Pandemic Turnover Storm:** On the last business day of June, job openings reached a "series high" of 10.1 million, according to the US Bureau of Labor Statistics.
- **Stay Ahead of Post-Pandemic Outsourcing Trends:** Post-pandemic, more businesses will turn to outsourcing. On average, outsourcing can reduce business costs by 15%.

The US economy grew 6.3% in the first quarter, and 6.5% in the second quarter of 2021^[1]. Despite growing daily case numbers of the novel coronavirus's Delta variant, growth is still expected to continue.

More people are beginning to venture out of their homes back to their offices and back into the economy. Third-quarter GDP growth estimates from Goldman Sachs and Wells Fargo economists respectively range from 5.5% to 6.8%, downgraded over concerns about the virus from 9% and 8.8%^[2].

As we all continue to return to life in this new normal, you'll need to find a “new normal” for your business, as well.

Growing and Scaling Your Business in the Post-Pandemic Era

Consider Your Post-Pandemic Business Model

The pandemic forced business leaders to pivot rapidly, adjust to new challenges overnight, and operate without the ability to clearly forecast cash flow or budget accurately. In a way, the challenges of the previous year turned all businesses back into startups.

To grow and scale your business in this new economy and ensure you're prepared to handle unexpected roadblocks as they arise, you should consider adopting the practices of a startup (more frequent meetings and more frequent strategy adjustments) and the growth mindset that are necessary to run a successful startup company.

Read More: [Leveraging a Growth Mindset for Business Growth](#)

All businesses have come out of the pandemic in a new and different economy, and, as a result, it's going to be necessary to adapt with a new and different business model.

Revisit your business strategy and ask yourself the following questions:

- Do consumers still want your product or service offering?
- Can you add more value to your services or products?

- Is your business still adequately differentiated in the market?
- How will you continue to serve, communicate with, and advertise to your clients? (In-person, remotely, a combination?)
- Similarly, will you continue to operate remotely with a decentralized office, return to in-person work, or offer employees a combined approach to work-life?
- Do your employment opportunities continue to be attractive to the top industry talent?

You might find that you also need to revisit your vendors and supply chain strategy, opening yourself up to more supplier options to navigate the supply chain strains with which all businesses are struggling. Additionally, you might need to renegotiate your contracts and payment terms with vendors to obtain more favorable repayment options.

Although the economy is recovering, it's important to remember that it remains extremely volatile, as the pandemic continues to threaten recovery efforts. As a result, you also need to focus on operating as lean as possible, increasing revenue, and shoring up your cash flow so that you're prepared in the event of a second shutdown.

Optimize Pricing to Accommodate Cost Fluctuations

Costs across sectors are in flux. With the pandemic, we saw demand increase significantly in certain industries (building materials, groceries, and home goods) while it fell away in others (luxury items, entertainment, and restaurants).

At the same time, supply chain interruptions squeezed supply and have forced business leaders to think on their feet, pivot strategically, and find creative solutions to maintaining operations. These challenges and other economic changes have led to price increases across the board.

Over the annual period ending in August 2021, the consumer price index for all consumer goods increased by 5.4% with the energy sector increasing by 23.8% and gasoline by 41.8% alone, according to the US Bureau of Labor Statistics^[3].

Read More: [Value Pricing: Charge What You're Really Worth](#)

Although we are now seeing the economy recover, there are still challenges to face. Supply chain issues around the world continue to linger, and costs have become increasingly volatile, making pricing a significant challenge to businesses in all industries – both product-based and service-based.

To survive in this new economy, pricing must be adjusted to strengthen profit margins in a way that will allow you to cover your costs as they change – whether you're a construction company purchasing building materials, a consulting firm attempting to return to visiting clients in-person, or an IT company with a skyrocketing energy bill putting a dent in your overhead expense budget.

Weather the Post-Pandemic Turnover Storm

It's no secret that the US is experiencing a labor shortage. Businesses on every street have hiring signs posted and operating hours shortened as a result of only being able to hire a single shift of workers.

Read More: [2021 Turnover Surge: Investing In Your Employees Pays Off](#)

On the last business day of June, job openings reached a "series high" of 10.1 million, according to the US Bureau of Labor Statistics[4]. Openings stand to surge even higher as a whopping 85% of workers around the world report being dissatisfied with their jobs^[5], and 1 in 4 workers actually plan to quit^[6].

With high turnover costs and worker shortages straining productivity, focusing on strengthening your employee retention rates is more important now than ever before.

There are several ways to improve employee retention, and you should be focusing on all of them to hold onto the employees in your business.

Take the time to revisit your human capital management strategy and consider whether you're offering your employees enough incentive, motivation, recognition, and reward for their loyalty and their achievements in your company.

Read More: [Why Employee Retention Is Important And How To Improve It](#)

Assess your workplace culture to determine whether your employees feel happy in their jobs:

- Do you do enough to create psychological safety in the workplace?
- Do you offer enough opportunities for career development, creativity, and growth?
- How do you connect your employees' daily tasks to your company's long-term goals and communicate this responsibility to your staff?
- Do you offer the kind of work-life balance that's attractive to individuals in the workforce?

During these volatile times, it's essential that you keep track of your employee retention rates to keep turnover costs low while striving to improve the ROI of your labor costs.

Stay Ahead of Post-Pandemic Outsourcing Trends

Post-pandemic, more businesses will turn to outsourcing. On average, outsourcing can reduce business costs by 15%^[7]. Cost-savings, however, is not the only reason to leverage the power of outsourcing in your business.

When you think of outsourcing as "capability-sourcing" instead, you stand to reap even more benefits. The difference here is that you focus on outsourcing specific, non-central operational tasks in which you are not an expert and for which hiring an expert in-house would be costly.

Read More: [Cost Analysis: Outsourcing vs. In-House Accounting for Your Business](#)

For example, a marketing firm can outsource accounting, human resources, legal services, and IT services. An IT company, however, would outsource marketing, human resources, accounting, and legal services.

This type of outsourcing gives your company access to the top talent in these industries, creates partnerships that reduce risk, and fosters innovation by keeping your business astride the latest advancements in these fields.

You miss out on all of these benefits if you attempt to handle these types of operational business functions in-house at a higher cost or (and this is an important or) if you outsource to a lower-quality, non-expert outsourcing firm.

Outsourcing to experts increases business success. In a study that followed 2,000 companies over 10 years, 85% of those that were successful at the end of the study used expert outsourcing^[8].

In addition to all this, outsourcing also helps solve your employee turnover problem by limiting the number of people on your team who are actually working for you. When you outsource these portions of your business, you don't, for example, have to worry about your accountant getting sick, quitting, or going on vacation when payroll, management reports, or taxes are due.

Stand Out in a Digital World

The pandemic changed everything, including the way we do business. It forced us to shift from in-person operations and service models to online, virtual, digital everything.

Although you might like to return to the old ways of doing business and some of your customers might prefer that, too, odds are operations will never return to 100% pre-pandemic in-person standards.

The fact is people like the changes (the numbers don't lie)– Over 70% of consumers in 39 countries changed their buying patterns during the pandemic^[9], and over 40% of American workers have continued to work remotely^[10]. Employees enjoy working remotely and clients like the convenience of doing business without having to leave their own offices.

With this shift to virtual business, it's important that your business stands out in the digital world – both to prospective employees and to your customers.

Successfully navigating the shift requires a two-pronged approach. You'll need to shore up your technology to facilitate smooth and secure remote operations and also strengthen your brand presence online through digital marketing efforts across channels.

Preparing Your Business for Whatever Happens to Come Next

While the US economy continues to recover, you can expect to be doing business in a new era, post-pandemic. This means retooling your business model, growth strategy, and rainy day play to prepare your business to face new challenges in an economic climate that looks to be more delicate and volatile than ever before.

Your back office should be a platform for growth. It's not possible to intentionally grow your business without access to timely and accurate financial reports. You can't manage what you don't measure.

[1] <https://www.bea.gov/news/2021/gross-domestic-product-second-quarter-2021-advance-estimate-and-annual-update>

[2] <https://www.usnews.com/news/us/articles/2021-08-26/us-slightly-upgrades-gdp-estimate-for-last-quarter-to-66>

[3] <https://www.bls.gov/news.release/pdf/cpi.pdf>

[4] <https://www.bls.gov/news.release/jolts.nr0.htm>

[5] <https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx>

[6] <https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/turnover-tsunami-expected-once-pandemic-ends.aspx>

[7] <https://www.iso.org/news/2015/01/Ref1922.html>

[8] <https://www.forbes.com/2010/06/15/outsourcing-capability-sourcing-leadership-managing-bain.html?sh=49b63bed718b>

[8] <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/retooling-for-growth-opportunities-in-a-post-covid-19-world>

[9] <https://www.flexjobs.com/blog/post/remote-work-statistics/>