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## Tips to Help Improve Business Financial Confidence

*By Anna Marrs.*

Owning a small business comes with lots of challenges and responsibilities, and the pressure to make the right decisions can feel downright daunting. This is especially true in times of economic uncertainty.

Our new, recurring [American Express Small Business Financial Confidence Report](#)

found only 54% of small business owners feel confident making financial growth

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energy is paralyzed by indecision, we all lose.

While I am not a small business owner, I work for a financial institution that serves millions of small businesses' financial needs. From my experience, here are a few areas these businesses might want to consider to continue to build confidence around financial decisions:

### **1. Leverage Data:**

Your business can't be reduced to spreadsheets, but measuring the right variables can give you fresh insight. Maintain accurate financial records and measures of performance, and review them regularly to identify changes and patterns. Look carefully at your customer behavior, cash flow patterns, your vendors, and expenses. You may find you're overpaying for services, underutilizing tools, or there's a trend in customer behavior to address. Digital cash flow management tools can help summarize and forecast your financials to help inform future purchases or hiring. Getting those trends back in alignment will help you more clearly anticipate your company's future.

### **2. Maintain a Cash Reserve or Access to Credit:**

This might seem like a no-brainer, but set aside funds to cover a revenue shortfall or unexpected expense. If you must tap that reserve, restore it as soon as you can. Knowing you can withstand the unexpected improves your ability to make the right choices for your business, instead of the safe or easy ones. Challenging times come for all of us and access to cash, like a business line of credit, provides you greater flexibility, stability, and peace of mind when tough choices have to be made. Even when your business is at the top of its game, a solid short-term funding option means you can add staff, increase inventory, and seize on a big opportunity.

### 3. Hire an Accountant:

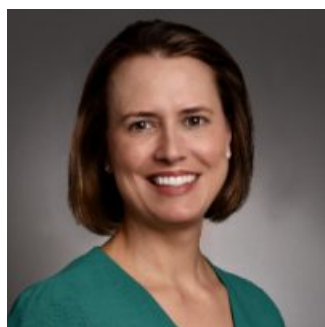
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Stuck in a loop on your cash flow, your goals, and your key business metrics? A savvy accountant won't just report what's already going on. They'll organize your financial data to power your decision-making, identifying potential improvements, efficiencies, and cost savings. Someone you can trust to keep your financial house in order gives you peace of mind, and time back to focus on what's next for your business.

Improving your financial decision-making boosts your confidence and helps you make strong choices that grow your business. That self-reinforcing loop of trusting yourself and growing your company requires thoughtful analysis, humility, and flexibility. Implementing these best practices empowers you to navigate tough choices, so your business can continue to thrive.

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