

Top 5 business resolutions for SMEs in 2023

Gather speed for your business growth in the new year

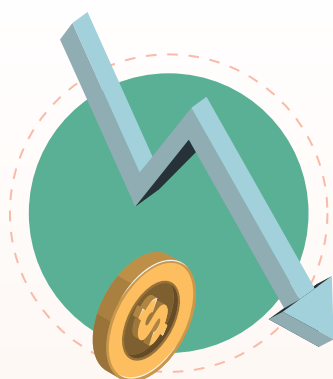
2022 was a transformative year for small and medium enterprises (SMEs).

Now, it's time to look ahead to growth in 2023.



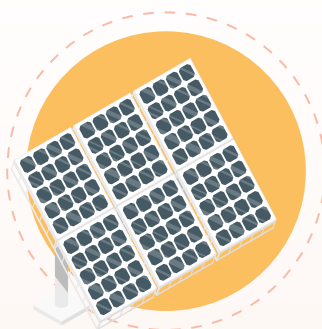
What lies ahead for SMEs?

Inflation slows down



After peaking in Q4 2022,¹ core inflation for 2023 is expected to stabilise between 2.5% to 3.5%.²

Sustainability is a growing priority



76% of business leaders believe that setting sustainability goals is socially responsible.³

Stronger growth in key sectors



Singapore's 2023 GDP growth is forecasted at 3%, with travel-related and consumer-facing sectors seeing steady growth.⁴

Guide your business strategies with these 5 resolutions for the New Year.

1. The Straits Times, Inflation in Singapore expected to peak in Q4 and stabilise, says DPM Wong, August 2022

2. The Business Times, Singapore's inflation to slow but stay high in 2023 as firms pass on costs: MAS, October 2022

3. ZDNet, Singapore firms struggle to align sustainability goals with business objectives, July 2022

4. The Business Times, Singapore's growth to slow 'below trend' in 2023, dragged down by external-facing sectors: MAS, October 2022

Accelerate your shift towards sustainability

The Singapore government plans to revise carbon taxes progressively from 2024, creating pressure on enterprises to reduce carbon emissions.

With support from the right partners, your business can get a headstart in 2023.

Tap into support schemes, such as DBS' sustainable financing solutions, which allow you to ease into your green transition.

SMEs can combat soaring energy prices by:



Decarbonising



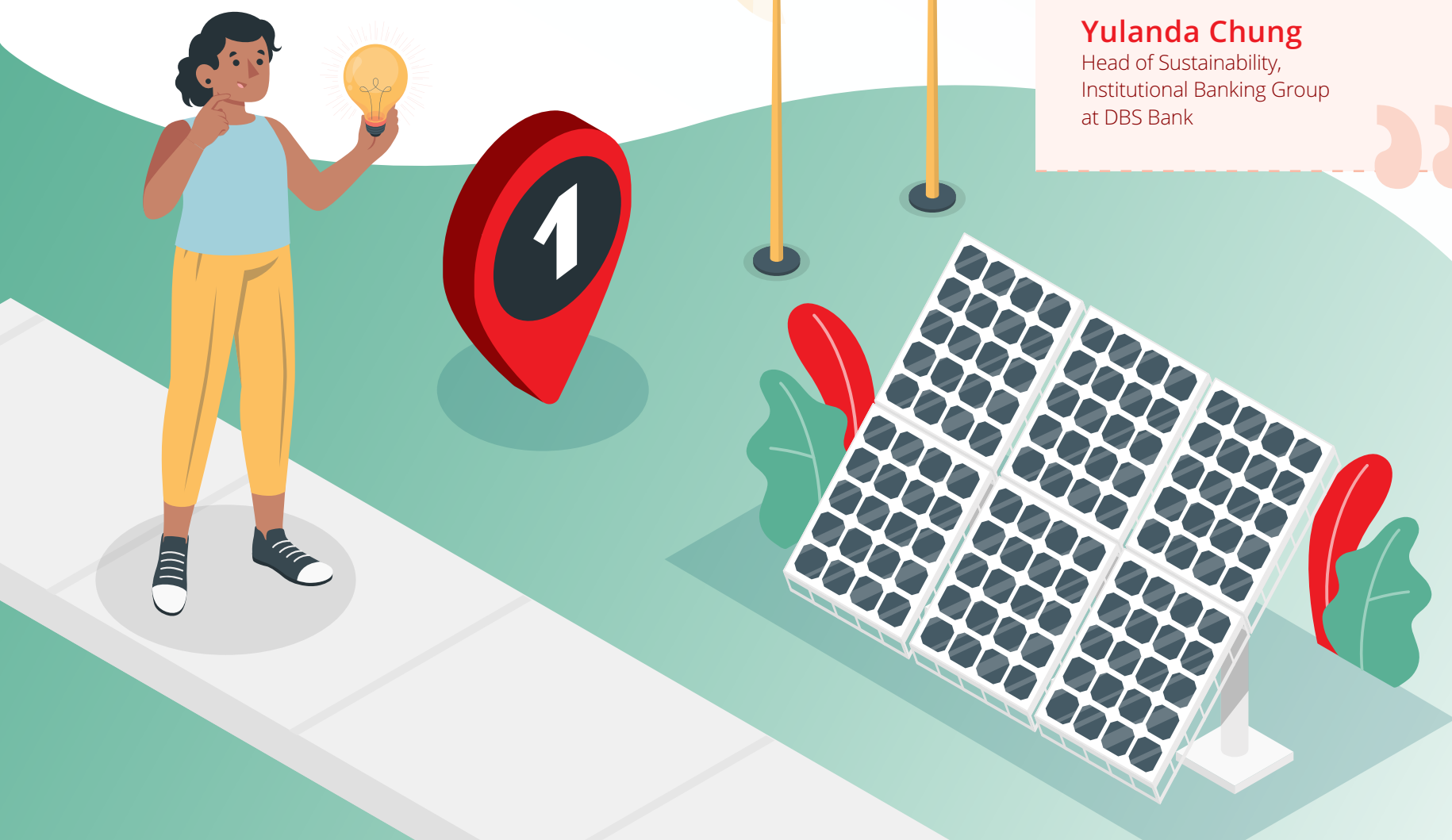
Adopting green alternatives



We believe there will be many opportunities for companies trying to decarbonise. Transition finance can be an area for them to make incremental progress.

Yulanda Chung

Head of Sustainability,
Institutional Banking Group
at DBS Bank



Master digital tools for smarter workflows and decision-making

Businesses that have undergone digitalisation have shown year-on-year growth and resilience in 2022.

It's time for you to do the same.



70% of SMEs

have yet to adopt data analytics.⁵

Boost your bottom line next year by adopting digital tools that can:



Automate your workflow



Generate smart insights from data such as expenses and online orders

Get ahead by adopting data analytics tools to guide your growth.

For instance, DBS IDEAL provides everything from cash management to trade finance solutions in one convenient dashboard.



DBS IDEAL offers intelligent and intuitive business banking for SMEs. It lets businesses access digital banking and cash management tools all from a single dashboard; from checking account balances, giving payment approvals, and paying salaries and suppliers.

Gene Wong

Managing Director and Country Head of Business Banking at DBS Bank

5. The Business Times, 70% of SMEs have not adopted data analytics, with most only familiar with spreadsheets: poll, October 2020

Offer flexible work arrangements and upskilling opportunities

This New Year, don't forget to update your talent attraction strategies as preferences for work arrangements are shifting.



Over 40%
of Singaporean workers
prefer to accept jobs with
flexible hours and
work-from-home options.⁶

To give your team greater flexibility, consider setting up hybrid work arrangements.

The growing importance of digitalisation and sustainability also makes it necessary to upskill your employees.

Help your team expand their knowledge in areas like:



Digital solutions



Green business initiatives



Crisis planning



Financial literacy



By building a culture of inclusion, you can harness the power of a diverse workforce to succeed in this complex, interconnected world and create impactful outcomes for business.

Susan Cheong

Managing Director and
Head of Talent Acquisition and
Talent Management at DBS Bank

Fortify your cash flow and diversify income streams

Inflation shows signs of slowing, but will remain relatively high in 2023.

Singapore's GST rate is also set to increase to 8% from 1 Jan 2023, impacting consumer spending and business expenses.

Singapore-based SMEs will need to capitalise on cash flow management tools to tackle a challenging year ahead.

Beyond staying financially prudent, think about creating new ways to attract consumer spending and diversify your offerings.

For instance, you can:

In response, consumers are:⁷



Cutting consumption



Reducing travel



Opting for affordable alternatives



Cater to growing customer demand for eco-friendly products



or

Align with the sustainability goals of larger companies.



Whatever your industry or stage of business, cash flow management is very important. Having fast, easy access to working capital at the right time can help your business stay resilient against uncertainty.

Joyce Tee

Group Head of SME Banking
at DBS Bank

7. The Straits Times, Singaporeans ready to rein in spending as they see high inflation persisting: Survey, June 2022

Develop a contingency plan

Persistently high inflation could result in a full-blown recession in the world's major economies.



Experts have flagged the possibility of a recession in **2023**.

Given the uncertain economic climate, businesses need to stay **nimble** and **responsive** to market disruptions.

Develop contingency plans for alternative suppliers, internal teams and customer engagement channels, to boost your business resilience in 2023 and beyond.



Disruption also comes with opportunities. Companies that can adapt to the new normal will succeed.

Irvin Seah

Senior Economist at DBS Bank

2023 Goals

The new year brings new opportunities for growth.
Stay ahead of the curve.

Kickstart your resolutions with
DBS SME Banking today.

