

# BUSINESS FINANCE

## OPTIMIZING YOUR BUSINESS: CLEARING THE CLUTTER TO SAVE MONEY

As business owners, we get caught up in the day-to-day grind of running our companies, but how often do we step back and think about optimizing the business itself? Whether it's inventory, software, or resources, taking time to streamline can make a real impact. Let me walk you through a few examples to highlight what I've seen.

### The Cost of Excess Inventory

Recently, I was at a networking event and spoke with Stan, a long-time business advisor. He shared a story about one of his clients, a product-based business with a rigid "no-discount" policy. The owner refused to run sales, which, on the surface, seemed like a strong stance on brand integrity. However, it created a significant problem—overstock.



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With unsold products piling up, the business had to dedicate precious warehouse space to items that just weren't moving. This created a costly cycle of warehousing inventory, which could have been avoided if the business had cleared out low-selling stock more aggressively.

Contrast that with another product-based company I worked with a few years ago, which had a much more employee-focused approach. Each Thanksgiving, they hosted a company-wide celebration, shutting down the warehouse for a catered feast. It was a great morale booster. But they didn't stop there—they also used the opportunity to turn excess inventory into a win for their employees.

The company held an exclusive employee-only Christmas sale, offering discounted items that had been sitting in the warehouse. Not only did this clear out unwanted inventory, but it also gave employees a chance to buy holiday gifts at unbeatable prices. This simple event freed up valuable space while enhancing employee satisfaction—a win-win all around.

### Inventory Costs: More Than Just the Products

What's the lesson here? Excess inventory isn't just a product problem—it's a space problem, too. Even if you own your facility, you're still paying a cost for storing things that don't sell. The more clutter you have, the more you limit space for higher-demand items. And when you hit capacity, the expenses don't stop. Businesses often find themselves spending thousands on additional storage—racking systems, leased space, you name it—just to accommodate stock that shouldn't be there in the first place.

The same principles apply to other areas of your business.

### Reducing Software Redundancies

Think about your business software.

Over the years, many companies adopt various software tools, often without fully transitioning from one to another. It's easy to end up paying for multiple systems that essentially do the same thing—duplicating costs without realizing it. This is another area where businesses can bleed money unnecessarily.

In today's market, consumer apps are popping up that help people cancel unused subscriptions. We're starting to see the same thing in the commercial space. Companies are taking a hard look at software redundancies, trimming excess, and optimizing their operations.

### A Smarter Approach to Business Costs

What can we take away from all of this?

Whether you're managing your inventory or your software, stepping back and doing a thorough evaluation can uncover major inefficiencies. The key is to audit what you have—whether it's products, software, or other resources—and decide what's truly necessary.

When you eliminate the waste, you free up space—both physically and financially. That allows you to invest in growth, innovation, or simply improving employee satisfaction. At the end of the day, taking a proactive approach to managing your resources—whether inventory or systems—can make all the difference. It's about more than saving money. It's about running a smarter, more efficient business.

If you'd like to explore how *CFO On The Go* can help you optimize your business, feel free to reach out to me at (737) 314-0060.

*Jeff Solomon is the founder and owner of [CFO On The Go](http://CFOOnTheGo.com), a fractional CFO practice. CFO On The Go provides affordable, part-time CFO services to multiple companies allowing business owners and decision makers access to high level, financial leadership.*