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How Business Leaders are Positioning Their Companies Amid Mixed Recession Views

(BPT) - By Ginger Chambless, Head of Research, JPMorgan Chase Commercial Banking

Halfway through 2023, views on whether a recession is likely to occur before year-end are mixed. JPMorgan Chase's 2023 Midyear Business Leaders Outlook survey found that 45% of business leaders anticipate a recession in 2023 or believe the economy is currently in one, down from 65% at the beginning of the year. However, 36% don't expect a recession to happen, and 20% are unsure.

JPMorgan Chase recently surveyed U.S. midsize business leaders to understand their economic outlook and business challenges heading into the second half

of the year, as well as how they plan to navigate the evolving landscape.

While stronger-than-expected economic growth to start the year may have impacted business leaders' conviction of a recession, they continue to face ongoing macroeconomic challenges - including persistent labor shortages, inflation and increased competition - posing headwinds to their companies.

Preparing for uncertainty is never far from the minds of business leaders. The Midyear Business Leaders Outlook survey uncovered three ways they are positioning their companies for success.

1. Increasing Efficiencies

Particularly since the COVID-19 pandemic, business leaders have sought out greater efficiencies by investing in software and modernizing business processes to better facilitate collaboration and streamline operations. The rise of new and emerging technologies like artificial intelligence (AI) has increasingly moved onto business leaders' radars.

The survey found that nearly 4 in 10 business leaders (38%) are already using or considering using AI tools, such as generative AI and language processing software. For businesses that have adopted or are considering adopting AI tools, more than half (53%) are integrating them into business operations, and 46% are tapping them for internal and/or external communications.

2. Adapting to Inflationary Pressures

U.S. inflation surged to a 40-year high of more than 9%, measured by the Consumer Price Index, at the midway point of 2022. This measure of inflation has moderated to 3% year-over-year as of June, marking a new two-year low. Still, rising wages and higher interest rates continue to pose challenges for business leaders. Labor markets remain tight and borrowing costs have risen sharply over the past year amid the fastest Fed hiking cycle in decades. Nearly 7 in 10 business leaders (68%) think the Fed has done enough to tighten monetary policy and should pause rate hikes in the current economic landscape.

While inflation is slowing, most business leaders aren't yet seeing lower prices. In fact, nearly 8 in 10 business leaders (79%) say their costs of doing business have risen in the past six months.

While that is down compared with 91% at the beginning of 2023, inflation remains the single greatest factor in pricing decisions that ultimately influence the bottom line. As a result, businesses are passing higher costs on to consumers, as three-quarters of respondents (75%) say they're likely to continue raising prices for goods and services.

3. Preparing for the Unexpected

Business leaders have demonstrated impressive resilience and adaptability despite new and ongoing challenges. The majority are confident in their company's performance in the year ahead; yet, their confidence in the global and national economy remains tempered - just 15% of respondents are optimistic about the global economy, and fewer than 3 in 10 respondents (29%) are bullish on the national economy, though up from 22% at the start of the year.

As business leaders focus inward to shore up their own performance, many are planning to introduce new products and services (53%) and prioritize their most profitable products (42%) over the next 12 months. Other considerations for enhancing a company's stability include maintaining strong liquidity and adequate cash balances.

Visit jpmorgan.com/midyear-outlook for more information on the 2023 Midyear Business Leaders Outlook survey.

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3 Ways AI Can Save Small Businesses Time and Stress

(BPT) - Generative AI is creating an extraordinary amount of buzz, and it's catching the interest of people wondering how to take advantage of what it has to offer. If you're a small-business owner, you're likely curious about how it can help you grow and succeed, especially as your business becomes more complex.

Beyond the initial start-up phase, there are some clear indicators that your business is beginning to scale. For example, you may be expanding your online sales channels or in-person locations, hiring more employees, and increasing your inventory - all of which demand more of your time. It's critical to prepare yourself with the best tools and technology for continued success.

Turning to AI tools that are in products like Intuit QuickBooks can help automate tasks that would otherwise need to be done manually - freeing up your time to focus on what really matters to you.

Work smarter, not harder

Almost all small-business owners note that they are turning to AI to help them automate low-level tasks, according to a recent Intuit QuickBooks Small Business Survey. They plan to adopt AI to help with marketing and content creation, analyzing customer trends and behaviors, and customer service support. Another 28% plan to adopt AI tools for managing cash flow and 24% say they want to use AI to automate low-level tasks.

"The number one question I'm asked by our customers is 'How do I ensure the success of my business?'" said Kelly Vincent, a VP of the Small Business Group at Intuit. "The short answer is, know where to invest. If ever there was a time to tune in and understand how AI and technology can help

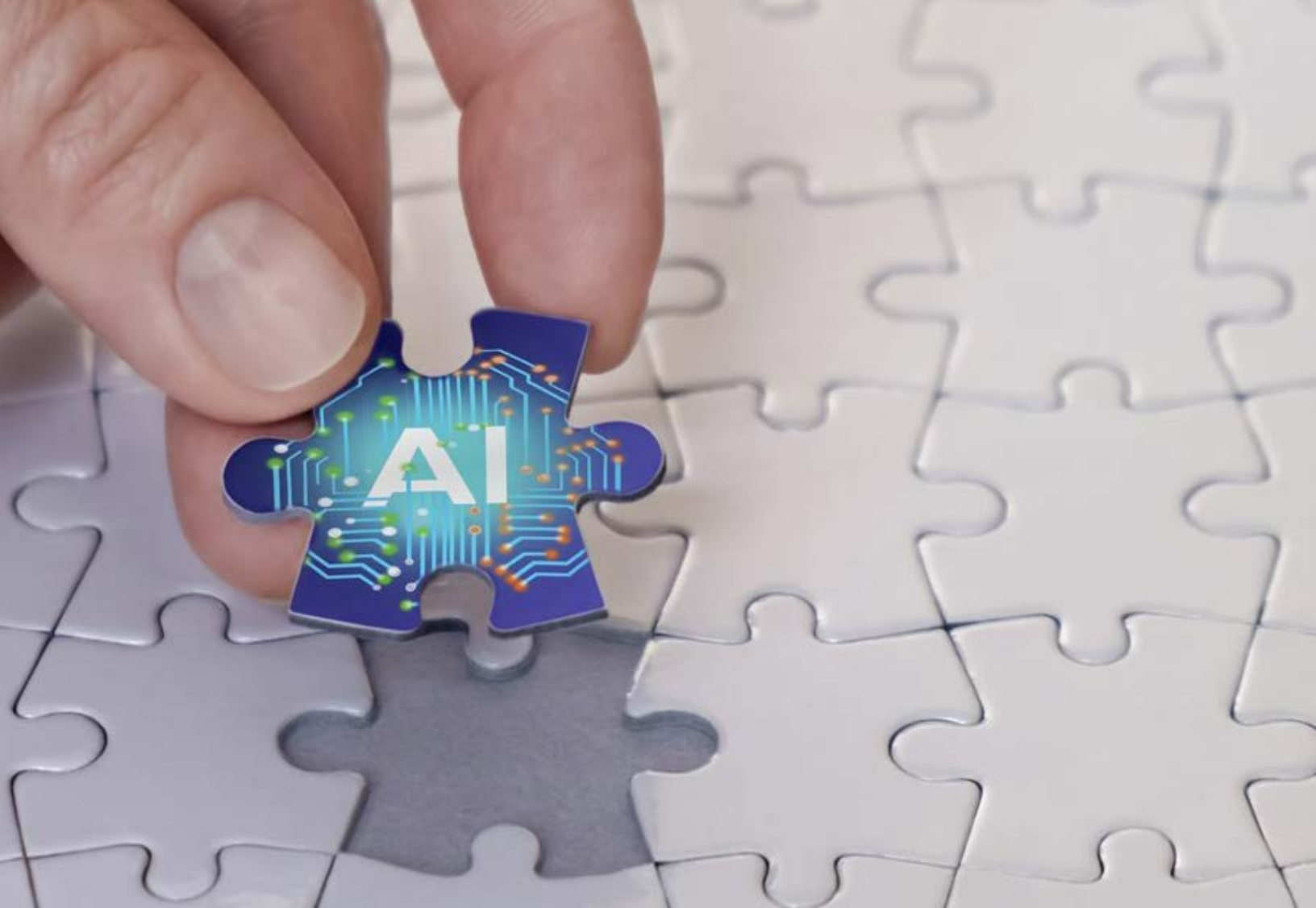


your business, it's now. AI can help reduce the operational burden and automate low-level tasks, leveling the playing field for businesses by giving owners more time and resources to focus on what really matters."

Saving time and streamlining tasks are top reasons why small-business owners adopt AI. Wondering where to start? Here are three examples of how small-business owners are using AI to their advantage:

1. Inventory management

Making sure you have enough inventory at the right time is challenging and time consuming. AI can help analyze your inventory and make recommendations including how often to restock popular items, what items to put on sale to move more product, which items may be worth eliminating and much more.



2. Bookkeeping

Financial management is essential to a business's success. However, most small-business owners don't have a background in accounting or the resources to hire a dedicated accountant. In fact, 47% of small businesses wish they could automate financial reports. Fortunately, the AI features in QuickBooks can automate several accounting and bookkeeping data entry tasks as well as generate reports to inform important business decisions.

3. Marketing

A business can't succeed without customers. Getting and growing customers is equally important to the product or service you offer. Nearly 30% of business owners would like to automate customer engagement and communications, like email marketing and customer support. Intuit Mailchimp has rolled out generative AI capabilities that help small businesses

design on-brand marketing content faster, get copy ideas and inspiration, and test variants to deliver more personalized and engaging content to their customers.

The future is bright

AI helps small-business owners save time so they can focus energy on other key areas of your business like developing more products and services or finding new ways to reach customers. Services like QuickBooks Online Advanced leverages AI to help streamline operations and provide financial management and helpful insights to drive your business forward.

For more than a decade, Intuit has been driving AI innovation to help its customers solve their most important financial problems and drive durable growth for small businesses. To learn more about how the company is empowering small businesses with enterprise AI, visit the blog at [Intuit.com](https://www.intuit.com/blog).

NOTICE OF ANNUAL MEETING OF MEMBERS

The Annual Meeting of the Members of the American Business Association will be held at 12444 Powerscourt Drive, Suite 500A, St. Louis, MO 63131, on Thursday, October 19, 2023 at 12:00 p.m. (CST) for election of Directors and for the transaction of such other business as may properly come before the meeting and any adjournment thereof.

The above notice is given pursuant to the By-Laws of the Association.

PROXY **American Business Association** **October 19, 2023 Annual Meeting of Members** **THIS PROXY IS SOLICITED ON BEHALF OF** **AMERICAN BUSINESS ASSOCIATION**

The undersigned member of the American Business Association does hereby constitute and appoint the President of the American Business Association, the true and lawful attorney(s) of the undersigned with full power of substitution, to appear and act as the proxy or proxies of the undersigned at the Annual Meeting of the Members of the American Business Association and at any and all adjournments thereof, and to vote for and in the name, place and stead of the undersigned, as fully as the undersigned might or could do if personally present, as set forth below:

1. FOR [], or to [] WITHHOLD AUTHORITY to vote for, the following nominees for Board of Directors:
Kim Tuttle, Craig Osterholt, and Jeff Crippen.
2. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Meeting.

This proxy, when properly executed, will be voted in the manner directed by the undersigned member. If no direction is made, this proxy will be voted for the election of directors and officers.

DATED: _____, 2023

Signature _____

Name (please print) _____

Please date and sign and return promptly to the American Business Association, 12444 Powerscourt Drive, Suite 500A, St. Louis, Missouri 63131 whether or not you expect to attend this meeting. The Proxy is revocable and will not affect your right to vote in person in the event that you attend the meeting.

St. Louis, Missouri
September 15, 2023
Date

Lenovo™



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Award-winning service and support

Terms and conditions apply. Visit the association website for complete program details.



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Articles in this newsletter are meant to be informative, enlightening, and helpful to you. While all information contained herein is meant to be completely factual, it is always subject to change. Articles are not intended to provide medical advice, diagnosis or treatment.

Consult your doctor before starting any exercise program.

Thank you for being a valued member of American Business Association!