

ROCHESTER BUSINESS JOURNAL

Part of the BRIDGETOWER MEDIA network

SEPTEMBER 9, 2026

Rochester small businesses adapt to rising costs with strategic planning

■ CAURIE PUTNAM

Small-business optimism remains above its historical average, even as owners contend with rising costs and economic uncertainty. Local advisors across disciplines acknowledge that the challenges facing Rochester-area business owners are real, but say opportunities exist for those willing to adapt, plan ahead and seek the right support.

FINANCING

“Small businesses have experienced a number of rising expenses over the last few years, including labor costs, health care and benefits,” said Charles



Charles Vita

J. Vita, executive vice president and chief lending officer at Canandaigua National Bank.

Depending on the business, higher raw material costs and tariffs can add to the pressure, while the ability to pass those increases along to customers is limited.

“They’re getting squeezed a bit on the expense side of things, and there’s only so much price increase that can be absorbed in the marketplace,” Vita said.

Jonathan Thomas, CFP, founder and financial planner at JQL Wealth, also pointed to inflation, tariffs and a shortage of qualified workers. Health insurance is another significant expense, he said, and can discourage



Jonathan Thomas

prospective entrepreneurs from starting a business.

“Don’t be afraid to raise prices to protect your margins,” Thomas said. “If your costs are climbing, some of that has to be

passed along to the customer, the key is knowing your numbers well enough to do it thoughtfully rather than guessing.”

Kevin McCormack, Buffalo and Rochester business banking market leader at KeyBank, said uncertainty is also affecting decisions about growth and profitability. Workforce pressures, including the cost of finding and retaining employees with specialized skills, add another layer of financial complexity.

“My advice is to be proactive rather than reactive,” said McCormack, who encourages owners to regularly revisit financial plans, cash-flow forecasts and growth assumptions so they can respond to changing conditions and take advantage of opportunities.

He also recommends leaning on advisors rather than trying to manage every aspect of the business alone.

“Owner Operators are often playing the role of the ‘Chief Everything Officer’ – they are ingrained in the day-to-day operations,” McCormack said. “But there are folks that can help especially when it comes to streamlining cash flow.”



Kevin McCormack

Vita said lenders can help businesses improve cash flow by customizing debt structures, including amortization schedules, prepayment flexibility and interest-rate hedging.

Cash-management tools can also help companies manage how money comes in and goes out.

He recently worked with a manufacturer facing significant financial pressure. By putting a longer-term debt structure in place, the bank helped improve the company’s cash flow.

“I can’t emphasize it enough for these small businesses to sit with their lender and have that conversation on debt structure and cash flow,” Vita said.

Thomas similarly recommends surrounding the business with a strong CPA and financial advisor who can identify blind spots and provide meaningful value.

Despite the pressures, all three see reasons for optimism. Thomas pointed to strong community support for local businesses and technology that can help owners work more efficiently. At Chicke, the Pittsford baby boutique owned by his wife, Stephanie, Claude connected through Shopify helps generate inventory reports and identify products that are selling or may need to be discounted.

"There's never been more opportunity to get better and faster at your job if you're willing to harness the tools available today," Thomas said.

Vita is encouraged by growth in manufacturing, advanced manufacturing and distribution across Upstate New York, including major projects that can create opportunities for smaller businesses.

McCormack also sees momentum in Rochester's technology ecosystem, advanced manufacturing and the NY SMART I-Corridor, along with entrepreneurs continuing to invest in new products, improve efficiency and explore new markets.

"Rochester has a strong culture of entrepreneurship and collaboration, and business owners are finding creative ways to position themselves for long-term growth," McCormack said. "That's a positive sign for the region's economy and for the small business community as a whole."

MARKETING

Finding growth opportunities also means finding effective and intentional ways to reach customers, often with limited resources.



Jonathan Ghent

"In tough economic times, marketing, communications and public relations are often among the first areas to face budget cuts," said Jonathan Ghent, founder and CEO of WritLarge PR LLC. "Yet these functions can be among the most important investments for maintaining visibility, strengthening relationships and positioning organizations for long-term success."

Michelle Ashby, founder and CEO of Tipping Point Communications, said owners are facing pressure to do more with less as costs rise, customer expectations increase and

the marketing landscape becomes more fragmented.

"Small business owners are trying to make smart decisions about where to invest their time and money while keeping up with AI, social media, search, email, video, reputation management, and changing customer behavior," Ashby said.

Ghent said businesses are also competing for attention in an environment where consumers move across multiple platforms and increasingly tune out messages that feel excessive or irrelevant. Communicating more frequently is not necessarily the answer.

"Organizations need to communicate 'why it matters' more strategically and give audiences a reason to pay attention," he said.



Michelle Ashby

Ashby sees differentiation as another major challenge. AI has made content easier to create, but it has also made it easier for businesses to sound alike.

"Small businesses need to be clear, human, and specific about who they are, who they serve, and why customers should choose them," she said.

To make the most of limited resources, Ghent recommends measuring and reporting marketing results, including website traffic, social media engagement and event attendance. Demonstrating a return on investment can help businesses make informed decisions about where to spend and build a case for continued investment.

He also encourages businesses to embrace brevity. Ghent often recommends *Smart Brevity: The Power of Saying More with Less*, a book by Axios co-founders Jim VandeHei, Mike Allen and Roy Schwartz, as a guide to making communications clearer and more memorable.

"More often than not, less is more," Ghent said.

Ashby similarly advises businesses to resist the pressure to chase every trend and instead focus on the fundamentals: understanding their customers, communicating clearly, showing up consistently, protecting their reputation and making it easy for people to take the next step.

"Marketing does not have to be complicated, but it does have to be intentional," she said.

Both see opportunities for small businesses that can build genuine connections with their audiences. Ashby said customers increasingly want to know who they are buying from, what a business stands for and why it matters.

"This creates an opportunity to build trust in ways that larger companies often struggle to do," she said.

Technology is also making sophisticated marketing tools more accessible to smaller companies, allowing them to reach targeted audiences, create content and measure results without the budgets once required.

Ghent is optimistic about the opportunities for local businesses and nonprofits to tell stories that reflect their missions and contributions to the community.

"Despite the challenging economy, brands that master the art of storytelling while staying true to their mission and core values are winning hearts, changing minds, and achieving phenomenal results," he said.

LEGAL

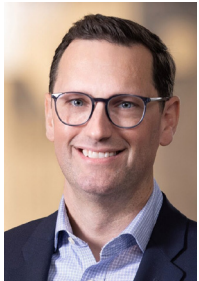
Beyond attracting customers and building a brand, small-business owners must also navigate the legal demands of running and growing a company. Finding appropriate counsel to help with those matters can be a challenge of its own.

"The lack of affordable, but sophisticated legal counsel for small business owners is a big issue," said

Alson James McKenna, a partner at Phillips Lytle.

McKenna said the number of attorneys with a small-business focus in the Rochester area has been steadily decreasing. Younger attorneys interested in business law are often moving to larger firms whose rates may be beyond what small businesses can afford, while experienced attorneys in solo practices or smaller firms may lack the capacity to provide the level of attention owners need.

“The few remaining business-oriented counsel in solo practice or with smaller firms whose knowledge would bring value to business owners are often operating without the capacity to dedicate the time necessary to provide that value-add,” he said.



Alson James McKenna

For owners seeking legal assistance, McKenna recommends being realistic about the scope, time and cost of the work involved. Matters such as real estate purchases, business acquisitions, start-up ventures and expansions can require more extensive due diligence than owners anticipate.

“Often we see business owners who do not anticipate the time and cost that standard legal matters require,” he said.

Despite those challenges, McKenna sees opportunities in the financing resources available to small businesses. Local lenders are expanding services for small and emerging middle-market companies, he said, while the U.S. Small Business Administration continues to refine its loan programs to make them easier to understand and broaden eligibility.

McKenna said the availability of programs, products and services that provide targeted support for small businesses can create oppor-

tunities for viability and growth as owners navigate changing economic conditions.

ACCOUNTING

Keeping up with increasingly complex tax laws, regulatory requirements and compliance obligations is one of the biggest challenges facing small businesses today, according to Kristina Stamatis, CPA, partner at MMB+CO.

“The pace of change continues to accelerate, making it difficult for business owners to stay informed while also focusing on running their business,” Stamatis said.

Cash flow is another concern. Many businesses are profitable on paper but still experience constraints as they invest in growth, inventory, equipment or staffing. Stamatis said owners sometimes view the need for a line of credit as a negative, when it can be a valuable tool for supporting strategic growth and maintaining flexibility.

Krystal Zawodzinski, principal in the Small Business Advisory Group at The Bonadio Group, also pointed to cash flow as a major challenge. Rising payroll, insurance, inventory, supply and borrowing costs are putting pressure on businesses, while owners often struggle to find time to keep their financial records current.

“The problem is that when the numbers aren’t current or accurate, it becomes much harder to make informed business decisions,” Zawodzinski said.

Both accountants recommend a proactive approach. Stamatis encourages owners to develop budgets, cash-flow forecasts and scenario plans with trusted advisors and Zawodzinski recommends reviewing financial statements, cash flow and key performance indicators each month.

“Business owners should shift their focus from simply looking at historical financial results to proactively planning for the future,” Stamatis said.



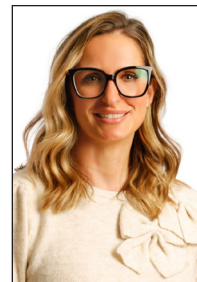
Kristina Stamatis

Trusted advisors can also help owners interpret financial information, navigate regulatory changes and identify opportunities. Stamatis recommends treating accountants, attorneys, bankers and other professionals as year-round strategic partners rather than resources they engage only during tax season.

Zawodzinski similarly encourages owners to seek guidance throughout the year instead of waiting until a problem arises.

“Too often, I see owners waiting until a problem arises instead of having proactive conversations throughout the year,” she said.

Despite the challenges, both see opportunities in technology. Cloud-based accounting systems, AI and other digital tools can provide more timely information, improve efficiency and make it easier for owners and advisors to collaborate.



Krystal Zawodzinski

“These tools provide real-time information, improve efficiency, and allow for more timely collaboration between business owners and their advisors,” Stamatis said.

Both also pointed to the resilience of small-business owners who have continued to adapt through inflation, supply chain disruptions, labor shortages and economic uncertainty.

“The businesses that tend to be the most successful aren’t always the largest or fastest growing,” Zawodzinski said. “They’re the ones that understand their numbers, stay adaptable, and aren’t afraid to ask for help when they need it.”