

RESILIENCE IN UNCERTAIN TIMES:

Financial strategies for sustainable growth

Author: John Glover, Senior Executive Vice President, Head of Commercial Banking

Economic uncertainty is the “new normal” in business today. Market volatility, geopolitical tensions, regulatory shifts, and rapid technological change are reshaping the business landscape almost daily. For mid-level managers, the challenge is clear: be adaptable and resilient. This requires proactive financial strategies and trusted partners who can help navigate the complexity of the modern business world.

We’ve seen how uncertainty can shake businesses of every size, but we’ve also seen what makes the difference. When companies are prepared and backed by strong partnerships, they don’t just react to disruption—they move through it with clarity and confidence.

Uncertainty widens the range of possible outcomes, making forecasting difficult. Managers who spot early warning signs like rising input costs, tightening credit conditions, foreign exchange swings, or softening demand can adapt before earnings and cash flow are affected. Regulatory changes and everchanging cybersecurity risks add further layers of exposure, underscoring the need for vigilance.

Managing Through Volatility

From small businesses to global enterprises, navigating today’s volatile environment requires early warning systems, disciplined cash management, and scalable strategies tailored to each stage of growth.

- **Small businesses** often face the greatest vulnerability. Limited access to capital and a narrow customer base makes cash flow disruptions especially impactful. Accelerating receivables, tightening credit terms, and maintaining cash reserves are essential.
- **Mid-sized companies** balance growth ambitions with risk management. Clear treasury policies, diverse funding sources, ongoing cash flow forecasting, and targeted hedging strategies all help reduce the impact of interest rate changes and commodity price volatility.
- **Large companies** face complex challenges—from managing global supply chains to complying with regulations across multiple countries. Their ability to stay resilient depends on streamlining cash management, efficiently moving funds between business units, and regularly testing their financial strength under pressure.

For mid-level managers, resilience is built on disciplined practices that scale with business size and complexity.

Four Pillars of Resilience

Resilient businesses share a common foundation built on four pillars:

1. **Liquidity Management** – Maintain rolling cash flow forecasts, optimize working capital, and set clear liquidity buffer thresholds. Treasury centralization and proactive monitoring of bank exposures strengthen this position.
2. **Diversified Financing** – Reduce reliance on any single source of capital. A balanced mix of revolving credit lines, term loans, asset-based lending, and leasing avoids refinancing risk. Staggering maturities and cultivating strong lender relationships provide flexibility when markets tighten.
3. **Risk Hedging** – Protect margins from adverse movements in interest rates, foreign exchange, and commodity prices. Evaluate fixed-to-floating debt mix, identify natural currency hedges, and implement structured programs for material exposures. Clear policy frameworks and governance oversight are critical.
4. **Stress Testing** – Model downside scenarios to pre-plan responses. Simulating revenue declines, cost inflation, and rate shocks helps identify operational levers—such as deferring capital expenditures or renegotiating covenants—before conditions deteriorate.

Why Experience Matters

In times of uncertainty, working with experienced professionals isn't just comforting—it's a competitive advantage. The right financial partner serves as a strategic guide through economic cycles, global disruptions, banking sector volatility, and sweeping changes in interest rates and regulations.

A seasoned banking partner offers far more than access to credit. Treasury services help optimize liquidity, customized financing structures enable diversification, and risk management programs protect against market swings. Advisory teams bring deep industry insight, helping shape policies around capital structure, liquidity, and risk.

These capabilities are further strengthened by powerful digital tools. From real-time dashboards and automated workflows to predictive analytics, these tools equip managers to act faster and with greater confidence.

A Case in Point

Resilience is more than a theory—it's proven in measurable outcomes. The following example shows how disciplined financial strategies, combined with the right banking partnership, can transform volatility into opportunity.

A mid-sized manufacturer faced rising input costs and inconsistent demand. By working with their banking partner, the company accelerated receivables, introduced supply chain finance, and added an asset-based lending facility—unlocking borrowing capacity and reducing pressure on working capital.

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The banker also guided the company through interest rate swaps to reduce exposure to floating rates and helped design a commodity hedging program to stabilize input costs. Stress testing revealed triggers for deferring non-critical capital expenditures. Within nine months, the manufacturer shortened its cash conversion cycle, reduced interest expense variability, and preserved covenant headroom—positioning itself for selective investment despite ongoing volatility.

Moving Forward with Confidence

In today's uncertain economic climate, business leaders are rethinking how they manage risk, access capital, and plan for long-term growth. From navigating interest rate volatility to adapting to shifting consumer demand, success depends on financial strategies that are both agile and grounded.

Commercial banks play a vital role in this process by providing not only funding, but also insight, structure, and partnership. When capital planning is aligned with operational goals and market realities, businesses are better positioned to build resilience, maintain adaptability, and capture opportunity. In a world defined by constant change, the right financial guidance is not only protection but a catalyst for sustainable success.

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