



# How Cash-Flow Tools Can Transform Small-Business Digital Banking

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Effective cash management is key to small businesses' success, but it is meaningless without an understanding of future cash-flow projection. Businesses often deal with seasonality and sales downturns, late-paying customers, and unexpected expenses. Without a forward-looking view of cash flow, it can be difficult to plan for payments to creditors and employees, potentially endangering the viability of the business. Alternatively, a lack of insight into future balances can cause small businesses to leave potential investment revenue opportunities on the table. Unfortunately, the majority of small businesses do not have internal or external expertise in cash-flow projection, and banks are not much help today. This report explores the variety of opportunities available to innovative banks and third-party providers to help small-business clients by incorporating cash-flow analysis and projection into digital solutions.

## Key questions discussed in this report:

- How important is cash-flow projection to small businesses?
- How are small businesses undertaking cash-flow projections today?
- How does cash-flow forecasting functionality impact bank selection?
- What cash-flow projection functionality do banks offer small businesses?
- What companies offer cash-flow projection solutions for small businesses?
- What cash-flow projection functionality should FIs prioritize to attract and retain small businesses?

The data in this report was primarily collected from a random-sample, nationally representative survey of 1,000 business owners and decision-makers conducted in May 2018. Businesses in the survey had a revenue range of \$100,000 to \$10,000,000.

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