

4 Ways to Use Your Cash Flow to Grow

In fast-growing companies, managing cash flow is a never-ending challenge. Use this four-point plan to prioritize where your cash flow goes and build a stronger company.

1

MANAGE YOUR EXPENSES

When your company is in growth mode, your spending priorities evolve as the business does. You may have changed the way your company operates or have new expenses. A review of how you allocate cash could reveal opportunities to reduce costs.



69%

of CEOs plan to reduce the size of their office space as more employees work remotely¹



30%

of people who use software to automate repeatable process, like email marketing, lead capture and scheduling, say it saves the company money²

TAKEAWAY Saving in some areas can allow you to free up money for other parts of your business.

3

INVEST IN REVENUE-GENERATING AREAS

Cutting costs across the board may seem like a good idea when cash is tight, but that may prove counterproductive. Sometimes, you have to spend money to make money.



59%

of businesses say email marketing generates their greatest return on investment⁵



57%

of consumers started buying from a new local business because it offered pandemic-friendly services like curbside pickup, delivery and contactless payment⁶

TAKEAWAY Identify one or two areas with the potential to boost revenue, such as doing more marketing or adding another service, and invest in them. When you see the results, look for more opportunities. Keep in mind it can take time for that new revenue to appear.

2

SHORE UP CASH RESERVES

While most businesses in a recent U.S. Chamber of Commerce survey have re-opened, the pandemic took its toll and cash flow reserves are low. So, if you've had to tap your cash cushion, you're not alone.

86%

of small businesses report that they are fully or partially open³

<2 weeks

The median business with monthly expenses over \$10,000 doesn't have enough cash on hand to cover two weeks of spending⁴



TAKEAWAY Rebuild your cash reserves by using the money you're saving from managing expenses—and whatever other cash you can earmark—to replenish reserves.

4

FUEL YOUR FUTURE

Your company vision for the future should shape your spending decisions today. Think about what your company needs to grow. Tough times pass. Be ready when they do.

54%

of small and midsize businesses plan to hire in 2020—even during the pandemic⁷

58%

of small and midsize businesses are investing in collaboration software to ensure business continuity⁸

TAKEAWAY Manage your spending so you are able to invest in the resources, technology and people you need to make your business grow stronger and be ready for the turnaround.

For more information about how your business can thrive during challenging times, talk with your business banking specialist.

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¹KPMG <https://home.kpmg/xx/en/home/insights/2020/08/global-ceo-outlook-2020.html>. ²Zapier <https://zapier.com/blog/automation-index-q3-2020>. ³U.S. Chamber of Commerce <https://www.uschamber.com/report/july-2020-small-business-coronavirus-impact-poll>. ⁴Harvard Business Review, A Way Forward for Small Business, April 2020. <https://hbr.org/2020/04/a-way-forward-for-small-businesses>. ⁵EMMA, 2018 State of Email Marketing Report. <https://myemma.s3.amazonaws.com/assets/files/content-download/emma-email-marketing-industry-report-2018.pdf>. ⁶Podium <https://learn.podium.com/eb-state-of-local-business>. ⁷Paycor <https://www.globenewswire.com/news-release/2020/08/06/2074266/0/en/New-Research-from-Paycor-Finds-54-of-Small-to-Medium-Sized-Businesses-Plan-to-Hire-in-2020.html>. ⁸Channel Futures <https://www.channelfutures.com/channel-research/impact-on-it-investments-by-small-and-medium-businesses>. ⁹TriNet/The Harris Poll <https://www.trinet.com/eguide/business-resiliency-preparedness>.