

# The importance of working capital to business success.

Easier access to working capital allows Australian businesses to navigate today's challenging trading conditions and drive the ongoing economic recovery.



## The reality

Demand for working capital is rising



65% of businesses accessing extra finance in second half of 2021 are planning to **use for cashflow or working capital**.<sup>1</sup>

1.9% - labour costs rose by this amount in the 2021 June quarter, **the fastest rate of increase since 2010**.<sup>2</sup>

2.1% - purchase costs rose by this amount in the 2021 June quarter, the fastest rate of increase since 2008.<sup>2</sup>



## The obstacle

Traditional lending criteria can be problematic



"We've seen a generational change in business ownership. Not a lot of younger business owners have **access to home equity to secure business lending**, so securing against business assets is increasingly important."



**Andrew Speers**

CommBank General Manager, Working Capital

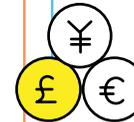


## The opportunity

The top three benefits of flexible access to working capital



1. It **strengthens business finances**.
2. It expands credit to allow **bringing on new customers** without impacting cashflow.
3. It **removes the risk of a cashflow crisis** if a customer is late to pay.



This is part of the CommBank Foresight Spotlight Series, helping guide Australian businesses towards a stronger economic future. To read more, visit [commbank.com.au/foresight](https://commbank.com.au/foresight)

### Things you should know

<sup>1</sup>ACA Research, COVID-19 Small & Medium Enterprise Sentiment Tracker, Wave 30, August 2021.

<sup>2</sup>CommSec Economic Insights, 13 July 2021.

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