

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**.¹

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

2.1% - purchase costs rose by this amount in the 2021 June quarter, the fastest rate of increase since 2008.²



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

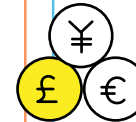


The opportunity

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

Things you should know

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

²CommSec Economic Insights, 13 July 2021.

This infographic is intended to provide general information of an educational nature only. It does not have regard to the financial situation or needs of any reader and must not be relied upon as financial product advice. You should consider seeking independent financial advice before making any decision based on this information. The information in this infographic and any opinions, conclusions or recommendations are reasonably held or made, based on the information available at the time of its publication but no representation or warranty, either expressed or implied, is made or provided as to the accuracy, reliability or completeness of any statement made in the articles. Commonwealth Bank of Australia ABN 48 123 123 124. AFSL and Australian Credit Licence 234945.