

# Know The Flow: Cash Is Critical To Small Business Survival

- One out of three fail, often due to poor money management
- PNC's Cash Flow Insight enables owners to analyze and project their cash flow
- Advice: Have a plan to keep the money coming in faster than going out

PITTSBURGH, April 19, 2013 /PRNewswire/ -- One out of every three small businesses fails within the first two years, often due to poor financial management. Cash Flow Insight(SM), new from PNC Bank, provides owners with an online view of their cash position to anticipate potential shortfalls and stay ahead.

"Many small businesses struggle with planning and knowing what money is coming in and what's going out," said Josh Jones, president of an accounting and tax services firm in Pittsburgh. "Whether it's the rent or utilities, Cash Flow Insight saves me time, shows me where the money is going and helps me to create a plan and work towards it."

Cash Flow Insight, which expands upon PNC CFO: Cash Flow Options, is now available in all PNC regions. Accessible via PNC business online banking, the suite of online tools enables owners to make more informed decisions on purchases, hiring a new or seasonal employee or reinvesting cash back into their business as well as forecast for the future. Key features include (with more functions to be added later this year):

- **Timeline:** View your future cash position based on incoming and outgoing cash over time; see alerts for potential cash shortfalls
- **Trend:** Track and compare performance month-to-month for prior, current and next year; plan for this year and next
- **Cash In:** Track expected incoming money (receivables)
- **Cash Out:** Track outgoing payments (payables) you have scheduled or anticipate making

"The most anxious moments for small business owners typically aren't about making a profit – it's being short on cash," said Jeff Schmidt, who leads PNC Bank's business banking division. "Similar to Virtual Wallet<sup>®</sup> and Wealth Insight<sup>®</sup>, this is another example of how we can leverage technology to help our customers more easily achieve their financial goals."

## Manage Cash Peaks and Valleys

Schmidt said the key to managing a business is being able to analyze cash flow performance "so you can quickly figure out how to adjust to day-to-day changes and recognize trends." He added an effective approach will include three elements:

1. **Liquidity Plan:** Create a simple cash forecast to predict when payments will come in and go out.
2. **Receivables Strategy:** To accelerate payments coming in, give customers multiple payment options and motivate them to pay on time, e.g., offer discounts for early payments or penalties for late ones.
3. **Leverage Technology:** There are more options than ever before to make your cash flow processes more efficient

and effective, including online bill pay and payroll as well as remote deposit and merchant services.

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